

FLORIDA PUBLIC SERVICE COMMISSION

Item 2

VOTE SHEET

November 1, 2016

FILED NOV 01, 2016  
DOCUMENT NO. 08601-16  
FPSC - COMMISSION CLERK

**Docket No. 160101-WS** – Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties by Utilities, Inc. of Florida.

**Issue 1:** Should the Utility's proposed final water and wastewater rates be suspended?

**Recommendation:** Yes. The Utility's proposed final water and wastewater rates should be suspended.

**APPROVED** with oral modification

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

*[Handwritten signatures in blue ink]*

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REMARKS/DISSENTING COMMENTS:

Oral Modification, assigned DN 08478-16, is attached.

**Docket No. 160101-WS** – Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties by Utilities, Inc. of Florida.

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**Issue 2:** Should any interim revenue increase be approved?

**Recommendation:** Yes, the Utility should be authorized to collect annual water and wastewater revenues as indicated below.

Water Systems	Adjusted Test Year Revenues	Revenue Increase	% Increase	Revenue Requirement
Lake Placid	\$69,017	\$10,189	14.76%	\$79,206
UIF-Marion	\$161,079	80,785	50.15%	241,864
UIF-Pinellas	\$157,855	14,309	9.06%	172,164
UIF-Pasco	\$901,930	56,674	6.28%	958,604
UIF-Seminole				
	\$1,014,857	186,352	18.36%	1,201,209
Total		\$348,309		\$2,653,047

Wastewater Systems	Adjusted Test Year Revenues	Revenue Increase	% Increase	Revenue Requirement
Lake Placid	\$72,314	\$638	0.88%	\$72,952
Tierra Verde	\$992,530	69,084	6.96%	1,061,614
UIF-Marion	\$47,826	31,438	65.73%	79,264
UIF-Pasco	\$505,980	108,280	21.40%	614,260
Total		\$209,440		\$1,828,090

In addition, seven systems appear to be earning above their maximum return on equity (ROE). As such, revenues should be collected subject to refund with interest, as shown below.

System	Revenue Held Subject to Refund	Percentage
UIF-Seminole-Wastewater	(\$138,594)	(16.61%)
LUSI-Water	(143,546)	(2.63%)
Labrador-Wastewater	(134,838)	(20.87%)
Pennbrooke-Wastewater	(47,924)	(9.35%)
Longwood-Wastewater	(17,559)	(2.18%)
Eagle Ridge-Wastewater	(24,112)	(2.07%)
Cypress Lakes-Water	(24,335)	(6.87%)
Total	(\$530,908)	

**APPROVED**

**Docket No. 160101-WS** – Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties by Utilities, Inc. of Florida.

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**Issue 3:** What are the appropriate interim water and wastewater rates?

**Recommendation:** The service rates for UIF in effect as of December 31, 2015, should be increased as shown below to generate the recommended revenue increase for the interim period.

System	% Rate Increase
Lake Placid-Water	14.81%
Tierra Verde-Wastewater	6.96%
UIF-Marion -Water	50.88%
UIF-Marion -Wastewater	66.14%
UIF-Pinellas -Water	9.14%
UIF-Pasco -Water	6.38%
UIF-Pasco -Wastewater	21.49%
UIF-Seminole -Water	18.67%

The rates, as shown on Schedule Nos. 4-A and 4-B of staff’s memorandum dated October 20, 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 required security has been filed, staff has approved the proposed customer notice, and the notice has been received by the customers. The Utility should provide proof of the date notice was given within 10 days of the date of the notice.

**APPROVED**

**Issue 4:** What is the appropriate security to guarantee the interim increase?

**Recommendation:** A cumulative corporate undertaking is acceptable contingent upon receipt of the written guarantee of the parent company, Utilities, Inc. (UI or company), and written confirmation that the cumulative outstanding guarantees on behalf of UI-owned utilities in other states will not exceed \$2 million (inclusive of all Florida utilities). UI should be required to file a corporate undertaking on behalf of its subsidiaries to guarantee any potential refunds of revenues collected under interim conditions. UI’s guaranteed amount subject to refund should be \$759,084. Pursuant to Rule 25-30.360(6), F.A.C., the Utility should provide a report by the 20th of each month indicating the monthly and total revenue collected subject to refund. Should a refund be required, the refund should be with interest and in accordance with Rule 25-30.360, F.A.C.

**APPROVED**

Vote Sheet

November 1, 2016

Item 2

**Docket No. 160101-WS** – Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties by Utilities, Inc. of Florida.

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**Issue 5:** Should the Commission grant the Utility's Petition for Waiver or Variance of Schedule E-14, of Commission Form PSC/AFD 19-W (11/93), as incorporated by reference in Rule 25.30-437, F.A.C.?

**Recommendation:** Yes. The Commission should grant UIF's Petition for Waiver of the Rule.

**APPROVED**

**Issue 6:** Should this docket be closed?

**Recommendation:** The docket should remain open pending the Commission's final action on the Utility's requested rate increase.

**APPROVED**

**Ashley Quick**

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**From:** Kathy Shoaf  
**Sent:** Wednesday, October 26, 2016 10:44 AM  
**To:** Commissioners & Staffs; CLK - Agenda Staff; Braulio Baez; Keith Hetrick; Mark Futrell; Apryl Lynn; Mary Anne Helton; Andrew Maurey; Cheryl Bulecza-Banks; Bart Fletcher; Amber Norris; Greg Shafer; Patti Daniel; Shannon Hudson; Laura King; Bart Fletcher; Lynn Deamer; Dale Mailhot; Walter Trierweiler; Jennifer Crawford; Cindy Muir  
**Cc:** Kate Hamrick; Jacqueline Moore; Nancy Harrison  
**Subject:** APPROVED - Request for Oral Modification for Docket No. 160101-WS - UIF Consolidated for November 1, 2016, Commission Conference

Please see APPROVED – Request for Oral Modification for Item 2, Docket No 160101-WS – UIF Consolidated for November 1, 2016, Commission Conference.

**Kathy Shoaf**

Executive Assistant to  
Braulio Baez, Executive Director  
Florida Public Service Commission  
Telephone: (850)413-6053  
kshoaf@psc.state.fl.us

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**From:** Braulio Baez  
**Sent:** Wednesday, October 26, 2016 10:28 AM  
**To:** Andrew Maurey  
**Cc:** Mark Futrell; Kate Hamrick; Kathy Shoaf; Mary Anne Helton; Tom Ballinger; Greg Shafer  
**Subject:** RE: Docket No. 160101-WS - UIF Consolidated - Oral Modification

Approved. Thanks.

Sent from my T-Mobile 4G LTE Device

----- Original message -----

From: Andrew Maurey <[AMaurey@PSC.STATE.FL.US](mailto:AMaurey@PSC.STATE.FL.US)>  
Date: 10/26/16 9:57 AM (GMT-05:00)  
To: Braulio Baez <[BBaez@PSC.STATE.FL.US](mailto:BBaez@PSC.STATE.FL.US)>  
Cc: Mark Futrell <[MFutrell@PSC.STATE.FL.US](mailto:MFutrell@PSC.STATE.FL.US)>, Kate Hamrick <[KHamrick@psc.state.fl.us](mailto:KHamrick@psc.state.fl.us)>, Kathy Shoaf <[kshoaf@psc.state.fl.us](mailto:kshoaf@psc.state.fl.us)>, Mary Anne Helton <[MHelton@PSC.STATE.FL.US](mailto:MHelton@PSC.STATE.FL.US)>, Tom Ballinger <[TBalling@PSC.STATE.FL.US](mailto:TBalling@PSC.STATE.FL.US)>, Greg Shafer <[GShafer@PSC.STATE.FL.US](mailto:GShafer@PSC.STATE.FL.US)>  
Subject: Docket No. 160101-WS - UIF Consolidated - Oral Modification

Staff requests approval to make an oral modification to Item 2 scheduled for the November 1, 2016 Commission Conference (Docket No. 160101-WS, Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties by Utilities, Inc. of Florida). Modifications are necessary to the case background on pages 2 and 3, and to correct the

interim rates for Tierra Verde and Pasco County’s Orangewood system, as shown on pages 37 and 61, respectively. No other schedules required modification. Finally, a modification is necessary on page 7 to reflect the correct statutory reference.

**Modification to the Case Background on page 2:**

**Last Proceedings Establishing Rates for UIF Systems**

Former Utility Name	Order	Issuance Date
Lake Placid Utilities, Inc.	PSC-14-0335-PAA-WS	June 30, 2014
Cypress Lakes Utilities, Inc.	PSC-14-0283-PAA-WS	May 30, 2014
Lake Utility Services, Inc.	PSC-11-0514-PAA-WS	November 3, 2011
Utilities, Inc. of Pennbrooke	PSC-12-0667-PAA-WS	December 26, 2012
Utilities, Inc. of Eagle Ridge	PSC-11-0587-PAA-SU	December 21, 2011
Labrador Utilities, Inc.	PSC-15-0208-PAA-WS	May 26, 2015
Mid-County Services, Inc.	PSC-12-0389-PAA-SU	July 27, 2012
Tierra Verde Utilities, Inc.	PSC-09-0372-PAA-SU	May 27, 2009
Utilities, Inc. of Longwood	PSC-10-0407-PAA-SU	June 21, 2010
Sanlando Utilities Corporation	PSC-15-0233-PAA-WS	June 3, 2015
Utilities Inc., of Florida (Marion and Seminole Counties)	PSC-16-0296-PAA-WS	June 27, 2016
Utilities Inc., of Florida (Orange, Pasco and Pinellas County)	PSC-14-0025-PAA-WS	January 10, 2014
<b><u>Utilities Inc. of Sandalhaven</u></b>	<b><u>PSC-16-0151-FOF-WU</u></b> <b><u>(Order Approving Settlement – This Settlement modified PSC-16-0013-PAA-SU, issued January 6, 2016)</u></b>	<b><u>April 18, 2016</u></b>

**Modification to Case Background on page 3, paragraphs 4 and 5:**

UIF requested interim rates designed to generate additional revenues of \$414,691 for water operations and \$803,024 for wastewater operations. The Utility requested annual interim revenue increases for Lake Placid, Tierra Verde, Sandalhaven, **UIF-Pasco**, UIF-Marion, UIF-Pinellas, UIF-Seminole (Water). However, by letter dated October 18, 2016, the Utility formally withdrew its interim rate request for Sandalhaven **due to reasons discussed further in staff’s recommendation**.

UIF did not request interim rate relief for Cypress Lakes, LUSI, Labrador, Pennbrooke, Sanlando, **Tierra Verde**, Longwood, Eagle Ridge, Mid-County, UIF-Orange, and UIF-Seminole (Wastewater). However, as discussed later, staff conducted a review of all systems to identify any systems potentially earning above its maximum return on equity.

**Modification to page 7, paragraph 1:**

Pursuant to Section **367.081(2)(a), F.S., 367.082(2)(a), F.S.**, in a proceeding for an interim increase in rates, the Commission shall authorize, within 60 days of the filing for such relief, the collection of rates sufficient to earn the minimum of the range of rate of returns.

Modification to Schedule No. 4-A on page 37:

Tierra Verde Test Year Ended 12/31/15 Bi-Monthly Wastewater Rates					Schedule No. 4-A Docket No. 160101-WS	
	Test Year Rates 12/31/15	Utility Current Rates	Utility Requested Interim	Utility Requested Final	Staff Recommended Interim	
<b>Residential Service</b>						
Flat Rate (Bi-monthly)	\$96.91	\$97.29	\$103.65	\$107.82	<del>\$104.06</del>	\$103.65
<b>General Service</b>						
Base Facility Charge by Meter Size (Bi-monthly)						
5/8 x 3/4"	\$61.10	\$62.06	\$65.35	\$68.77	<del>\$66.38</del>	\$65.35
1"	\$154.52	\$155.13	\$165.27	\$171.93	<del>\$165.95</del>	\$163.38
1-1/2"	\$309.05	\$310.28	\$330.56	\$343.85	<del>\$331.90</del>	\$326.75
2"	\$494.48	\$496.44	\$528.90	\$550.16	<del>\$531.04</del>	\$522.80
3"	\$988.96	\$992.89	\$1,057.79	\$1,031.55	<del>\$1,062.08</del>	\$1,045.60
4"	\$1,545.22	\$1,551.36	\$1,652.77	\$1,719.25	<del>\$1,659.50</del>	\$1,633.75
6"	\$3,090.46	\$3,102.73	\$3,305.56	\$3,438.50	<del>\$3,319.00</del>	\$3,267.50
Charge per 1,000 Gallons - General Service	\$3.57	\$3.58	\$3.82	\$3.97	<del>\$3.83</del>	\$3.82
<b>Typical Residential 5/8" x 3/4" Meter Bill Comparison</b>						
3,000 Gallons	\$96.91	\$97.29	\$103.65	\$107.82	<del>\$104.06</del>	\$103.65
5,000 Gallons	\$96.91	\$97.29	\$103.65	\$107.82	<del>\$104.06</del>	\$103.65
10,000 Gallons	\$96.91	\$97.29	\$103.65	\$107.82	<del>\$104.06</del>	\$103.65

Modification to Schedule No. 4-B on page 61:

UIF - Pasco Test Year Ended 12/31/15 Monthly Wastewater Rates					Schedule No. 4-B Docket No. 160101-WS	
	Test Year Rates 12/31/15	Utility Current Rates	Utility Requested Interim	Utility Requested Final	Staff Recommended Interim	
<b>Residential - Orangewood</b>						
Base Facility Charge - All Meter Sizes	\$9.68	\$9.72	\$11.71	\$12.65	\$11.76	

Charge per 1,000 gallons - Residential 6,000 gallon cap	<del>\$5.45</del> <b>\$7.14</b>	\$7.21	\$8.68	\$9.38	<del>\$6.62</del> <b>\$8.67</b>
Flat Rate	\$24.21	\$24.32	\$29.28	\$31.64	\$29.41
<b><u>Residential - Summertree</u></b>					
Base Facility Charge - All Meter Sizes	\$12.57	\$12.63	\$15.20	\$16.43	\$15.27
Charge per 1,000 gallons - Residential 6,000 gallon cap	\$10.68	\$10.73	\$12.92	\$13.96	\$12.98
<b><u>General Service - Summertree</u></b>					
Base Facility Charge by Meter Size					
5/8"X 3/4"	\$12.57	\$12.63	\$15.20	\$16.43	\$15.27
3/4"	\$18.84	\$18.92	\$22.79	\$24.62	\$22.91
1"	\$31.40	\$31.54	\$37.98	\$41.04	\$38.18
1-1/2"	\$62.80	\$63.08	\$75.96	\$82.07	\$76.35
2"	\$100.47	\$100.92	\$121.52	\$131.31	\$122.16
3"	\$200.93	\$201.83	\$243.02	\$262.60	\$244.32
4"	\$313.97	\$315.38	\$379.75	\$410.34	\$381.75
6"	\$627.94	\$630.77	\$759.49	\$820.69	\$763.50
Charge per 1,000 gallons - General Service	\$14.16	\$14.22	\$17.13	\$18.50	\$17.20
<b><u>Typical Residential 5/8" x 3/4" Meter Bill Comparison - Orangewood</u></b>					
3,000 Gallons	<del>\$26.03</del> <b>\$31.10</b>	\$31.35	\$37.75	\$40.79	<del>\$31.62</del> <b>\$37.77</b>
5,000 Gallons	<del>\$36.93</del> <b>\$45.38</b>	\$45.77	\$55.11	\$59.55	<del>\$44.86</del> <b>\$55.11</b>
10,000 Gallons	<del>\$64.18</del> <b>\$81.08</b>	\$81.82	\$98.51	\$106.45	<del>\$77.96</del> <b>\$98.46</b>
<b><u>Typical Residential 5/8" x 3/4" Meter Bill Comparison - Summertree</u></b>					
3,000 Gallons	\$44.61	\$44.82	\$53.96	\$58.31	\$54.21
5,000 Gallons	\$65.97	\$66.28	\$79.80	\$86.23	\$80.17
10,000 Gallons	\$119.37	\$119.93	\$144.40	\$156.03	\$145.07

Andrew L. Maurey  
 Director  
 Division of Accounting and Finance  
 Florida Public Service Commission  
 2540 Shumard Oak Blvd.  
 Tallahassee, FL 32399-0850  
 (850) 413-6465  
[amaurey@psc.state.fl.us](mailto:amaurey@psc.state.fl.us)