

# FLORIDA PUBLIC SERVICE COMMISSION

## COMMISSION CONFERENCE AGENDA

**CONFERENCE DATE AND TIME:** Thursday, January 5, 2017, 9:30 a.m.

**LOCATION:** Betty Easley Conference Center, Joseph P. Cresse Hearing Room 148

**DATE ISSUED:** December 21, 2016

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### NOTICE

Persons affected by Commission action on certain items on this agenda may be allowed to address the Commission, either informally or by oral argument, when those items are taken up for discussion at this conference. These items are designated by double asterisks (\*\*) next to the item number.

To participate informally, affected persons need only appear at the conference and request the opportunity to address the Commission on an item listed on the agenda. Informal participation is not permitted: (1) on dispositive motions and motions for reconsideration; (2) when a recommended order is taken up by the Commission; (3) in a rulemaking proceeding after the record has been closed; or (4) when the Commission considers a post-hearing recommendation on the merits of a case after the close of the record. The Commission allows informal participation at its discretion in certain types of cases (such as declaratory statements and interim rate orders) in which an order is issued based on a given set of facts without hearing. See Florida Administrative Code Rules 25-22.0021 (agenda conference participation) and 25-22.0022 (oral argument).

Conference agendas, staff recommendations, vote sheets, and transcripts are available online at <http://www.floridapsc.com>, by selecting *Conferences & Meeting Agendas* and *Commission Conferences of the FPSC*. An official vote of "move staff" denotes that the Item's recommendations were approved.

In accordance with the Americans with Disabilities Act, persons needing a special accommodation to participate at this proceeding should contact the Office of Commission Clerk no later than five days prior to the conference at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, 1-800-955-8770 (Voice) or 1-800-955-8771 (TDD), Florida Relay Service. Assistive Listening Devices are available at the Office of Commission Clerk, Gerald L. Gunter Building, Room 152.

The Commission Conference has a live video broadcast the day of the conference, which is available from the FPSC website. Upon completion of the conference, the archived video will be available from the website by selecting *Conferences & Meeting Agendas*, then *Audio and Video Event Coverage*.

**EMERGENCY CANCELLATION OF CONFERENCE:** If a named storm or other disaster requires cancellation of the Conference, Commission staff will attempt to give timely notice. Notice of cancellation will be provided on the Commission's website (<http://www.psc.state.fl.us/>) under the Hot Topics link on the home page. Cancellation can also be confirmed by calling the Office of Commission Clerk at 850-413-6770.

If you have any questions, contact the Office of Commission Clerk at (850) 413-6770 or [Clerk@psc.state.fl.us](mailto:Clerk@psc.state.fl.us).

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**ITEM NO.**

**CASE**

1\*\*PAA

**Docket No. 140175-WU** – Application for staff-assisted rate case in Pasco County by Crestridge Utilities, LLC.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Brisé

**Staff:** AFD: D. Smith, Mouring

ECO: Hudson, Johnson

ENG: Thompson

GCL: Corbari

**(Proposed Agency Action for Issues 1 and 2.)**

**Issue 1:** Should the Commission approve Crestridge’s requested Phase II increase for pro forma items?

**Recommendation:** Yes. The Commission should approve a Phase II revenue requirement associated with pro forma and additional items. The Utility’s Phase II revenue requirement is \$188,170, which equates to a 2.81 percent increase over the approved Phase I revenue requirement.

**Issue 2:** What is the appropriate rate structure and rates for Phase II?

**Recommendation:** The Phase II rate increase of 2.95 percent should be applied as an across-the-board increase to the existing Phase I rates. The rates, as shown on Schedule No. 4 of staff’s memorandum dated December 21, 2016, 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. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. 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 that the notice was given within 10 days of the date of the notice.

**ITEM NO.**

**CASE**

1\*\*PAA

**Docket No. 140175-WU** – Application for staff-assisted rate case in Pasco County by Crestridge Utilities, LLC.

(Continued from previous page)

**Issue 3:** Should the recommended rates be approved for Crestridge 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 for Phase II should be approved for the Utility on a temporary basis, subject to refund, in the event of a protest filed by a party other than the Utility. Crestridge 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 analysis portion of staff’s memorandum dated December 21, 2016. 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 Clerk’s office 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.

**Issue 4:** Should this docket be closed?

**Recommendation:** No. Except for the granting of temporary rates in the event of protest, which is final, if no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, a consummating order will be issued. The docket should remain open for staff’s verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff. Once the above actions are completed, this docket will be closed administratively.

**ITEM NO.**

**CASE**

2\*\*PAA

**Docket No. 140177-WU** – Application for staff-assisted rate case in Pasco County by Holiday Gardens Utilities, LLC.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Brisé

**Staff:** AFD: Passett, Mouring

ECO: Hudson, Johnson

ENG: Lee, Thompson

GCL: Corbari

**(Proposed Agency Action for Issues 1 and 2.)**

**Issue 1:** Should the Commission approve Holiday Gardens' requested Phase II increase for pro forma items?

**Recommendation:** Yes. The Commission should approve a Phase II revenue requirement associated with pro forma and additional items. The Utility's Phase II revenue requirement is \$136,693, which equates to a 1.02 percent increase over the approved Phase I revenue requirement.

**Issue 2:** What is the appropriate rate structure and rates for Phase II?

**Recommendation:** The Phase II rate increase of 1.07 percent should be applied as an across-the-board increase to the existing Phase I rates. The rates, as shown on Schedule No. 4 of staff's memorandum dated December 21, 2016, 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. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. 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 that the notice was given within 10 days of the date of the notice.

**ITEM NO.**

**CASE**

2\*\*PAA

**Docket No. 140177-WU** – Application for staff-assisted rate case in Pasco County by Holiday Gardens Utilities, LLC.

(Continued from previous page)

**Issue 3:** Should the recommended rates be approved for Holiday Gardens 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 for Phase II should be approved for the Utility on a temporary basis, subject to refund, in the event of a protest filed by a party other than the Utility. Holiday Gardens 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 analysis portion of staff’s memorandum dated December 21, 2016. 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 Clerk’s office 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.

**Issue 4:** Should this docket be closed?

**Recommendation:** No. Except for the granting of temporary rates in the event of protest, which is final, if no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, a consummating order will be issued. The docket should remain open for staff’s verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff. Once the above actions are completed, this docket will be closed administratively.

**ITEM NO.**

**CASE**

3\*\*PAA

**Docket No. 160169-WU** – Application for authority to transfer water system and Certificate No. 450-W from Pine Harbour Water Utilities, LLC to Pine Harbour Waterworks, Inc. in Lake County.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Patronis

**Staff:** ENG: Lewis, Knoblauch

AFD: Andrews, Fletcher

ECO: Friedrich, Hudson

GCL: Trierweiler

**(Proposed Agency Action for Issues 2, 3, 4, and 5.)**

**Issue 1:** Should the transfer of Pine Harbour Water Utilities, LLC water system and Certificate No. 450-W to Pine Harbour Waterworks, Inc. be approved?

**Recommendation:** Yes. The transfer of the water system and Certificate No. 450-W is in the public interest and should be approved effective the date of the Commission vote. The resultant order should serve as the Buyer's certificate and should be retained by the Buyer. The existing rates and charges should remain in effect until a change is authorized by the Commission in a subsequent proceeding. The tariffs reflecting the transfer should be effective for services rendered or connections made on or after the stamped approval date on the tariffs, pursuant to Rule 25-30.475, F.A.C. PHWUL will be responsible for paying RAFs through June 29, 2016, and the Buyer will be responsible for paying RAFs after June 29, 2016, and all future years. The Buyer should be responsible for filing the 2016 Annual Report and all future Annual Reports.

**Issue 2:** What are the appropriate initial customer deposits for Pine Harbour Waterworks, Inc. water service?

**Recommendation:** The appropriate water initial customer deposit should be \$56 for the residential 5/8" x 3/4" meter size. The initial customer deposits for all other residential meter sizes should be two times the average estimated bill for water service. The approved initial customer deposits should be effective for connections made on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475, F.A.C.

**ITEM NO.**

**CASE**

3\*\*PAA

**Docket No. 160169-WU** – Application for authority to transfer water system and Certificate No. 450-W from Pine Harbour Water Utilities, LLC to Pine Harbour Waterworks, Inc. in Lake County.

(Continued from previous page)

**Issue 3:** Should the Commission approve Pine Harbour Waterworks, Inc.’s request to implement a convenience charge for customers who opt to pay their water bill by debit or credit card online or by telephone?

**Recommendation:** Yes. PHWI’s request to implement a convenience charge of \$2.60 for customers who opt to pay their water bill by debit or credit card online or by way of telephone should be approved. The charge should be effective for services rendered on or after the stamped approval date on the tariff, pursuant to Rule 25-30.475, 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 the customers. PHWI should provide proof of the date that the notice was given within 10 days of the date of the notice.

**Issue 4:** Should Pine Harbour Waterworks, Inc. be authorized to collect Non-Sufficient Funds Charges (NSF)?

**Recommendation:** Yes. PHWI should be authorized to collect NSF charges. Staff recommends that PHWI 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. PHWI should provide proof of the date the notice was given within 10 days of the date of the notice.

**Issue 5:** What is the appropriate net book value for the Pine Harbour Water Utilities, LLC water system for transfer purposes, and should an acquisition adjustment be approved?

**Recommendation:** The net book value of the water system for transfer purposes is \$23,698 as of June 29, 2016. An acquisition adjustment should not be included in rate base. Within 90 days of the date of the final order, PHWI should be required to notify the Commission in writing, that it has adjusted its books in accordance with the Commission’s decision. The adjustments should be reflected in PHWI’s 2016 Annual Report when filed.



**ITEM NO.**

**CASE**

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3\*\*PAA

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**Docket No. 160169-WU** – Application for authority to transfer water system and Certificate No. 450-W from Pine Harbour Water Utilities, LLC to Pine Harbour Waterworks, Inc. in Lake County.

(Continued from previous page)

**Issue 6:** Should this docket be closed?

**Recommendation:** The docket should remain open pending staff's verification that the revised tariff sheets and customer notice have been filed by Pine Harbour Waterworks, Inc. and approved by staff. If a protest is filed within 21 days of the issuance date of the Order, the tariff sheets should remain in effect with the charges held subject to refund pending resolution of the protest. If no timely protest is filed, a consummating order should be issued and, once staff verifies that the notice of the charge has been given to customers, the docket should be administratively closed.

**ITEM NO.**

**CASE**

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4\*\*PAA

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**Docket No. 160211-EU** – Joint petition to approve territorial agreement in Columbia, Lafayette, Suwannee, and Hamilton Counties by Suwannee Valley Electric Cooperative and Duke Energy Florida, LLC.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Brisé

**Staff:** ECO: Whitchurch, Guffey, Coston

GCL: Trierweiler

**Issue 1:** Should the Commission approve the proposed territorial agreement between SVEC and DEF?

**Recommendation:** Yes. The proposed agreement is an extension of the existing agreement set to expire in 2016, and consolidates the previously expired agreement for Hamilton County. It is in the public interest and will enable SVEC and DEF to better serve their current and future customers.

**Issue 2:** Should this docket be closed?

**Recommendation:** If no protest is filed by a person whose substantial interests are affected within 21 days of the issuance of the Order, this docket should be closed upon the issuance of a Consummating Order.