

FLORIDA PUBLIC SERVICE COMMISSION

Item 3

VOTE SHEET

October 11, 2016

FILED OCT 11, 2016
DOCUMENT NO. 08127-16
FPSC - COMMISSION CLERK

Docket No. 150269-WS – Application for limited proceeding water rate increase in Marion, Pasco, and Seminole Counties, by Utilities, Inc. of Florida.

Issue 1: Should the Utility's requested increase associated with the Pasco County Interconnect Phase II be approved?

Recommendation: Yes, as modified by staff.

The Commission should approve a water rate increase of \$47,836 (or 5.45 percent) which is driven in large part by the expense related to the retirement of the abandoned wells, and the purchased water expense, pursuant to the Bulk Water Agreement with Pasco County (Attachment A of staff's memorandum dated September 29, 2016).*

In addition, the estimated \$200,000 net cost to retire the abandoned wells, as well as the use of the hydro tank and its \$5,000 salvage value, should be reviewed in the forthcoming consolidated rate case in Docket No. 160101-WS.

Further, UIF should be directed to provide secondary water quality results for portions of its Summertree distribution system at least every six months. Samples should be taken from the same sites labeled "nearby system site" shown in Appendix A of the CPH Engineering Report for consistency purposes. Such results should be filed with the Commission for informational purposes. The first report should be filed no later than ~~two months~~ ^{30 days} after the completion of the interconnection with Pasco County. **

Pursuant to Order No. PSC-14-0025-PAA-WS, the 100-basis point reduction in return on equity and water testing requirement should remain in place until the water quality is deemed satisfactory by the Commission.

APPROVED as modified at Commission Conference this date*

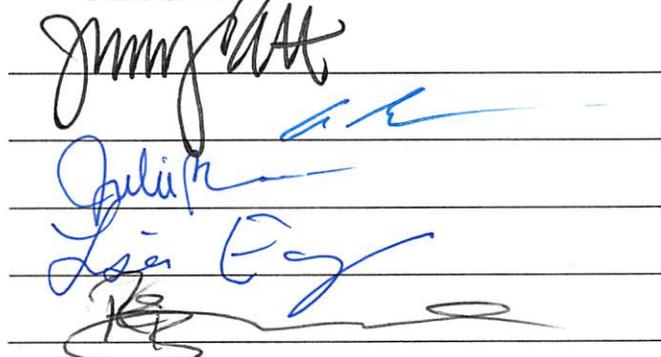
** modified this date at Commission Conference.

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING



REMARKS/DISSENTING COMMENTS:

* Water rate increase to include additional travel expense of \$447, for increase of \$48,283 (or 5.50%). However, increase should not be implemented until testing by DEP indicates ^{secondary} water quality standards have been met at all 6 sites. Staff given administrative authority to implement such rates.

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Issue 2: What is the appropriate application of the recommended rate increase and the effective date and implementation date?

Recommendation:

Staff's recommended rate increase of 5.45 percent for Pasco County should be applied as an across-the-board increase to existing service rates for the Orangewood and Summertree systems. *

The rates, as shown on Schedule No. 4 of staff's memorandum dated September 29, 2016, should be effective for service rendered on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), F.A.C. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates.

In addition, the approved rates should not be implemented until the interconnection is in-service and staff has approved the proposed customer notice and the notice has been provided to the customers. The Utility should provide proof of the date notice was given within 10 days of the date of the notice.

The rates should be reduced as shown on Schedule No. 4 of staff's memorandum dated September 29, 2016, to remove rate case expense grossed up for regulatory assessment fees and amortized over a 4-year period. The decrease in rates should become effective immediately following the expiration of the four-year rate case expense recovery period, pursuant to Section 367.0816, F.S.

APPROVED as modified at Commission Conference this date. *
in keeping with amendments to Issue 1
JL

Issue 3: Should the recommended rates be approved for the Utility on a temporary basis, subject to refund with interest, in the event of a protest filed by a party whose interests are substantially affected other than the Utility?

Recommendation: Yes. The recommended rates should be approved for the Utility on a temporary basis, subject to refund, in the event of a protest filed by a party whose interests are substantially affected other than the Utility. UIF should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the temporary rates should not be implemented until after the interconnection is in-service, staff has approved the proposed notice, the notice has been received by the customers, and only after the Utility has provided written guarantee of its corporate undertaking in a cumulative amount of \$73,812. If the recommended rates are approved on a temporary basis, the rates collected by the Utility should be subject to the refund provisions discussed in the analysis portion of staff's memorandum dated September 29, 2016. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility should file reports with the Commission Clerk's office no later than the 20th of each month indicating the monthly and total amount of money subject to refund at the end of the preceding month.

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Issue 4: Should this docket be closed?

Recommendation: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, a consummating order should be issued. The docket should remain open for staff's verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff. Once these actions are complete, this docket should be closed administratively.

APPROVED