

Nickalus Holmes

From: Kate Hamrick
Sent: Wednesday, August 02, 2017 4:39 PM
To: Braulio Baez; Apryl Lynn; Mark Futrell; Keith Hetrick; Mary Anne Helton; CLK - Agenda Staff; Cindy Muir; Commissioners & Staffs; Amber Norris; Andrew Maurey; Cheryl Bulecza-Banks; Greg Shafer; Tom Ballinger; Walter Trierweiler; Jennifer Crawford; Shannon Hudson; Marissa Friedrich; Sonica Bruce; Charles Johnson; David Frank; Justin Sowards
Cc: Jacqueline Moore; Kathy Shoaf; Nancy Harrison
Subject: FW: Oral Modification II for Item 1 on the August 3 2017 Special Agenda
Attachments: Issue 74.docx; Copy of Differences in Recommendation and Revised Revenue Requirements.xlsx

Please see the approved oral modification for the August 4, 2017, UIF Special Agenda (Docket No. 20160101-WU).

Thanks!

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Mark Futrell
Deputy Executive Director: Technical
Florida Public Service Commission
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From: Braulio Baez
Sent: Wednesday, August 02, 2017 4:29 PM
To: Cheryl Bulecza-Banks
Cc: Mark Futrell; Kate Hamrick; Kathy Shoaf; Andrew Maurey
Subject: RE: Oral Modification II for Item 1 on the August 3 2017 Special Agenda

Approved. Thank you.

From: Cheryl Bulecza-Banks
Sent: Wednesday, August 02, 2017 4:28 PM
To: Braulio Baez
Cc: Mark Futrell; Kate Hamrick; Kathy Shoaf; Andrew Maurey
Subject: Oral Modification II for Item 1 on the August 3 2017 Special Agenda

Staff requests approval to make an oral modification to Item 1 on the August 3, 2017 Special Agenda, Docket No. 20160101-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. Staff's proposed modification relates to an error in the accumulated depreciation adjustment for pro forma plant for the Sanlando Wastewater system. Specifically, accumulated depreciation for pro forma plant is overstated resulting in rate base and taxes other than income being understated.

The correction of this error increases the revenue requirement for Sanlando Wastewater by \$50,634. In addition, this correction increases the weighted average cost of capital from 7.08 percent to 7.09 percent. As a result, the revenue requirement for all other systems increases by an aggregate amount of \$6,601, for a total increase in revenue

requirement of \$57,235. This correction impacts Issues 9 (pro forma plant), 10 (plant retirements), 22 (rate base), 31 (weighted average cost of capital), 58 (taxes other than income), 59 (revenue requirement), and 74 (refunds).

In addition, this modification impacts Schedule No. 2-A (rate base) and Schedule No. 2-B (adjustments to rate base) for Sanlando Wastewater, as well as Schedule No. 3-A (NOI) and Schedule No. 3-B (adjustments to NOI) for all systems.

The attached files reflect the change in revenue requirement for each system (Issue 59) and the updated refund amounts (Issue 74).

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Issue 74: In determining whether any portion of the interim increase granted should be refunded, how should the refund be calculated, and what is the amount of the refund, if any?

Recommendation: The appropriate refunds are as follows: (Sewards, Norris)

System	Interim Revenue Requirement	Adjusted Interim Revenue Requirement	Refund Amount	Refund Percentage
Lake Placid – Water	\$79,206	\$77,065 \$77,077	\$2,140 \$2,128	2.70% 2.69%
Lake Placid – Wastewater	\$72,952	\$69,239 \$69,243	\$3,713 \$3,709	5.09% 5.08%
UIF-Marion – Wastewater	\$79,264	\$61,221 \$61,585	\$18,042 \$17,679	22.76% 22.30%
UIF-Pasco – Wastewater	\$614,260	\$517,611 \$520,047	\$96,649 \$94,213	15.73% 15.34%
Eagle Ridge – Wastewater	(\$24,112)	N/A	\$12,869 \$12,651	1.12% 1.10%
Labrador – Wastewater	(\$134,838)	N/A	\$112,578 \$ 79,525	17.75% 8.46%

SUMMARY OF OPERATING REVENUES BY SYSTEM	Revenue	Revenue	Differences
	Requirements on 8/1/2017	Requirements 7/21/2017	
CYPRESS LAKES - WATER	\$375,059	\$375,010	\$50
LABRADOR - WATER	322,367	322,314	52
LAKE PLACID - WATER	74,786	74,775	11
LUSI - WATER	5,428,235	5,426,980	1,255
PENNBROOKE - WATER	501,937	501,856	81
SANLANDO - WATER	4,291,763	4,291,027	735
UIF MARION - WATER	253,752	253,689	63
UIF ORANGE - WATER	365,926	365,781	145
UIF PASCO - WATER	1,413,867	1,413,456	411
UIF PINELLAS - WATER	338,323	338,155	168
UIF SEMINOLE - WATER	<u>2,368,380</u>	<u>2,367,414</u>	<u>966</u>
TOTAL WATER	<u>\$15,734,395</u>	<u>\$15,730,458</u>	<u>\$3,938</u>
CYPRESS LAKES - WASTEWATER	\$687,701	\$687,542	\$158
EAGLE RIDGE - WASTEWATER	1,218,803	1,218,533	270
LABRADOR - WASTEWATER	499,560	499,437	123
LAKE PLACID - WASTEWATER	66,481	66,478	3
LONGWOOD - WASTEWATER	991,352	991,079	273
LUSI - WASTEWATER	2,581,679	2,580,948	731
MID-COUNTY - WASTEWATER	2,048,620	2,048,229	391
PENNBROOKE - WASTEWATER	504,389	504,305	85
SANDALHAVEN - WASTEWATER	1,258,678	1,258,394	284
SANLANDO - WASTEWATER	6,784,836	6,734,202	50,634
TIERRA VERDE - WASTEWATER	1,079,805	1,079,720	85
UIF MARION - WASTEWATER	61,529	61,519	10
UIF PASCO - WASTEWATER	505,106	505,055	51
UIF SEMINOLE - WASTEWATER	<u>837,103</u>	<u>836,904</u>	<u>199</u>
TOTAL WASTEWATER	<u>\$19,125,642</u>	<u>\$19,072,345</u>	<u>\$53,297</u>
TOTAL WATER AND WASTEWATER	<u>\$34,860,037</u>	<u>\$34,802,803</u>	<u>\$57,235</u>