

FLORIDA PUBLIC SERVICE COMMISSION

Item 5

VOTE SHEET

January 11, 2022

FILED 1/11/2022
DOCUMENT NO. 00165-2022
FPSC - COMMISSION CLERK

Docket No. 20210055-WU – Application for staff-assisted rate case in Lake County by Brendenwood Waterworks, Inc.

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

Recommendation: Yes. The utility is passing all DEP primary and secondary standards and has been responsive to its customer complaints. Therefore, the quality of service provided by Brendenwood should be considered satisfactory.

APPROVED

Issue 2: Are the infrastructure and operating condition of Brendenwood's water system in compliance with DEP regulations?

Recommendation: Yes. Brendenwood's water system is currently in compliance with DEP regulations.

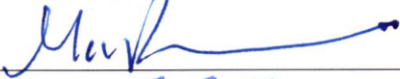
APPROVED


COMMISSIONERS ASSIGNED: All Commissioners


COMMISSIONERS' SIGNATURES


MAJORITY

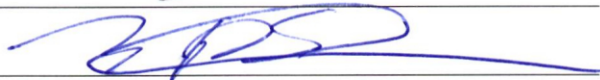
DISSENTING











REMARKS/DISSENTING COMMENTS:

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Issue 3: What are the used and useful (U&U) percentages for Brendenwood's WTP and water distribution system?

Recommendation: Brendenwood's WTP and water distribution system should be considered 100 percent U&U. Additionally, 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: What is the appropriate average test year rate base for Brendenwood?

Recommendation: The appropriate average test year rate base for Brendenwood is \$38,447.

APPROVED

Issue 5: What is the appropriate return on equity and overall rate of return for Brendenwood?

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 amount of test year revenues for Brendenwood's water system?

Recommendation: The appropriate test year revenues for Brendenwood's water system are \$29,939.

APPROVED

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Issue 7: What is the appropriate test year operating expense for Brendenwood?

Recommendation: The appropriate amount of operating expense for Brendenwood is \$32,034.

APPROVED

Issue 8: What is the appropriate revenue requirement for Brendenwood?

Recommendation: The appropriate revenue requirement is \$35,052 resulting in an annual increase of \$5,113 (17.08 percent).

APPROVED

Issue 9: What are the appropriate rate structure and rates for Brendenwood's water system?

Recommendation: The recommended rate structure and monthly water rates are shown on Schedule No. 4 of staff's memorandum dated December 29, 2021. 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.

APPROVED

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Issue 10: Should the requested initial customer deposits for Brendenwood be approved?

Recommendation: The appropriate initial customer deposit should be \$84 for the single family residential 5/8 inch x 3/4 inch meter size for water. The initial customer deposit 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 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 the miscellaneous service charges be revised to conform to amended Rule 25-30.460, F.A.C.?

Recommendation: Yes. Staff recommends the miscellaneous service charges be revised to conform to the recent amendment to Rule 25-30.460, F.A.C. The tariff should be revised to reflect the removal of initial connection and normal reconnection charges. Brendenwood should be required to file a proposed customer notice to reflect the Commission-approved charges. The approved charges 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

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Issue 12: What is the appropriate amount by which 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 on Schedule No. 4 of staff's memorandum dated December 29, 2021, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. Pursuant to Section 367.081(8), F.S., the decrease in rates should become effective immediately following the expiration of the rate case expense recovery period. Brendenwood should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and rationale no later than one month prior to the effective date of the new rates. If the utility files revised tariffs reflecting 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.

APPROVED

Issue 13: Should the recommended rates be approved for Brendenwood 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. Brendenwood should file revised tariff sheets and a proposed customer notice reflecting the Commission-approved rates. The approved rates should be effective for services 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. Further, prior to implementing any temporary rates, the utility should provide appropriate financial 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 section of staff's memorandum dated December 29, 2021. 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 both the current monthly and total amount 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.

APPROVED

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Issue 14: Should Brendenwood 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. Brendenwood should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission’s decision. Brendenwood should submit a letter within 90 days of the Commission’s final order in this docket, confirming that the adjustments to all applicable NARUC 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, a notice providing good cause should be filed not less than seven days prior to the deadline. Upon providing a notice of good cause, staff should be given administrative authority to grant an extension of up to 60 days

APPROVED

Issue 15: 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