



## 1 P R O C E E D I N G S

2 CHAIRMAN CLARK: All right. It looks like  
3 everybody is here. It is 9:30 a.m., so we are  
4 going to go ahead and get started this morning, and  
5 I will invite those that would like to do so to  
6 stand and join me in a word of prayer before we  
7 begin.

8 (Invocation and Pledge of Allegiance.)

9 CHAIRMAN CLARK: You may be seated.

10 All right. Let's begin calling this meeting  
11 to order this morning, Special Agenda Conference.  
12 Ms. Amber Norris is going to introduce the first  
13 item for us.

14 Amber, are you on the line?

15 MS. NORRIS: Yes, sir. I am here.

16 CHAIRMAN CLARK: You are recognized.

17 MS. NORRIS: Can you hear me okay?

18 CHAIRMAN CLARK: We can hear you fine.

19 MS. NORRIS: Great.

20 Good morning, Chairman, Commissioners. Amber  
21 Norris with Commission staff.

22 Item No. 1 on the Special Agenda is a petition  
23 to increase water and wastewater rates by  
24 Utilities, Inc. of Florida.

25 UIF is a Class A utility providing water and

1 wastewater service to 27 systems in the following  
2 counties: Charlotte, Highlands, Lake, Lee, Marion,  
3 Orange, Pasco, Pinellas, Polk and Seminole.

4 The case as file July 13th, 2020, and the  
5 filing was deemed complete on August 31st, 2020,  
6 which established -- which was established as the  
7 official date of the filing.

8 Five virtual customer service hearings were  
9 held telephonically. In total, 42 customers and  
10 one appointed representative addressed the  
11 Commission regarding the case, with some customers  
12 electing to speak at multiple meetings.

13 The evidentiary hearing held in February  
14 produced a significant evidentiary record which  
15 will serve as the basis for the Commission's in  
16 this matter.

17 Of the 45 issues initially identified, one  
18 issue was dropped and 17 were stipulated at the  
19 evidentiary hearing. Issues that are controversial  
20 in this case include: Quality of service in Issue  
21 1. Requested proforma plant projects in Issue 3.  
22 Return on equity in Issue 22, and the utility's  
23 proposed sewer and water infrastructure mechanism  
24 in Issue 41.

25 Staff is recommending revenue increases of

1 approximately 1.7 million, or 10.5 percent for  
2 water, and approximately 4.7 million, or 23.2  
3 percent for wastewater.

4 Each of your offices have received documents  
5 related to the certain oral modifications to the  
6 recommendations. These modifications are necessary  
7 to correct scriveners errors and to accurately  
8 reflect the record in this case.

9 Staff is prepared to provide additional  
10 clarification regarding these modifications if  
11 necessary when we move into the respective issues.

12 Additionally, a document was distributed with  
13 an organizational grouping of issues within the  
14 recommendation for purposes of today's special  
15 agenda. The issues are listed numerically and  
16 grouped according to subject matter. At the  
17 Chairman's discretion, staff is prepared to take up  
18 the issues individually or by group.

19 Thank you.

20 CHAIRMAN CLARK: Thank you, Ms. Norris.

21 Just for -- a couple of notes for the record.  
22 The participation today is limited to Commissioners  
23 and staff. Staff has broken the issues out for us  
24 into seven blocks, I believe, that each  
25 Commissioners was given a copy of this particular

1 divide. And my intent is to go through the issues  
2 by block, taking up the block -- each block of  
3 issues one at a time, having discussions and a vote  
4 on each of the blocks individually. I think they  
5 are grouped where we can kind of follow along and  
6 understand those.

7 Also, just a note for the record. There are  
8 three specific oral modifications that have been  
9 made. There is an oral modification to Issue No.  
10 1. Oral modification to Issue No. 35. Oral  
11 modification to Issue No. 38. Those are included  
12 as fallout items and will be considered along with  
13 the issues. Mary Anne is be going to give us a  
14 reminder when we come to each one of those if I  
15 happen to overlook something.

16 My questions, Commissioners, is that agreeable  
17 to everyone, taking them up in the blocks as they  
18 are laid out, or does someone have another  
19 preference?

20 COMMISSIONER LA ROSA: I think that's good,  
21 Chairman. I am okay with that.

22 CHAIRMAN CLARK: All right. I believe  
23 everybody is good with it. Got all nods so we are  
24 going to proceed.

25 All right. Let's begin with Issue No. 1 in

1 Block 1 under Quality of Service.

2 Commissioners, do you have any questions or  
3 comments?

4 Commissioner Graham.

5 COMMISSIONER GRAHAM: Thank you, Mr. Chairman.  
6 I almost don't know where to start on this one.

7 Let's go to page No. 14 in the staff rec,  
8 where it has, the quality of service determination  
9 summary. The three that I want to address, if you  
10 look at the ones that the staff has labeled as  
11 marginal, I disagreed on the -- the recommendation  
12 of calling it marginal.

13 We can start with the bottom two, the Sanlando  
14 wastewater and the Mid-Country. I think, without a  
15 doubt, those two should be unsatisfactory. When  
16 you go back and we can read through the description  
17 of these different ones, but I think when you --  
18 when these things still are getting consent orders  
19 from DEP when they still have spillage,  
20 specifically when you are talking about wastewater,  
21 I mean, I am sorry, but that's not marginal in my  
22 mind. That's unsatisfactory. I mean, it's just  
23 one of those things that's just unacceptable. So I  
24 would like to see those two determinations as  
25 unsatisfactory, and I also would like to see the 50

1 basis points on that, which I will say quick here.

2 If you go back up to Pennbrooke. It's the  
3 same thing with Pennbrooke, that I think it should  
4 be unsatisfactory. And even with Pennbrooke, it  
5 probably should go a little further, because the  
6 things that they are trying to do in Sanlando  
7 wastewater and Mid-Country, the fixes are in, and  
8 hopefully when it's done, those problems will go  
9 away; but in Pennbrooke, there is no fix. They  
10 have met with the homeowners' association and said,  
11 we have this way of dealing with your iron, but  
12 supposedly the homeowners' association said that  
13 they didn't agree with it because they didn't want  
14 to pay the accelerated price. So I am almost  
15 tempted to go higher than the 50 percent -- a 50  
16 basis point RO -- I mean, 50 basis point reduction  
17 in the ROE in that one.

18 Now, I know this is going to sound convoluted  
19 because I had mentioned three separate systems and,  
20 in fact, it's all one big system. And I have met  
21 with staff, and we can figure out how to make that  
22 ROE a number that handles all, the whole big system  
23 that will come up roughly to the same dollar  
24 amount, but for simplicity of my argument, I want  
25 to talk specifically about those three systems, and

1           why I want to ding in them, or penalize them for  
2           what they have done so far.

3           I don't know if anybody has got any questions  
4           or if you -- I have been dealing with this for a  
5           while, so it's easier for me. I don't know if I'm  
6           speaking too fast and speaking over anybody.

7           CHAIRMAN CLARK: All right. So I understand,  
8           Commissioner Graham, you are proposing a 50 basis  
9           points reduction in the three systems, because it's  
10          a consolidated rate that makes it a little  
11          complicated. Are you proposing to calculate what  
12          that 50 basis point reduction would be on each of  
13          the individual systems and then come up with a new  
14          number that's applied to the entire system, or do  
15          you want to be specific in some sort of a bill  
16          credit form to these three specific utilities --  
17          three specific customer groups?

18          COMMISSIONER GRAHAM: Trust me, I would love  
19          to be specific to a bill credit to these specific  
20          groups, but staff, specifically legal, advised me  
21          against it, and I would say more than once. So I  
22          was looking for --

23          CHARIMAN CLARK: You've been warned.

24          COMMISSIONER GRAHAM: -- I was looking -- I  
25          have been looking for a different solution. And I



1 think Mark -- Mark Futrell brought up a good --  
2 good suggestion yesterday because even once -- even  
3 though I want to give these specific people the  
4 benefit of the basis points that we take away from  
5 them, these fixes that they have in specifically  
6 for the Wekiva Hunt Club, which is the Sanlando  
7 wastewater, I mean, that's \$10 million worth of  
8 fixes, and that's -- everybody as a whole is paying  
9 for that, and not just the Hunt Club. So it's just  
10 one of those things where, since you are one big  
11 unit right now, you got to charge everybody that.

12 And staff figured out the 50 basis points for  
13 those three that I already called out comes out to  
14 about 15 basis points for the utility as a whole,  
15 and staff can confirm that number.

16 CHAIRMAN CLARK: Okay. Mr. Futrell is nodding  
17 his head that that is correct.

18 MS. NORRIS: Yes, sir.

19 CHAIRMAN CLARK: So the equivalent that you  
20 have proposed is those 50 basis point reductions  
21 specific to those utilities would equate to a 15  
22 basis point penalty on the entire company. That's  
23 kind of what you are proposing or suggesting right  
24 here at this point, Commissioner Graham, is that  
25 correct?

1           COMMISSIONER GRAHAM: That is -- that is my  
2           current dialogue.

3           CHARIMAN CLARK: Okay.

4           COMMISSIONER GRAHAM: I guess I paused here  
5           just to see if -- like I said, I have been  
6           digesting this for the past five days, so I wanted  
7           to bring my colleagues up to speed where I am if  
8           they have any questions on it.

9           CHAIRMAN CLARK: All right. Let's entertain  
10          any comments, and if that's a consensus, we will  
11          take a motion at some point.

12          Any questions or comments for -- Commissioner  
13          La Rosa.

14          COMMISSIONER LA ROSA: Mr. Chairman, quick --  
15          quick comment.

16          Thank you, Chairman. And I have got similar  
17          sentiments of Commissioner Graham. I have also  
18          been looking at the same systems that he was -- he  
19          was looking to, specifically the Sanlando system  
20          which concerns me because these spillages, although  
21          didn't turn into major disasters, I think that  
22          ultimately they could, and they could be severely  
23          detrimental.

24          I, too, was looking at a similar comparison on  
25          a system basis in comparison to an overall basis

1 for the entire company, and I think when -- when  
2 things combine, I think, operationally things  
3 should run smoother, and frankly, I don't see that  
4 they have from their 2016 case from what I am  
5 seeing here.

6 So I -- I share very similar sentiments to  
7 Commissioner Graham, and I do agree with his  
8 perspective of saying that these are un -- these  
9 systems, specifically these three systems, are  
10 unsatisfactory.

11 Looking at somewhat from a basis point, I  
12 think somewhere between 10 and 15 basis points is  
13 probably the right landing spot. When I do my  
14 calculations, I think 15 is probably the most  
15 appropriate place, I think, for us to be. So I  
16 agree with -- with Commissioner Graham.

17 CHAIRMAN CLARK: Thank you, Commissioner La  
18 Rosa.

19 Any other comments?

20 All right. On Issue No. 1, Commissioner  
21 Graham, do you have a motion?

22 Commissioner Graham, give us -- you are muted.

23 COMMISSIONER GRAHAM: Sorry about that. Can  
24 you hear me?

25 CHAIRMAN CLARK: Now we can hear you.

1           COMMISSIONER GRAHAM:   Okay.  Mr. Chairman, I  
2           had legal draft a -- a motion for me.  And right  
3           now, looking on my email, I can't find it.  If you  
4           can get -- I can't remember if it's either -- if  
5           it's Mary Anne or Keith that's there that can read  
6           that motion.

7           CHAIRMAN CLARK:   They are both here.  
8           Would you read the proposed motion from  
9           Commissioner Graham?

10          MR. HETRICK:   Yes.

11          Commissioner Graham makes the following motion  
12          concerning quality of service for UIF:

13                 The quality of service for the following  
14                 systems is satisfactory:  Water, Lake Placid,  
15                 UIF-Marion, UIF-Orange, UIF-Pasco-Orangewood,  
16                 UIF-Pinellas-UIF Lake Tarpon, LUSI, Labrador,  
17                 UIF-Pasco-Summertree, Cypress Lakes, UIF-Seminole,  
18                 Sanlando.

19                 Wastewater Sandalhaven, Cross Creek/Eagle  
20                 Ridge, UIF-Marion, Lake Placid, Longwood, Tierre  
21                 Verde, LUSI, UIF-Pasco-Orangewood and Cypress  
22                 Lakes.

23                 The quality of service for Pennbrooke water,  
24                 Sanlando, which is parenthesis Wekiva Hunt Club  
25                 wastewater, and Mid-County wastewater systems is

1           unsatisfactory because these systems are currently  
2           not in compliance with DEP standards, or have yet  
3           satisfied DEP consent orders. Therefore, I believe  
4           that a penalty to the utility's return on equity in  
5           the amount of 15 basis points is appropriate in  
6           recognition of the utility's marginal quality of  
7           service in these systems.

8                     In the last rate case, we combined UIF's  
9           disparate systems into a single rate base with  
10          consolidated rates; thus, all customers support  
11          through rates the capital investments and operating  
12          expenses associated with the provision of water and  
13          wastewater service, it is therefore appropriate for  
14          all customers to benefit from a reduction to the  
15          utility's return on equity. This penalty is to  
16          reduce the return on equity established in Issue  
17          22, and that will be reflected in the determination  
18          of the utility's revenue requirement.

19                    Finally, the reductions to the utility's  
20          return on equity from prior quality of service  
21          determinations should be removed.

22                    Further, the secondary water quality reporting  
23          and testing requirements pursuant to Order No.  
24          PSC-16-0505-PAA-WS for Summertree should be  
25          discontinued.

1           And that's the motion, Mr. Chair.

2           CHAIRMAN CLARK: All right. Thank you, Mr.  
3           Hetrick.

4           Commissioner Graham, is that your motion?

5           COMMISSIONER GRAHAM: Well, as you can tell,  
6           attorneys get paid by the minute, and that was  
7           about a six-minute motion, so I think that's about  
8           a 10-percent.

9           CHAIRMAN CLARK: Understood.

10          All right, Commissioner Graham moves this  
11          item.

12          Is there a second?

13          COMMISSIONER LA ROSA: Chairman, second.

14          CHAIRMAN CLARK: I have a second.

15          All right. Any discussion on the motion?

16          I do have one quick question. In Commissioner  
17          Graham's motion, there was a reference that the  
18          utility system, the wastewater systems were still  
19          not in compliance. It was my understanding that  
20          they actually had come back into compliance in  
21          December of 2020; is that correct, Mr. Futrell?

22          I just wanted to be clear for the record.

23          This was a punitive issue from -- from performance,  
24          but they were actually in compliance, is that  
25          right?

1           MR. FUTRELL: Perhaps if engineering staff  
2 could confirm that. I believe there may have been  
3 still some -- some unresolved consent orders, but  
4 if engineering staff could address that, please.

5           MS. MALOY: Good morning, Commissioners. This  
6 is Kerri Maloy for staff.

7           For the Mid-County wastewater system, the  
8 system is currently still out of compliance due to  
9 missed paperwork that was filed. And for the  
10 Sanlando wastewater system, there is still one  
11 consent order for that system, so they are still  
12 technically both out of compliance.

13          CHAIRMAN CLARK: Okay. So they are still out  
14 of compliance. Thank you. And just good  
15 clarification, I wanted to make sure we were  
16 correct.

17          MR. HETRICK: And that makes it -- the motion  
18 consistent with that response, Mr. Chair.

19          CHAIRMAN CLARK: Yes, sir. Very good. Thank  
20 you.

21          All right. Any other questions or comments?  
22 Commissioner Graham?

23          COMMISSIONER GRAHAM: I think I want to  
24 slightly amend my motion. I am not ready to  
25 include Summertree yet because I think we need to

1           have a little dialogue about that, because there  
2           is -- in there is the testing for Summertree. I  
3           think we need to remove that from the motion.

4           CHAIRMAN CLARK: All right. I am a little bit  
5           confused here. You want to remove -- Summertree is  
6           not a -- not a --

7           MS. HELTON: Mr. Chairman, part of staff's  
8           recommendation was that the secondary water quality  
9           reporting and testing requirements that we made  
10          back in 2016, that those should be discontinued.  
11          So I think that's what Commissioner Graham is  
12          alluding to.

13          CHAIRMAN CLARK: Okay. So you want that  
14          portion eliminated, Commissioner Graham, is that  
15          correct?

16          COMMISSIONER GRAHAM: That's correct. I am  
17          not saying that I am not going to include it later,  
18          but I think that we, as Commissioners, should talk  
19          about that first before we decide to eliminate it.

20          CHAIRMAN CLARK: Okay. All right. So you  
21          want to take that -- remove that portion from the  
22          recommendation in the motion. We will do that by  
23          general consent without objection. All right, no  
24          objection. We will move that out of the motion --  
25          strike that from the motion.



1           Okay. We are still on discussion of the  
2 motion. Any other questions or comments?

3           This will resolve Issue No. 1, the oral  
4 modifications, all items associated with Issue No.  
5 1.

6           On the motion, all in favor say aye.

7           (Chorus of ayes.)

8           CHAIRMAN CLARK: All opposed?

9           (No response.)

10          CHAIRMAN CLARK: And the motion passes  
11 unanimously.

12          All right. Let's move on to Block No. 2.  
13 These are Issues No. 2 through Issue No. 17.

14          Are there any questions, comments --

15          MS. HELTON: Mr. Chairman.

16          CHAIRMAN CLARK: Yes, ma'am.

17          MS. HELTON: May I make a suggestion that we  
18 go back and decide what you are going to do with  
19 Summer -- respect to Summertree before we move from  
20 Issue 1?

21          CHAIRMAN CLARK: Sure, we can do that before  
22 we move to the next block.

23          Yes, sir. You want a motion to reconsider?

24          Okay. Yes, sir.

25          COMMISSIONER GRAHAM: Mr. Chairman.

1           CHAIRMAN CLARK: Okay. Commissioner Graham,  
2           one second, please.

3           COMMISSIONER GRAHAM: Are you recognizing me,  
4           sir?

5           CHAIRMAN CLARK: Yes, sir. I am sorry. Yes,  
6           sir. Commissioner Fay is ready to make a motion to  
7           reconsider. We are going to open the item back up,  
8           but go ahead, you had a comment first?

9           COMMISSIONER GRAHAM: Well, I mean, I don't  
10          know if a reconsider -- yes, I have a comment.

11          We had issues with Summertree because they  
12          were still not hitting their secondary standards,  
13          and we had them, I believe, reporting every six  
14          months. I can't remember if it was once a year or  
15          once every six months. And I believe their  
16          attorney was turning those things into the staff,  
17          you know, on a regular basis like you are supposed  
18          to, and I guess my concern is that we are still  
19          getting high -- high iron content in some of the  
20          testings, so my question is why are we eliminating  
21          all the secondary standards testing if we are still  
22          getting some numbers that are outside of our  
23          quality standards? I guess that question is  
24          probably more to staff.

25          CHAIRMAN CLARK: Mr. Futrell?

1           MR. FUTRELL: Yeah. Would Ms. Maloy or the  
2 engineering staff please respond to that as far as  
3 the status of Summertree and staff's recommendation  
4 on that particular system?

5           MR. BALLINGER: Yeah. This is Tom Ballinger.  
6 Can you hear he me okay?

7           CHAIRMAN CLARK: Yes, sir, we can hear you. I  
8 am sorry.

9           MR. BALLINGER: First -- that's okay.

10           First off, the original reporting requirement,  
11 at the time Summertree was an individual system,  
12 had its own wells and distribution system. And at  
13 that time, it was passing secondary standards, but  
14 there was high customer complaints due to cloudy  
15 water, things of this nature. It was determined it  
16 was from a biofilm, if you will, in the  
17 distribution system.

18           And Commissioner Graham is correct, at that  
19 time, when we found them unsatisfactory and  
20 required this additional reporting at points in the  
21 distribution system, and then Summertree was also  
22 looking at a change in supply. So in the interim,  
23 they did vote to change supply and now are  
24 purchasing water from Pasco County. As such, being  
25 a consecutive system, they are no longer subject to

1 the DEP secondary water standards, even though we  
2 are still collecting this data.

3 The oral modification that came in also  
4 pointed out that while they had been reporting  
5 along this period of time, every six months, there  
6 were some reports that had slight exceedances of  
7 iron in the levels, but the last one that came in  
8 in October of '20, the lab reports showed it was  
9 undetectable and, therefore, they were meeting the  
10 iron levels of the secondary standards.

11 I think that's why staff is recommending that  
12 the system looks to be satisfactory and we were  
13 recommending removing the reporting requirements  
14 going forward.

15 The issue that Summertree is still dealing  
16 with now is maintaining disinfection byproducts in  
17 the distribution system because of the water coming  
18 from Pasco. That's part of the pilot program.  
19 That's one of the proforma projects, and they are  
20 doing this in an effort to also reduce flushing  
21 that's needed in order to keep to the biofilm and  
22 disinfection byproducts at current levels.

23 So that is the status of Summertree, a little  
24 bit of history, and why we are recommending that  
25 the reporting be discontinued.

1           CHAIRMAN CLARK: Commissioner Graham.

2           COMMISSIONER GRAHAM: Yes. I guess to bring  
3           some of you guys up-to-date, Summertree had their  
4           own wells, as Tom said, for the longest time, and  
5           they were having issues with their wells. They  
6           decided to go on to -- I am trying to remember the  
7           municipality. I think it's Pasco County, they had  
8           better water and they were able to switch over to  
9           Pasco County, but the problem you run into is it  
10          wasn't just the water coming out of the well that  
11          was the issue, it's the water that's all in the  
12          distribution system that's also an issue. And  
13          that's what Tom was just talking about. They are  
14          still running into issues in the distribution  
15          system.

16                 I am not encouraging that we continue having  
17          them do it every six months, but the recommendation  
18          of staff was continue doing it all together, and I  
19          don't think that's what we need to do, because I  
20          still think we need to have an understanding of  
21          what's going on with the secondary water standards  
22          in that system, even though they are purchasing  
23          their water.

24                 Now the argument is going to be that we have  
25          no control because that's a municipal system, but

1           that doesn't mean that UIF can't go back to the  
2           community and argue that you are giving us low  
3           quality water and negotiate a lesser deal on their  
4           end, because somewhere along the line someone has  
5           got to be responsible for the quality of that  
6           water. We can't go ahead and drop our hands and  
7           say, you know, since we are buying from a  
8           community, then we are going to accept anything  
9           that they send us.

10                   And so that's why I am saying I think we still  
11           need to test. And like I said, it doesn't have to  
12           be every six months. It may only be every two to  
13           three years, every four -- I am starting to hear an  
14           echo. I don't know if you guys can hear or not.

15                   CHAIRMAN CLARK: Yes, sir. We -- I think we  
16           caught all of that.

17                   So let me ask you a question. In the -- in  
18           your amendment to your motion where we struck the  
19           portion requiring elimination of the testing at  
20           Summerbrook or Pennbrooke, whichever -- yeah,  
21           Pennbrooke --

22                   COMMISSIONER GRAHAM: Summertree.

23                   CHAIRMAN CLARK: Summertree, Pennbrooke, I  
24           will get these correct, so you needed us to come  
25           back, you said, and clarify how we are dealing with

1           Summertree. Just by virtue of the motion being  
2           changed to eliminate the testing, or scratching the  
3           elimination of the testing requirement, that means  
4           that is still in place. So what do you need us to  
5           do from a legal standpoint to fix this problem? I  
6           don't see a problem, because we eliminated that so  
7           that requirement is still in place for the utility,  
8           is it not?

9           COMMISSIONER GRAHAM: Well, what I am trying  
10          to do -- what I am trying -- what I am trying to do  
11          is find a middle ground, because staff may be  
12          right. There may not be a need for us to do it  
13          every six months, but I don't think it should be  
14          eliminated.

15          CHAIRMAN CLARK: Right. And if -- if we leave  
16          the motion as is, the six-month testing is still in  
17          place. So if we are going to modify that, I see  
18          and understand the need to change the motion; but  
19          if you want to leave the six-month increment  
20          testing in place, the motion appears to me to be  
21          fine. Mr. Futrell is giving me a no, no, no, over  
22          here.

23          MR. FUTRELL: No, sir. I think it's --

24          CHAIRMAN CLARK: Speak to me, Mr. Futrell.

25          MR. FUTRELL: The clarification at the end was

1 to discontinue the reporting requirements. So if  
2 it's the will of the Commission to have -- to  
3 retain some kind of reporting requirements, you can  
4 either delete that sentence off the motion, or if  
5 you want to change the frequency of the reports,  
6 you can you can modify it to some other frequency  
7 that you are comfortable with.

8 CHAIRMAN CLARK: So I was -- I thought we had  
9 already modified that.

10 MS. HELTON: Yes, sir. I think as we  
11 currently stand, the current requirement of  
12 reporting every six months is there. So if you  
13 want to do something different, as Commissioner  
14 Graham is suggesting, then I think you could make a  
15 new motion to require whatever testing interval it  
16 is that you would like to require.

17 CHAIRMAN CLARK: All right. So let's make  
18 sure we are all clear here.

19 As is, Commissioner Graham, the motion still  
20 requires six-month testing for this system, and so  
21 that motion is fine. If we want to change that, we  
22 could have a new motion to do something other than  
23 six-month testing.

24 We got staff that's a little bit confused  
25 here. Give us a second, Commissioners, and let's



1 see if we can figure this out.

2 MR. BAEZ: This is my --

3 CHARIMAN CLARK: Mr. Baez.

4 MR. BAEZ: As I see it, you have -- you have a  
5 staff recommendation that recommends termination of  
6 the testing. In order to -- in order to continue  
7 it, you are denying that portion -- you would --  
8 you would move to deny that portion of the  
9 recommendation. Alternatively, as you have been  
10 discussing, Commissioner Graham could amend his  
11 motion to set different terms for the testing, if  
12 that's -- if that's the consensus of this building.  
13 So you are either going to deny out right the staff  
14 recommendation on the -- on the terminating the  
15 testing, therefore continuing it.

16 CHAIRMAN CLARK: Okay. So hold where we are  
17 at.

18 Mr. Helton read a -- I am sorry. Mr. Hetrick  
19 read a motion for Commissioner Graham, and  
20 Commissioner Graham asked to amend that. We did a  
21 friendly amendment where he struck that portion  
22 related to Summerbrook, is that correct? So that  
23 takes it out.

24 MR. BAEZ: But that left the -- that left the  
25 question of the recommendation to open, I guess, to

1 strike -- striking -- striking the language from  
2 the motion left the question open. It didn't -- it  
3 didn't -- by striking it, it's not that he is  
4 denying the termination of the testing. Maybe I am  
5 not -- obviously, I am not being --

6 CHAIRMAN CLARK: So the recommendation was  
7 that it be terminated?

8 MR. BAEZ: Right.

9 MR. HETRICK: Right. And, Mr. Chair, I think  
10 we are -- Mr. Baez and I are saying the same thing.

11 The first motion is done. It's gone. You  
12 have removed it. It's passed. So if you want  
13 to -- we have a staff recommendation on Summertree,  
14 and I think that needs to be dealt with in a  
15 separate motion since you have removed it, because  
16 what remains is a denial. If you want to simply  
17 deny -- go along -- or change and deny staff's  
18 recommendation and leave it at that, it's still a  
19 separate motion.

20 CHAIRMAN CLARK: Okay. All right. My  
21 apologies for confusing this even more. Without  
22 being able to look at that motion --

23 MR. BAEZ: It was a team effort.

24 CHAIRMAN CLARK: Y'all got me here.

25 Okay. So the point we are at is, Commissioner

1           Graham, if you would like to make a motion  
2           regarding future testing for Summertree, it would  
3           be appropriate at this point under Issue No. 1.

4           Commissioner Graham.

5           COMMISSIONER GRAHAM: Mr. Chairman -- yes, Mr.  
6           Chairman, thank you.

7           Just to let -- excuse me, to let the rest of  
8           the Commission know, Summertree, since 2017, they  
9           have had more exceedances of iron than less. So  
10          there is still an issue there. There is still a  
11          problem there. I don't think every six months is  
12          probably necessary. We can go once a year. So my  
13          motion would probably be to continue the testing,  
14          but on an annual basis rather than a biannual  
15          basis.

16          CHAIRMAN CLARK: All right. Commissioner  
17          Graham moves to change Summertree to annual  
18          testing. Is there a second to the motion?

19          Commissioner Fay?

20          COMMISSIONER FAY: Mr. Chairman, I am going to  
21          second, but just for purposes of legal clarity.

22          I withdraw my motion for reconsideration.  
23          The -- the significance of that is what I think --  
24          I do think everyone is saying the same thing in a  
25          different way.

1           As long as within the quality of service issue  
2           in the docket we are addressing the issue of the  
3           reporting in addition to the adjustment that we are  
4           making in the ROE, holistically I think that's  
5           fine, and I think procedurally it can be done in  
6           either one or two separate motions, as long as  
7           within Issue 1 we are able to state that  
8           clarification.

9           My concern was just taking it up outside of  
10          Issue 1 could be problematic from an operational  
11          perspective. So I think now that we are in this  
12          posture, it's -- I don't necessarily take it as a  
13          modification to what we've approved already, but I  
14          think it's just clarity within Issue 1. Once we  
15          remove that, now what would be required by the  
16          Commission? And I think that's what's being stated  
17          by Commissioner Graham now, so I would second his  
18          motion.

19          CHAIRMAN CLARK: Agree. Thank you for that  
20          clarification, Commissioner Fay.

21          All right. Any other discussion?

22          MR. HETRICK: Mr. Chair?

23          CHAIRMAN CLARK: Mr. Hetrick.

24          MR. HETRICK: I would like to ask Tom  
25          Ballinger, just for clarification, to make sure the

1 motion is correct. The way it's framed now is that  
2 pursuant to Order No. 16-0505-PAA for Summertree  
3 should be discontinued. So now we are reinstating  
4 that same testing requirement, or is there some  
5 different testing requirement pursuant to iron that  
6 has nothing to do with that prior order that the  
7 Commission wishes to impose?

8 And that's where I think Tom Ballinger could  
9 add insight as to what his perception is of what  
10 Commissioner Graham wants to do, and then ask any  
11 question to make sure we get what Commissioner  
12 Graham wants done.

13 CHAIRMAN CLARK: All right. Mr. Ballinger,  
14 are you on the line?

15 MR. BALLINGER: Yes, sir, I am.

16 My understanding is that the reporting would  
17 stay the same as per that order, it would just move  
18 to yearly, as opposed to every six months. So the  
19 same criteria, same measuring points, we just  
20 continue on until the Commission changes it  
21 otherwise.

22 CHAIRMAN CLARK: Commissioner Graham gave us a  
23 thumbs up that that's his understanding and his  
24 desire in his motion.

25 All right. Any other questions, comments?

1           Again, my apologies for the confusion. I  
2           should have just taken Commissioner Fay's motion to  
3           reconsider and we would have been clear and done on  
4           this already.

5           All right. On the motion, all in favor say  
6           aye.

7           (Chorus of ayes.)

8           CHAIRMAN CLARK: All opposed?

9           (No response.)

10          CHAIRMAN CLARK: Motion carries.

11          All right. That sets aside Issue No. 1.

12          Any other fallout from Issue 1 that I am  
13          missing?

14          All right. Moving to Block No. 2, Issues No.  
15          2 through 17.

16          Commissioners, do you have any questions on  
17          any of these items? If not, I will entertain a  
18          motion to approve all issues listed in Block No. 2.

19          COMMISSIONER FAY: Mr. Chairman, I just have  
20          one comment and then I can make a motion for it.

21          CHAIRMAN CLARK: You are welcome.

22          COMMISSIONER FAY: Thank you.

23          So I did want to mention that in the project  
24          stated in this second block for rate base, the  
25          utility did include some components for the safety

1 of their operations, and the protections of their  
2 operation. And I think that's a good thing, and  
3 hopefully we will continue to see that from various  
4 utilities, because in today's world, that's a  
5 significant thing to include.

6 And so with that, I would approve staff's  
7 recommendations on Issues 2, 3, 4, 5 through 8 are  
8 stipulations, 9, 10, 11, 12, 13, 14, 15, 16 and 17.

9 CHAIRMAN CLARK: All right. Do I have a  
10 second?

11 COMMISSIONER GRAHAM: Second.

12 COMMISSIONER LA ROSA: Second.

13 CHAIRMAN CLARK: I have a second.

14 Any of discussion on the issues?

15 On the motion, all in favor say aye.

16 (Chorus of ayes.)

17 CHAIRMAN CLARK: All opposed?

18 (No response.)

19 CHAIRMAN CLARK: Motion carried.

20 Next up, Block No. 3, Cost of Capital, that's  
21 Issues No. 18, 19, 20, 21, 22 and 23.

22 The return on equity is, I assume, a fallout  
23 from Issue No. 1, and that would include a  
24 modification based on the adoption of Issue No. 1.

25 Any questions from any Commissioners?

1 All right. I will entertain a motion to  
2 approve based on the adjustment in ROE.

3 COMMISSIONER FAY: Mr. Chairman, I will move  
4 for approve Issues 18 through 23, including the  
5 adjustment in ROE -- staff's recommendation.

6 CHAIRMAN CLARK: All right. Do I have a  
7 second?

8 COMMISSIONER LA ROSA: Second.

9 CHAIRMAN CLARK: I have a second.  
10 Any discussion?

11 Any questions?

12 On the motion, all in favor say aye.

13 (Chorus of ayes.)

14 CHAIRMAN CLARK: All opposed?

15 (No response.)

16 CHAIRMAN CLARK: Motion carried.

17 Next up, Block No. 4, Test Year Revenues,  
18 Issue No. 16.

19 Any questions from Commissioners?

20 I will entertain a motion.

21 COMMISSIONER FAY: Mr. Chairman, I will move  
22 approval on Issue 16, staff's recommendation.

23 CHAIRMAN CLARK: Do I have a second?

24 COMMISSIONER LA ROSA: Second.

25 CHAIRMAN CLARK: I have a motion and a second.



1 Any discussion?

2 MS. HUDSON: This is Shannon Hudson. I think  
3 that issue, it should be 24.

4 MS. NORRIS: Correct. It's an error on the  
5 list.

6 CHAIRMAN CLARK: Yes, technically you are  
7 correct. It would follow in order, that is Issue  
8 No. 24 in Block 4. We have a typo there. No  
9 problem.

10 Any comments or questions?

11 On the motion, all in favor say aye.

12 (Chorus of ayes.)

13 CHAIRMAN CLARK: All opposed?

14 (No response.)

15 CHARIMAN CLARK: Motion carries.

16 Next up Block No. 5 under operating expenses  
17 Issues No. 25, 26 and 27.

18 Are there any questions?

19 I will entertain a motion.

20 COMMISSIONER FAY: Mr. Chairman, I move  
21 approval for staff recommendation on issues 25, 26  
22 and 27.

23 CHAIRMAN CLARK: Do I have a second?

24 COMMISSIONER LA ROSA: Second.

25 CHAIRMAN CLARK: Any discussion?

1 All in favor say aye.

2 (Chorus of ayes.)

3 CHAIRMAN CLARK: All opposed?

4 (No response.)

5 CHAIRMAN CLARK: Motion carried.

6 Next up, Block No. 6, Issue No. 28, 29, 30,

7 31, 32 and 33.

8 Any questions?

9 I will entertain a motion.

10 COMMISSIONER FAY: Mr. Chairman, I move staff

11 recommendation for approval on Issues 28 through

12 33.

13 CHAIRMAN CLARK: Do I have a second?

14 COMMISSIONER LA ROSA: Second.

15 COMMISSIONER GRAHAM: Second.

16 CHAIRMAN CLARK: Any discussion?

17 On the motion, all in favor say aye.

18 (Chorus of ayes.)

19 CHAIRMAN CLARK: Opposed?

20 (No response.)

21 CHAIRMAN CLARK: Motion carried.

22 All right. Block No. 7, Issue 34, 35, 36, 37,

23 38, 39 through 45, with oral modifications on Issue

24 No. 35 and Issue No. 38, to include oral

25 modifications.

1           Are there any questions from Commissioners?

2           I will entertain a motion.

3           COMMISSIONER FAY: Mr. Chairman, if I -- with  
4 your indulgence, I do have one quick comment --

5           CHAIRMAN CLARK: Oh, sure.

6           COMMISSIONER FAY: -- before approving the  
7 item.

8           The recommendation for Item 41 speaks to I  
9 guess what's referred to in the record as the SWIM  
10 program. I think conceptually when you look at  
11 what -- what the program is trying to accomplish, I  
12 think it's got some merit to it in that it's --  
13 it's referring to essentially a gas line program,  
14 but the concept is that there is some investment  
15 infrastructure moving forward, so there is not as a  
16 significant rate impact down the road for  
17 infrastructure that needs to be replaced.

18           With that said, I just -- I felt like the  
19 petitioners in this case just did not satisfy the  
20 burden of what was required for that, and so I  
21 don't -- I don't have a general opposition to  
22 the -- the concept or the structure of the program,  
23 but I do think that, at least in this case, it  
24 wasn't -- it wasn't satisfied.

25           So with that, Mr. Chairman, I am prepared to

1           make a motion, unless my colleagues have anything  
2           else they want to --

3           CHAIRMAN CLARK: Other comments or questions?

4           COMMISSIONER LA ROSA: Chairman, just a quick  
5           comment.

6           Commissioner La Rosa.

7           COMMISSIONER LA ROSA: Thank you, Chairman.

8           And I -- I certainly second those -- those  
9           comments on 41 on the SWIM program. Just -- just  
10          quick thought.

11          For something of this impact, I don't  
12          necessarily know that a rate case is the right  
13          procedure to ultimately consider something like  
14          this, but I do understand and agree that there is  
15          some infrastructure needs that are necessary, but  
16          don't believe that in this case the evidence was  
17          truly there, similar to what Commissioner Fay said.  
18          So just -- just wanted to get my thoughts out, and  
19          thank you, Chairman.

20          CHAIRMAN CLARK: Thank you, sir. Good  
21          comments and -- and absolutely on track both  
22          parties' positions, agree.

23          Any other comments?

24          All right. On the motion, all in favor say  
25          aye.

1 (Chorus of ayes.)

2 CHAIRMAN CLARK: All opposed?

3 (No response.)

4 CHAIRMAN CLARK: Motion carried.

5 All right. That concludes all of, I believe,  
6 our Agenda items.

7 Are there any other items that need to come  
8 before --

9 MR. FLETCHER: Chairman --

10 CHARIMAN CLARK: Yes.

11 MR. FLETCHER: Chairman, this is Bart  
12 Fletcher. I just wanted to make one thing clear on  
13 the -- for the transcript.

14 I know in Block 6, you know, it was moved to  
15 approve staff recommendation, but just similar to  
16 what, in Block 3, where you recognized the change  
17 that was in the quality of service, the effect that  
18 it had on Issue 22, which was the return on equity.

19 CHAIRMAN CLARK: Yes, sir.

20 MR. FLETCHER: It goes without saying, but I  
21 just wanted to make a clear, clarification, that  
22 staff has administrative authority, based on the  
23 approval of Block 6, to make the necessary changes  
24 to the revenue requirement, the fallout, that that  
25 was inclusive in the motion, just a clarification.

1           CHAIRMAN CLARK: Yes, sir. That was  
2           absolutely -- absolutely the Commission's intent.

3           Thank you for pointing that out for us. Great  
4           observation.

5           MR. FLETCHER: Thank you, Chair.

6           CHAIRMAN CLARK: All right. Other questions,  
7           concerns or issues to come before the Commission?

8           All right. If not, we stand adjourned.

9           We will resume for Internal Affairs in five  
10          minutes. Five minutes for Internal Affairs.

11          Thank you.

12          (Proceedings concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA )  
COUNTY OF LEON )

I, DEBRA KRICK, Court Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 22nd day of April, 2021.



\_\_\_\_\_  
DEBRA R. KRICK  
NOTARY PUBLIC  
COMMISSION #HH31926  
EXPIRES AUGUST 13, 2024