

FLORIDA PUBLIC SERVICE COMMISSION

Item 11

VOTE SHEET

March 3, 2020

FILED 3/3/2020  
DOCUMENT NO. 01254-2020  
FPSC - COMMISSION CLERK

**Docket No. 20190114-WU** – Application for staff-assisted rate case in Alachua County, and request for interim rate increase by Gator Waterworks, Inc.

**Issue 1:** Is the quality of service provided by Gator satisfactory?

**Recommendation:** Yes. The utility is in-compliance with the Department of Environmental Protection (DEP) and has been responsive to its customer complaints. Therefore, the quality of service provided by Gator should be considered satisfactory.

**APPROVED**

**Issue 2:** Are the infrastructure and operating conditions of Gator's water system in compliance with DEP regulations?

**Recommendation:** Yes. The utility's water treatment facility is currently in-compliance with DEP regulations.


**APPROVED**

**COMMISSIONERS ASSIGNED:** All Commissioners


**COMMISSIONERS' SIGNATURES**

**MAJORITY**


**DISSENTING**



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**REMARKS/DISSENTING COMMENTS:**

**Docket No. 20190114-WU** – Application for staff-assisted rate case in Alachua County, and request for interim rate increase by Gator Waterworks, Inc.

(Continued from previous page)

**Issue 3:** What are the used and useful (U&U) percentages of Gator's water treatment plant (WTP) and water distribution system?

**Recommendation:** Staff recommends that Gator's WTP and water distribution system be considered 100 percent U&U. There appears to be no excessive unaccounted for water (EUW); therefore, staff recommends that no adjustment be made to operating expenses for chemicals and purchased power.

**APPROVED**

**Issue 4:** Should the Commission approve a year-end rate base for Gator and if so, what is the appropriate year-end rate base?

**Recommendation:** Yes. The Commission should approve a year-end rate base for Gator. The appropriate year-end test year rate base is \$548,722.

**APPROVED**

**Issue 5:** What is the appropriate return of equity and overall rate of return for Gator?

**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 7.85 percent.

**APPROVED**

**Issue 6:** What are the appropriate amounts of test year revenues for Gator's water system?

**Recommendation:** The appropriate test year revenues for Gator's water system are \$56,781.

**APPROVED**

**Docket No. 20190114-WU** – Application for staff-assisted rate case in Alachua County, and request for interim rate increase by Gator Waterworks, Inc.

(Continued from previous page)

**Issue 7:** What is the appropriate amount of operating expense for Gator?

**Recommendation:** The appropriate amount of operating expense for Gator is \$112,971.

**APPROVED**

**Issue 8:** What is the appropriate revenue requirement for Gator?

**Recommendation:** The appropriate revenue requirement is \$156,046 resulting in an annual increase of \$99,265 (174.82 percent).

**APPROVED**

**Issue 9:** What are the appropriate rate structures and rates for Gator's water system?

**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.

Furthermore, due to the magnitude of the revenue requirement increase, staff believes it is important to monitor whether the customers reduce consumption as expected. Therefore, staff recommends the utility should be ordered to prepare monthly reports detailing the number of bills rendered, the consumption billed, and the revenues billed. The utility should also provide the corresponding purchased power invoices. The reports should be filed in the docket file, on a quarterly basis, for a period of twelve months beginning the first billing period after the approved rates go into effect. To the extent the utility makes adjustment to consumption in any month during the reporting period, the utility should be ordered to file a revised monthly report for that month within 30 days of any revision. Staff will monitor and evaluate whether any adjustments to rates are necessary.

**APPROVED**

**Docket No. 20190114-WU** – Application for staff-assisted rate case in Alachua County, and request for interim rate increase by Gator Waterworks, Inc.

(Continued from previous page)

**Issue 10:** What are the appropriate initial customer deposits for Gator's water system?

**Recommendation:** The appropriate initial customer deposit should be \$66 for the residential 5/8 inch x 3/4 inch meter size. 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. The approved initial customer deposits should be effective for services 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 deposits until authorized to change them by the Commission in a subsequent proceeding.

**APPROVED**

**Issue 11:** Should Gator be authorized to collect Non-Sufficient Funds (NSF) charges?

**Recommendation:** Yes. Gator should be authorized to collect NSF charges. Staff recommends that Gator revise its tariffs to reflect the NSF charges currently 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.

**APPROVED**

**Issue 12:** Should Gator's request to implement a \$6.50 late payment charge be approved?

**Recommendation:** Yes. The utility's request to implement a \$6.50 late payment charge should be approved. Gator 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 sheet 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 and the notice has been received by customers. The utility should provide proof of the date notice was given no less than 10 days after the date of the notice.

**APPROVED**

**Docket No. 20190114-WU** – Application for staff-assisted rate case in Alachua County, and request for interim rate increase by Gator Waterworks, Inc.

(Continued from previous page)

**Issue 13:** Should Gator's miscellaneous service charges be revised?

**Recommendation:** Yes. The miscellaneous service charges identified in Table 13-5 are appropriate and should be approved. The charges should be effective on or after the stamped approval date on the tariff 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.

**APPROVED**

**Issue 14:** 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?

**Recommendation:** The 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 rate case expense recovery period, pursuant to Section 367.081(8), F.S. Gator 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. (Bruce, Wilson, T. Brown)

**APPROVED**

**Docket No. 20190114-WU** – Application for staff-assisted rate case in Alachua County, and request for interim rate increase by Gator Waterworks, Inc.

(Continued from previous page)

**Issue 15:** Should the recommended rates be approved for Gator 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. Gator 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. (Wilson, T. Brown)

**APPROVED**

**Issue 16:** Should Gator be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision?

**Recommendation:** Yes. Gator should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision. Gator 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 providing good cause should be filed not less than seven days prior to the deadline. Staff should be given administrative authority to grant such an extension for up to 60 days. (Wilson)

**APPROVED**

Vote Sheet

March 3, 2020

Item 11

**Docket No. 20190114-WU** – Application for staff-assisted rate case in Alachua County, and request for interim rate increase by Gator Waterworks, Inc.

(Continued from previous page)

**Issue 17:** 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. This docket should remain open for staff's verification that the revised tariff sheets and customer notices have been filed by the utility and approved by staff. Also, the docket should remain open to allow the utility to provide the recommended reporting information. Upon staff's approval of the tariff sheets and customer notices, along with staff's completion of its review of the recommended reporting information, this docket should be closed administratively if no adjustments are necessary.

**APPROVED**