

FLORIDA PUBLIC SERVICE COMMISSION

Item 17

VOTE SHEET

October 30, 2018

FILED 10/30/2018
DOCUMENT NO. 06882-2018
FPSC - COMMISSION CLERK

Docket No. 20170219-WS – Application for staff-assisted rate case in Polk County by River Ranch Water Management, L.L.C.

Issue 1: Is the quality of service provided by River Ranch satisfactory?

Recommendation: Yes. Staff recommends that the overall quality of service provided by River Ranch is satisfactory.



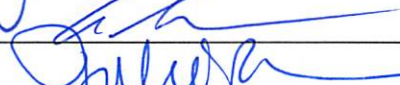
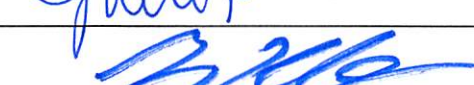

APPROVED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

REMARKS/DISSENTING COMMENTS:

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Issue 2: What are the used and useful (U&U) percentages of River Ranch’s water treatment plant (WTP), water distribution system, water storage, WWTP, and wastewater collection system?

Recommendation: Staff recommends that River Ranch’s WTP, water distribution system, water storage, WWTP, and wastewater collection system should be considered 100 percent U&U. Staff does not recommend an adjustment to chemicals and purchased power for excessive unaccounted for water (EUW) or excessive inflow and infiltration (I&I).

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Issue 3: What is the appropriate average test year water rate base and wastewater rate base for River Ranch?

Recommendation: The appropriate average test year water rate base for River Ranch is \$639,343 and the appropriate average test year wastewater rate base is \$375,275.

APPROVED

Issue 4: What is the appropriate return on equity and overall rate of return for River Ranch?

Recommendation: The appropriate return on equity (ROE) is 8.11 percent with a range of 7.11 percent to 9.11 percent. The appropriate overall rate of return is 8.11 percent.

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Issue 5: What are the appropriate amounts of test year revenues for the water and wastewater systems?

Recommendation: The appropriate test year revenues are \$137,305 for the water system and \$167,826 for the wastewater system.

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Issue 6: What is the appropriate amount of operating expenses for River Ranch?

Recommendation: The appropriate amounts of operating expenses are \$119,229 for water and \$197,694 for wastewater.

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Issue 7: What is the appropriate revenue requirement?

Recommendation: The appropriate revenue requirements are \$171,080 for water and \$228,129 for wastewater, resulting in an annual increase of \$33,775 for water (24.60 percent) and \$60,303 for wastewater (35.93 percent).

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Issue 8: What are the appropriate rate structures and rates for River Ranch's water and wastewater systems?

Recommendation: The recommended rate structures and monthly water and wastewater rates are shown on Schedule Nos. 4-A and 4-B of staff's memorandum dated September 28, 2018. The utility 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 sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates should not be implemented until 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. Furthermore, the utility should provide the additional monthly usage reporting and notification requirements.

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Issue 9: What are the appropriate initial customer deposits for River Ranch's water and wastewater systems?

Recommendation: The appropriate initial customer deposits should be \$37 for the single family residential 5/8 inch x 3/4 inch meter size for water and \$45 for the single family residential 5/8 inch x 3/4 inch meter size for wastewater. The initial customer deposits for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill for water and wastewater. The approved initial customer deposits should be effective for connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The utility should be required to collect the approved deposits until authorized to change them by the Commission in a subsequent proceeding.

APPROVED

Issue 10: Should River Ranch be authorized to collect Non-Sufficient Funds (NSF) charges?

Recommendation: Yes. However, River Ranch's request to implement a \$26 NSF charge should be denied. River Ranch should be authorized to collect NSF charges set forth in Section 68.065, F.S. The NSF charges should be effective on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. Furthermore, the charges should not be implemented until staff has approved the proposed customer notice. The utility should provide proof of the date the notice was given within 10 days of the date of the notice.

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Issue 11: Should River Ranch's request to implement a \$6.00 late payment charge be approved?

Recommendation: Yes. River Ranch's request to implement a \$6.00 late payment charge should be approved. The utility should be required to file a proposed customer notice to reflect the Commission-approved charge. The approved charge should be effective on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved charge should not be implemented until staff has approved the proposed customer notice. The utility should provide proof of the date notice was given within 10 days after the date of the notice.

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Issue 12: What are the appropriate miscellaneous service charges for River Ranch?

Recommendation: The miscellaneous service charges identified in Table 12-5 of staff's memorandum dated September 28, 2018, are appropriate and should be approved. The charges should be effective on or after the stamped approval date on the tariffs pursuant to Rule 25-30.475, F.A.C. In addition, the approved charges should not be implemented until 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.

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Issue 13: What is the appropriate amount by which the rates should be reduced four years after the published effective date to reflect the removal of the amortized rate case expense as required by Section 367.081(8), F.S.?

Recommendation: The water and wastewater rates for River Ranch should be reduced, as shown on Schedule Nos. 4-A and 4-B of staff's memorandum dated September 28, 2018, to remove rate case expense grossed-up for RAFs and amortized over a four-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 367.081(8), F.S. The utility should be required to file revised tariff sheets and a proposed customer notice setting forth the lower rates and the reason for the reduction no later than one month prior to the actual date of the required rate reduction. If River Ranch files this reduction in conjunction with a price index or pass-through rate adjustment, separate data should be filed for the price index and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense. (Final Agency Action)

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Issue 14: Should the recommended rates be approved for River Ranch on a temporary basis, subject to refund, in the event of a protest filed by a party other than the utility?

Recommendation: Yes. Pursuant to Section 367.0814(7), F.S., 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 other than the utility. The utility 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 staff has approved the proposed notice, and the notice has been received by the customers. Prior to implementation of any temporary rates, the utility should provide appropriate security. 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 28, 2018. 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 every month indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund. (Final Agency Action)

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Issue 15: Should the utility be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision?

Recommendation: Yes. River Ranch should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision. River Ranch should submit a letter within 90 days of the final order in this docket, confirming that the adjustments to all applicable National Association of Regulatory Commissioners (NARUC) Uniform System of Accounts (USOA) primary accounts have been made to the utility's books and records. In the event the utility needs additional time to complete the adjustments, notice should be provided not less than seven days prior to the deadline. Upon providing good cause, staff should be given administrative authority to grant an extension of up to 60 days. (Final Agency Action)

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Issue 16: Should this docket be closed?

Recommendation: No. 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, and the utility has provided staff with proof that the adjustments for all the applicable NARUC USOA primary accounts have been made. Also, this docket should remain open to allow the utility to provide the recommended reporting information and to allow staff to bring this item back to the Commission for further action upon evaluation of the 12 months of monthly usage data.

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