

FLORIDA PUBLIC SERVICE COMMISSION

Item 12

VOTE SHEET

December 6, 2022

FILED 12/6/2022  
DOCUMENT NO. 11892-2022  
FPSC - COMMISSION CLERK

Docket No. 20220026-WU – Application for staff-assisted rate case in Marion County, and request for interim rate increase, by Leighton Estates Utilities, LLC.

**Issue 1:** Is the quality of service provided by Leighton Estates Utilities, LLC. satisfactory?

**Recommendation:** Yes. The utility is passing all Department of Environmental Protection (DEP) primary and secondary standards and no customer complaints or comments have been received. Therefore, the quality of service provided by Leighton should be considered satisfactory.

**APPROVED**

**Issue 2:**

Are the infrastructure and operating condition of Leighton’s water system in compliance with the DEP regulations?

**Recommendation:** Yes. Leighton’s water system is currently in compliance with DEP regulations.

**APPROVED**

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS’ SIGNATURES

MAJORITY

DISSENTING

*[Handwritten signatures in blue ink]*

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**REMARKS/DISSENTING COMMENTS:**

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**Issue 3:** What are the used and useful percentages for Leighton Estates Utilities, LLC.'s WTP and water distribution system?

**Recommendation:** Leighton's WTP and water distribution system should be considered 100 percent used and useful (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 Leighton Estates Utilities, LLC.?

**Recommendation:** The appropriate average test year rate base for Leighton is \$236,146.

**APPROVED**

**Issue 5:** What is the appropriate return on equity and overall rate of return for Leighton Estates Utilities, LLC.?

**Recommendation:** The appropriate return on equity (ROE) is 10.45 percent with a range of 9.45 percent to 11.45 percent. The appropriate rate of return is 6.83 percent.

**APPROVED**

**Issue 6:** What are the appropriate test year revenues for Leighton Estates Utilities, LLC's water system?

**Recommendation:** The appropriate test year revenues for Leighton's water system are \$28,269.

**APPROVED**

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**Issue 7:** What is the appropriate operating expense for Leighton Estates Utilities, LLC.?

**Recommendation:** The appropriate amount of operating expense for Leighton is \$41,981.

**APPROVED**

**Issue 8:** Does Leighton Estates Utilities, LLC. meet the criteria for application of the operating ratio methodology?

**Recommendation:** No. Leighton does not meet the requirement for application of the operating ratio methodology for calculating the revenue requirement.

**APPROVED**

**Issue 9:** What is the appropriate revenue requirement for Leighton Estates Utilities, LLC.?

**Recommendation:** The appropriate revenue requirement is \$58,098 resulting in an annual increase of \$29,829 (105.52 percent).

**APPROVED**

**Issue 10:** What are the appropriate rate structure and rates for Leighton Estates Utilities, LLC.'s water system?

**Recommendation:** The recommended rate structure and monthly water rates are shown on Schedule No. 4 of staff's memorandum dated November 22, 2022. 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 11:** Should Leighton Estates Utilities, LLC.'s miscellaneous service charges be revised to conform to amended Rule 25-30.460, F.A.C.?

**Recommendation:** Yes. Leighton's miscellaneous service charges should 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. Leighton 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**

**Issue 12:** Should the requested initial customer deposits for Leighton Estates Utilities, LLC. be approved?

**Recommendation:** The appropriate initial customer deposits should be \$120 for the single family residential 5/8 inch x 3/4 inch meter size for water. 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 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**

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**Issue 13:** 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?

**Recommendation:** The rates should be reduced as shown on Schedule No. 4 of staff’s memorandum dated November 22, 2022, 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. Leighton 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, the utility shall file separate data 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 14:** Should the recommended rates be approved for Leighton Estates Utilities, LLC. 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 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. Leighton 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 of staff’s memorandum dated November 22, 2022. 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.

**APPROVED**

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**Issue 15:** Should Leighton Estates Utilities, LLC. 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 NARUC USOA associated with the Commission approved adjustments?

**Recommendation:** Yes. Leighton should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission’s decision. Leighton should submit a letter within 90 days of the 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, notice providing good cause should be filed 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.

**APPROVED**

**Issue 16:** 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**