

FLORIDA PUBLIC SERVICE COMMISSION

Item 13

VOTE SHEET

October 6, 2020

FILED 10/8/2020
DOCUMENT NO. 11033-2020
FPSC - COMMISSION CLERK

Docket No. 20200152-WS – Application for a limited alternative rate increase proceeding in Polk and Marion Counties, by Alturas Water, LLC, Sunrise Water, LLC, Pinecrest Utilities, LLC, and East Marion Utilities, LLC.

Issue 1: Should the Commission approve FUS1’s application for a limited alternative rate increase for Alturas, East Marion, Pinecrest, and Sunrise?

Recommendation: Yes. The Commission should approve the aforementioned utilities’ application for a limited alternative rate increase with staff’s modifications. The increase for each utility is listed in the table below. Pursuant to Rule 25-30.457(7), F.A.C., the utilities are required to hold any revenue increase granted subject to refund with interest. To ensure overearnings will not occur because of these rate increases, Commission staff will conduct earning reviews of the twelve-month period following the implementation of the revenue increase. If overearnings occur, such overearnings, up to the amount held subject to refund, with interest, must be disposed of for the benefit of the customers. If Commission staff determines that a utility did not exceed the range of its last authorized return on equity, the revenue increase will no longer be held subject to refund.

System Name	Percent Increase	Revenue Increase
Alturas Water	14.05%	\$3,466
East Marion (water)	8.71%	\$2,717
East Marion (wastewater)	5.88%	\$2,586
Pinecrest	6.67%	\$4,046
Sunrise Water	20.00%	\$11,731

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS’ SIGNATURES

MAJORITY

DISSENTING

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REMARKS/DISSENTING COMMENTS:

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APPROVED

Issue 2: What are the appropriate monthly service rates for Alturas, East Marion, Pinecrest, and Sunrise?

Recommendation: The existing service rates for the utilities should be increased as shown below to generate the recommended revenue increase in accordance with Rule 25-30.457, F.A.C.

Utility	% Rate Increase
Alturas	14.05%
East Marion (water)	8.71%
East Marion (wastewater)	5.88%
Pinecrest	6.67%
Sunrise	20.00%

The appropriate staff recommended service rates are shown on Schedule No. 1 of staff’s memorandum dated September 24, 2020. The utilities should file 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 rates should not be implemented until staff has approved the proposed customer notice. The utilities should provide proof of the date notice was given no less than 10 days after the date of the notice.

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Issue 3: 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 rates should be reduced, as shown in Schedule No. 1 of staff's memorandum dated September 24, 2020, to remove rate case expenses 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. Alturas, East Marion, and Pinecrest should be required to file revised tariffs and proposed customer notices setting forth the lower rates and the reason for the reductions no later than one month prior to the actual date of the required rate reductions. If this reduction is filed in conjunction with price index or pass-through rate adjustments, separate data should be filed for the price index and/or pass-through increase or decrease and the reductions in the rates due to the amortized rate case expenses. (Bruce, Richards, D. Brown)

APPROVED

Issue 4: Should the recommended rates be approved for Alturas, East Marion, Pinecrest, and Sunrise 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 Rule 25-30.457(9), F.A.C., in the event of a protest of the Proposed Agency Action (PAA) Order by a substantially affected person other than one of the aforementioned utilities, the utilities should be authorized to implement the rates established in the LARI PAA Order on a temporary basis subject to refund upon filing a SARC application within 21 days from the date the protest is filed.

Each utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The 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. If the recommended rates are approved on a temporary basis, the incremental increase collected by the utility will be subject to the refund provisions outlined in Rule 25-30.360, F.A.C. Pursuant to Rule 25-30.457(9), F.A.C., if a utility fails to file a SARC application within 21 days in the event there is a protest, the application for a LARI will be deemed withdrawn. (Richards, D. Brown)

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Issue 5: Should this docket be closed?

Recommendation: No. In the event of a protest, the utilities may implement the rates established in the PAA Order on a temporary basis, subject to refund with interest, upon the utility's filing of a SARC application within 21 days of the date the protest is filed. If the utilities fail to file a SARC within 21 days, the utility's petition for a LARI will be deemed withdrawn pursuant to Rule 25-30.457(9), F.A.C. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the PAA Order, a Consummating Order should be issued. The docket should remain open for staff's verification that the revised tariff sheets reflecting the Commission-approved rates, and the customer notice, have been filed by the utilities and approved by staff, so that staff may conduct an earnings review of the utility pursuant to Rule 25-30.457(8), F.A.C. Upon staff's approval of the tariff and completion of the earnings review process as set forth in Rule 25-30.457(8), F.A.C., this docket should be closed administratively.

APPROVED