

FLORIDA PUBLIC SERVICE COMMISSION

Item 5

VOTE SHEET

March 3, 2020

FILED 3/3/2020
DOCUMENT NO. 01248-2020
FPSC - COMMISSION CLERK

Docket No. 20190125-WS – Application for staff-assisted rate case in Sumter County by The Woods Utility Company.

Issue 1: Is the quality of service provided by The Woods Utility Company satisfactory?

Recommendation: No. The DEP has mandated that the Utility take action to address lead and copper exceedances. Therefore, staff recommends that the quality of product is unsatisfactory. However, the Utility has been responsive to customer complaints and is working with the DEP to address product concerns; therefore, no penalty is recommended. The Utility should file status reports on the actions it has taken to meet the DEP's requirements. Staff recommends the first status report be filed six months after the Final Order is issued in this Docket and every six months thereafter until the additional monitoring is rescinded by the DEP.

APPROVED, as modified,


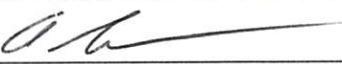

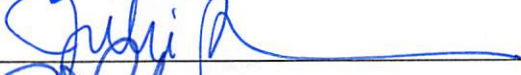

- The Utility should provide status updates every 6 months on its discussions with the Office of Public Counsel and its customers.
- The Utility should submit a plan of action^{in 6 months} detailing how it will address excessive lead and copper levels.

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

REMARKS/DISSENTING COMMENTS:

Handout with photos.

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Issue 2: Are the infrastructure and operating conditions of The Woods Utility Company's water system in compliance with DEP regulations?

Recommendation: Yes. The Woods' water treatment facility is currently in compliance with DEP regulations.

APPROVED

Issue 3: What are the used and useful (U&U) percentages of The Woods Utility Company's water treatment plant (WTP), storage, and water distribution system?

Recommendation: The Woods' WTP and water storage should be considered 100 percent U&U. The Utility's water distribution system should be considered 76 percent U&U. Additionally, staff recommends no adjustment to purchased power and chemical expenses be made for excessive unaccounted for water (EUW).

APPROVED

Issue 4: What is the appropriate average test year rate base for The Woods Utility Company?

Recommendation: The appropriate average test year rate base is \$165,678.

APPROVED

Issue 5: What is the appropriate return on equity and overall rate of return for The Woods Utility Company?

Recommendation: The appropriate return on equity (ROE) is 7.85 percent with a range of 6.85 percent to 8.85 percent. The appropriate overall rate of return is 7.57 percent.

APPROVED, as modified.

A 100 basis point reduction should be applied.

Commission staff is authorized to make necessary fall-out adjustments.

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Issue 6: What are the appropriate amounts of test year revenues for The Woods utility Company's water system?

Recommendation: The appropriate test year revenues for The Woods' water system is \$41,373.

APPROVED

Issue 7: What is the appropriate amount of operating expenses for The Woods Utility Company?

Recommendation: The appropriate amount of operating expenses is \$36,631.

APPROVED

Issue 8: What is the appropriate revenue requirement for The Woods Utility Company?

Recommendation: The appropriate revenue requirement is \$49,179, resulting in an annual increase of \$7,806 (18.87 percent).

APPROVED

Issue 9: What are the appropriate rate structures and rates for the water system of The Woods Utility Company?

Recommendation: The recommended rate structures and monthly water rates are shown on Schedule No. 4 of staff's memorandum dated February 20, 2020. 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 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.

APPROVED, as modified

The Commission approved the Alternative Rate Structure shown in Table 9-1 of staff's memorandum dated February 20, 2020.

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Issue 10: What are the appropriate initial customer deposits for The Woods Utility Company?

Recommendation: The appropriate initial customer deposit is \$102 for all residential meter sizes. The initial customer deposits for all general service meter sizes should be two times the average estimated monthly bill. The approved initial customer deposits should be effective for service rendered or 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 initial customer deposits until authorized to change them by the Commission in a subsequent proceeding.

APPROVED

Issue 11: What is the appropriate amount by which rates should be reduced in four years after the published effective date to reflect the removal of the amortized rate case expense?

Recommendation: In four years, the water rates should be reduced, as shown on Schedule No. 4 of staff's memorandum dated February 20, 2020, 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 Woods should be required to file revised tariffs 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 the Utility 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. (Procedural Agency Action)

APPROVED

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Issue 12: Should the recommended rates be approved for The Woods Utility Company on a temporary basis, subject to refund with interest, 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 with interest, in the event of a protest filed by a party other than the utility. The Woods 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 staff analysis portion of staff's memorandum dated February 20, 2020. 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's Office of Commission Clerk 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. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund. (Procedural Agency Action)

APPROVED

Issue 13: Should The Woods be required to notify the Commission within 90 days of an effective order finalizing this docket, that it has adjusted its books for all the applicable National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts (USOA) associated with the Commission approved adjustments?

Recommendation: Yes. The Utility should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision. The Woods should submit a letter within 90 days of the final order in this docket, confirming that the adjustments to all the applicable National Association of Regulatory Utility 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. (Procedural Agency Action)

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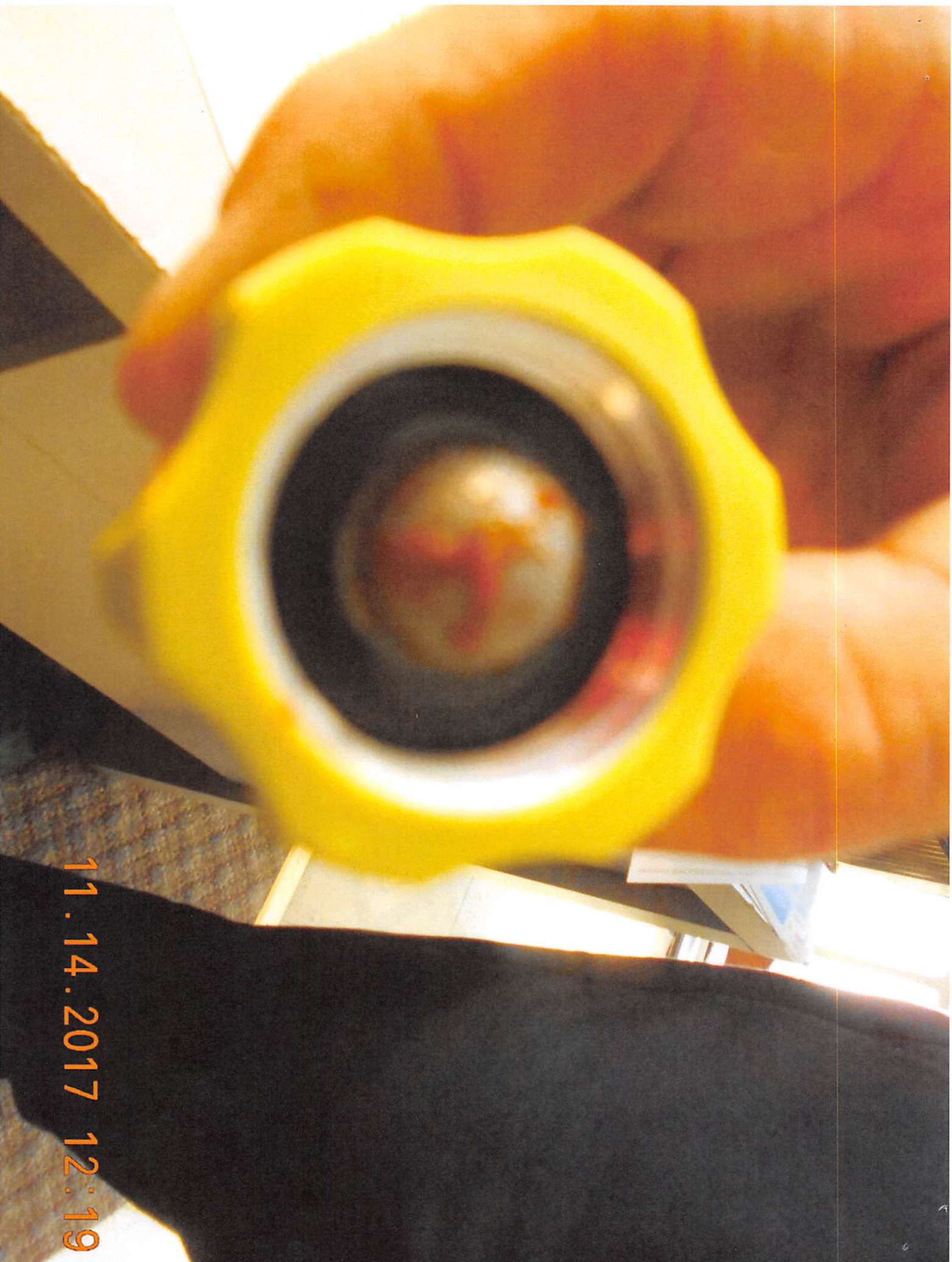
Issue 14: Should this docket be closed?

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 Proposed Agency Action 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 receipt of required biannual status reports on the Utility's until additional monitoring is rescinded by the DEP. Once these actions are complete, this docket should be closed administratively.

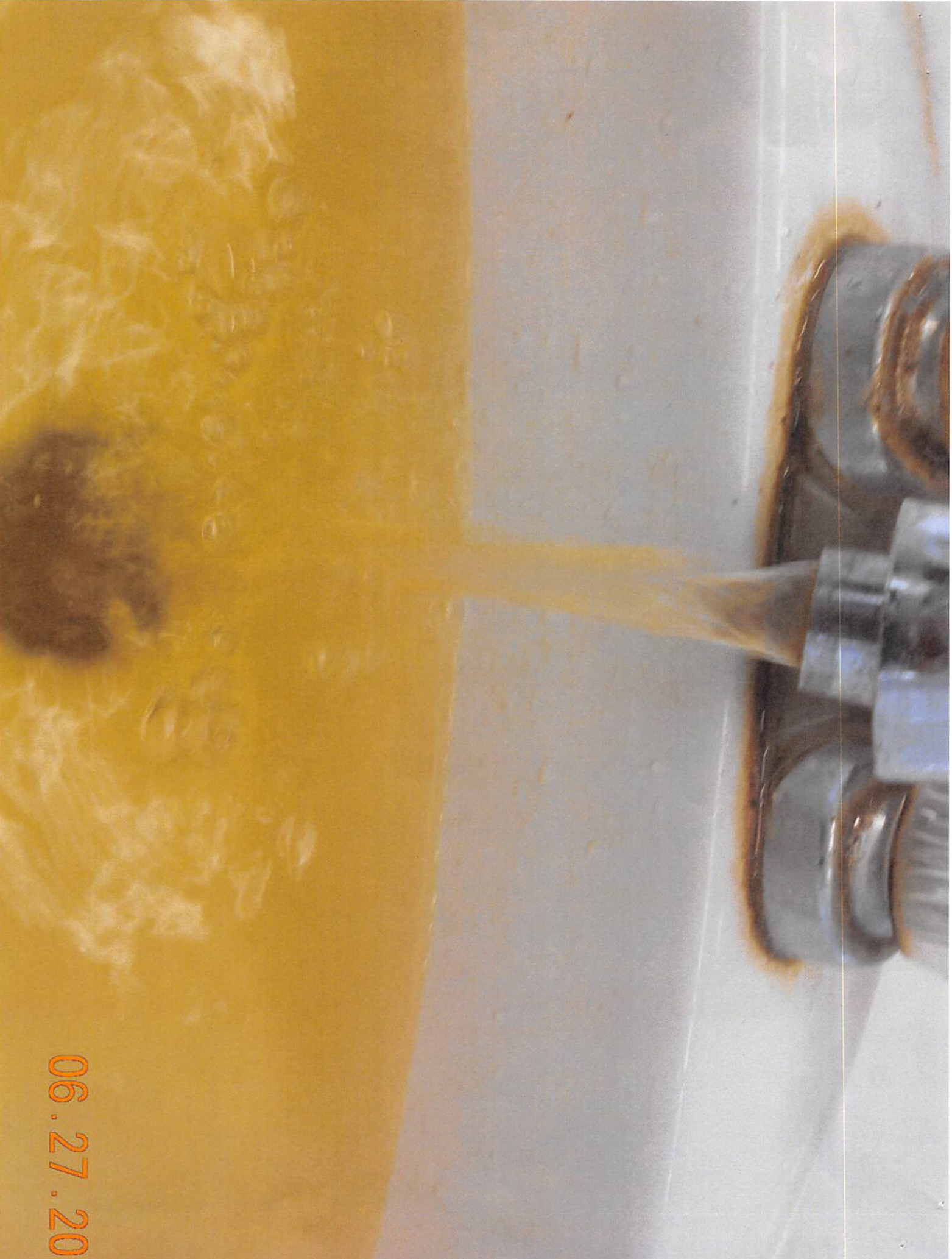
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11.14.2017 12:19



06.27.20

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06.02.2019 10:41



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