

FLORIDA PUBLIC SERVICE COMMISSION

Item 17

VOTE SHEET

February 6, 2018

FILED 2/6/2018
DOCUMENT NO. 01005-2018
FPSC - COMMISSION CLERK

Docket No. 20170141-SU – Application for increase in wastewater rates in Monroe County by K W Resort Utilities Corp.

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

Recommendation: Yes. KWRU's proposed final wastewater rates and charges should be suspended.

APPROVED

Issue 2: Should interim rates be established using year-end rate base and cost of capital determinations?

Recommendation: Yes.

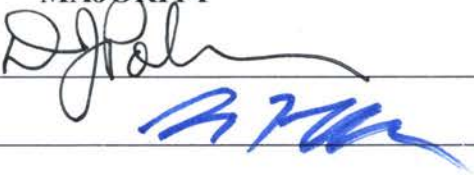
APPROVED

COMMISSIONERS ASSIGNED: Polmann, Clark

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING



REMARKS/DISSENTING COMMENTS:

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Issue 3: Should any interim revenue increase be approved?

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

	<u>Adjusted Test Year Revenues</u>	<u>\$ Increase</u>	<u>Revenue Requirement</u>	<u>% Increase</u>
Wastewater	\$2,340,275	\$85,629	\$2,425,904	3.66%

APPROVED

Issue 4: What are the appropriate interim wastewater rates for KWRU?

Recommendation: The service rates for KWRU should be increased by 3.78 percent to generate the recommended revenue increase for the interim period. The rates, as shown on Schedule No. 4 of staff's memorandum dated January 25, 2018, 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 noticing within 10 days of rendering its approved notice.

APPROVED

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Issue 5: What is the appropriate security to guarantee the interim increase?

Recommendation: The Utility should be required to secure a letter of credit, or alternately an escrow account or surety bond, to guarantee any potential refund of revenues collected under interim conditions. If the security provided is a letter of credit or surety bond, it should be in the amount of \$78,925. Otherwise, the Utility should deposit 3.78 percent of service revenues collected into the escrow account each month. 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 *as modified at Commission Conference this date. Security to be by corporate undertaking.*

Issue 6: What is the appropriate amount and mechanism by which the Utility should recover over-refunded interest from the previous rate case, Docket No. 20150071-SU?

Recommendation: The over-refunded interest of \$9,625 should be recovered through a one-time surcharge for one billing cycle. The appropriate surcharges are shown on Schedule No. 4 of staff's memorandum dated January 25, 2018. The Utility should file a proposed customer notice to reflect the Commission-approved surcharge. In addition, the approved surcharge should not be implemented until staff has approved the 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 7: Should KWRU's request to implement interim Allowance for Funds Prudently Invested (AFPI) charges be approved, and if so, what are the appropriate charges?

Recommendation: No. Section 367.082, F.S., has historically applied to afford interim relief to service rates, and has not been applied to charges such as AFPI. KWRU's request to implement interim relief to its requested AFPI charge has not been adequately supported, and should be denied.

APPROVED

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Issue 8: Should this docket be closed?

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

APPROVED