

# FLORIDA PUBLIC SERVICE COMMISSION

## COMMISSION CONFERENCE AGENDA

**CONFERENCE DATE AND TIME:** Tuesday, April 4, 2017, 9:30 a.m.

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

**DATE ISSUED:** March 23, 2017

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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 or 850-413-6770 (Florida Relay Service, 1-800-955-8770 Voice or 1-800-955-8771 TDD). Assistive Listening Devices are available upon request from 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.floridapsc.com>) 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.

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April 4, 2017

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**ITEM NO.**

**CASE**

1\*\*

**Docket No. 160239-WS** – Proposed amendment of Rule 25-30.445, F.A.C., General Information and Instructions Required of Water and Wastewater Utilities in an Application for a Limited Proceeding.

**Rule Status:** Proposal May Be Deferred

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Patronis

**Staff:** GCL: Gervasi

AFD: L. Smith II, Mouring

ECO: Rome

ENG: King

**Issue 1:** Should the Commission propose the amendment of Rule 25-30.445, F.A.C., General Information and Instructions Required of Water and Wastewater Utilities in an Application for a Limited Proceeding?

**Recommendation:** Yes, the Commission should propose the amendment of Rule 25-30.445, F.A.C., as set forth in Attachment A of staff's memorandum dated March 23, 2017.

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

**Recommendation:** Yes, if no requests for hearing or comments are filed, the rule amendments as proposed should be filed for adoption with the Secretary of State and the docket should be closed.

**ITEM NO.**

**CASE**

2\*\*PAA

**Docket No. 170037-EI** – Request for approval of change in rate used to capitalize allowance for funds used during construction (AFUDC) from 6.34% to 6.16%, effective January 1, 2017, by Florida Power & Light Company.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** AFD: Richards, D. Buys, Cicchetti

GCL: Mapp

**Issue 1:** Should the Commission approve FPL's request to decrease its AFUDC rate from 6.34 percent to 6.16 percent?

**Recommendation:** Yes. The appropriate AFUDC rate for FPL is 6.16 percent based on a 13-month average capital structure for the period ended December 31, 2016.

**Issue 2:** What is the appropriate monthly compounding rate to achieve the requested 6.16 percent annual AFUDC rate?

**Recommendation:** The appropriate monthly compounding rate to maintain an annual rate of 6.16 percent is 0.499682 percent.

**Issue 3:** Should the Commission approve FPL's requested effective date of January 1, 2017, for implementing the revised AFUDC rate?

**Recommendation:** Yes. The revised AFUDC rate should be effective as of January 1, 2017, for all purposes.

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

**Recommendation:** 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, this docket should be closed upon the issuance of a consummating order.

**ITEM NO.**

**CASE**

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3\*\*PAA

**Docket No. 170057-EI** – Analysis of IOUs' hedging practices.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Brisé

**Staff:** AFD: Barrett, Cicchetti

GCL: Brownless

**RECOMMENDATION TO BE FILED BY NOON MONDAY, MARCH 27, 2017.**

**ITEM NO.**

**CASE**

4\*\*PAA

**Docket No. 160065-WU** – Application for increase in water rates in Charlotte County by Bocilla Utilities, Inc.

**Critical Date(s):** 04/04/17 (5-Month Effective Date Waived Through April 4, 2017)

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Polmann

**Staff:** ENG: Hill, Graves, King

AFD: Frank, Norris

ECO: Hudson, Johnson

GCL: Leathers, Crawford

**(Proposed Agency Action - Except for Issue Nos. 21 and 23.)**

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

**Recommendation:** Yes. Staff recommends that the quality of Bocilla's product and the condition of the water treatment facilities is satisfactory. It appears that the Utility has attempted to address customers' concerns. Therefore, staff recommends that the overall quality of service for the Bocilla water system in Charlotte County is satisfactory.

**Issue 2:** Should the audit adjustments to rate base to which the Utility and staff agree be made?

**Recommendation:** Yes. Accumulated amortization of Contributions-in-aid-of-Construction (CIAC) should be decreased by \$44,625, and CIAC amortization expense should be decreased by \$3,538. Further, Operations and Maintenance (O&M) expense should be decreased by \$5,048.

**Issue 3:** Should the full amount of the original cost study provided by the Utility be accepted as a factor in determining Utility Plant in Service?

**Recommendation:** No. Staff recommends that the original cost study is sufficient to support the amount of Utility Plant in Service (UPIS) presented in the MFRs; however, errors and discrepancies discovered by staff suggest that the original cost study is not sufficiently reliable to support the higher plant values. Staff recommends that UPIS balances should be based on the MFRs, with adjustments described in the analysis portion of staff's memorandum dated March 23, 2017. Accordingly, UPIS should be increased by \$9,848. A corresponding adjustment should be made to decrease accumulated depreciation by \$49,695 and depreciation expense by \$1,025.

**Issue 4:** Should further adjustments be made to the Utility's rate base?

**Recommendation:** Yes. UPIS should be reduced by \$44,000 to remove double counting of land. Land should be also reduced by \$44,000 to reflect the removal of land from rate base. CIAC should be increased by \$83 associated with the meter installation charges collected by the Utility. Corresponding adjustments should be made to increase both accumulated amortization of CIAC and CIAC amortization expense by \$8 and to decrease property taxes by \$3,179.

**ITEM NO.**

**CASE**

4\*\*PAA

**Docket No. 160065-WU** – Application for increase in water rates in Charlotte County by Bocilla Utilities, Inc.

(Continued from previous page)

**Issue 5:** Should any adjustments be made to the Utility’s pro forma plant?

**Recommendation:** Yes. The appropriate amount of pro forma plant additions is \$139,708. This results in a decrease of \$50,067 from the Utility’s requested amount. Therefore, UPIS should be increased by \$139,708. Corresponding adjustments should also be made to increase accumulated depreciation by \$11,709 and increase depreciation expense by \$11,709. Additionally, property taxes should be increased by \$2,136.

**Issue 6:** What is the used and useful (U&U) percentage of the Utility’s water transmission and distribution system?

**Recommendation:** Bocilla’s water transmission and distribution system should be considered 100 percent U&U. There appears to be no excessive unaccounted for water (EUW), therefore, staff recommends that no adjustment be made to operating expenses for purchased water.

**Issue 7:** What is the appropriate working capital allowance?

**Recommendation:** The appropriate working capital allowance is \$44,993. As such, the working capital allowance should be decreased by \$473.

**Issue 8:** What is the appropriate rate base for the test year period ended December 31, 2015?

**Recommendation:** Consistent with staff’s other recommended adjustments, the appropriate rate base for the test year ended December 31, 2015, is \$744,524.

**Issue 9:** What is the appropriate return on equity?

**Recommendation:** Based on the Commission’s leverage formula currently in effect, the appropriate return on equity (ROE) is 11.16 percent with an allowed range of plus or minus 100 basis points.

**Issue 10:** What is the appropriate weighted average cost of capital based on the proper components, amounts, and cost rates associated with the capital structure for the test year ended December 31, 2015?

**Recommendation:** The appropriate weighted average cost of capital for the test year ended December 31, 2015, is 6.03 percent.

**Issue 11:** What is the appropriate amount of test year revenues?

**Recommendation:** The appropriate test year revenues for Bocilla’s water system are \$398,153.

**Issue 12:** Should any adjustments be made to the Utility’s pro forma expenses?

**Recommendation:** Yes. Bocilla’s requested pro forma O&M expenses should be reduced by \$29,402. A corresponding adjustment should be made to increase payroll taxes by \$765.

**ITEM NO.**

**CASE**

4\*\*PAA

**Docket No. 160065-WU** – Application for increase in water rates in Charlotte County by Bocilla Utilities, Inc.

(Continued from previous page)

**Issue 13:** Should any adjustments be made to the Utility’s salaries and wages expense?  
**Recommendation:** Yes. Salaries and wages expense should be reduced by \$13,896. Pensions and benefits should be decreased by \$1,510. A corresponding adjustment should be made to reduce payroll taxes by \$1,103.

**Issue 14:** Should further adjustments be made to the Utility’s O&M expense?  
**Recommendation:** Yes. O&M expense should be further decreased by \$18,520.

**Issue 15:** What is the appropriate amount of rate case expense?  
**Recommendation:** The appropriate amount of rate case expense is \$99,588. This expense should be recovered over four years for an annual expense of \$24,897. Therefore, annual rate case expense should be increased by \$3,797.

**Issue 16:** What is the appropriate revenue requirement for the test year ended December 31, 2015?  
**Recommendation:** Staff recommends the following revenue requirement be approved.

Test Year Revenue	\$ Increase	Revenue Requirement	% Increase
\$398,153	\$82,665	\$480,818	20.76%

**Issue 17:** What are the appropriate rate structures and rates for Bocilla’s water system?  
**Recommendation:** The recommended rate structure and monthly water rates are attached as Schedule No. 4 of staff’s memorandum dated March 23, 2017. 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 sheet, 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.

**Issue 18:** Should Bocilla's request to implement a late payment charge be approved?  
**Recommendation:** Yes. Bocilla’s request to implement a late payment charge of \$7.12 should be approved. Bocilla should be required to file a proposed customer notice and tariff to reflect the Commission-approved charge. The approved charge 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 approved charge should not be implemented until staff has approved the proposed customer notice. The Utility should provide proof of the date notice was given no less than 10 days after the date of the notice.



**ITEM NO.**

**CASE**

4\*\*PAA

**Docket No. 160065-WU** – Application for increase in water rates in Charlotte County by Bocilla Utilities, Inc.

(Continued from previous page)

**Issue 19:** Should the Utility’s approved service availability policy and charges be revised?

**Recommendation:** Yes. Bocilla’s existing wastewater system capacity charge should be discontinued. Staff recommends a new meter installation charge of \$365 and a main extension charge of \$1,279 per ERC. The Utility’s existing AFPI charge should be collected from the remaining 315 ERCs the system was originally designed to serve. The approved service availability charges may only be collected from new connections to the Utility’s water system. The approved service availability charges should be effective for service rendered on or after the stamped approval date of the tariff, pursuant to Rule 25-30.475, F.A.C.

**Issue 20:** What are the appropriate initial customer deposits for Bocilla?

**Recommendation:** The appropriate water initial customer deposit should be \$171 for the residential 5/8 inch x 3/4 inch meter size. 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 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.

**Issue 21:** What is the appropriate amount by which rates should be reduced four years after the established effective date to reflect the removal of the amortized rate case expense as required by Section 367.0816, F.S.?<sup>1</sup>

**Recommendation:** The water rates should be reduced as shown on Schedule No. 4 of staff’s memorandum dated March 23, 2017, to remove rate case expense grossed up for regulatory assessment fees (RAFs) and amortized over a four-year period. The decrease in rates should become effective immediately following the expiration of the four-year rate case expense recovery period, pursuant to Section 367.0816, F.S. Bocilla 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, 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.

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<sup>1</sup>Section 367.0816, F.S., was repealed, pursuant to Ch. 2016-226, Laws of Florida, effective July 1, 2016. However, the Statute was in effect when Bocilla’s application was filed, and therefore shall remain applicable in this case.

**ITEM NO.**

**CASE**

4\*\*PAA

**Docket No. 160065-WU** – Application for increase in water rates in Charlotte County by Bocilla Utilities, Inc.

(Continued from previous page)

**Issue 22:** In determining whether any portion of the interim water revenue increase granted should be refunded, how should the refund be calculated, and what is the amount of the refund, if any?

**Recommendation:** The appropriate refund amount should be calculated by using the same data used to establish final rates, excluding rate case expense and other items not in effect during the interim period. The revised revenue requirements for the interim collection period should be compared to the amount of interim revenues granted. This results in a refund of 11.3 percent for water. The refund should be made with interest in accordance with Rule 25-30.360(4), F.A.C. The Utility should be required to submit proper refund reports, pursuant to Rule 25-30.360(7), F.A.C. The Utility should treat any unclaimed refunds as Contributions in Aid of Construction (CIAC), pursuant to Rule 25-30.360(8), F.A.C. Further, the letter of credit should be released upon staff's verification that the required refunds have been made.

**Issue 23:** Should the Utility be required to notify, within 90 days of an effective order finalizing this docket, that it has adjusted its books for all the applicable NARUC Uniform System of Accounts (USOA) associated with the Commission-approved adjustments?

**Recommendation:** Yes. The Utility should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision. Bocilla should submit a letter within 90 days of the final order in this docket, confirming that the adjustments to all the applicable NARUC USOA accounts have been made to the Utility's books and records. In the event the Utility needs additional time to complete the adjustments, notice should be provided within seven days prior to deadline. Upon providing good cause, staff should be given administrative authority to grant an extension of up to 60 days.

**Issue 24:** 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 order, a consummating order should 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, and the Utility has provided staff with proof that the adjustments for all the applicable NARUC USOA primary accounts have been made. Once these actions are complete, this docket should be closed administratively.

**ITEM NO.**

**CASE**

5\*\*

**Docket No. 160238-WS** – Application of B & C Water Resources, L.L.C. and D & E Water Resources, L.L.C. for transfer of majority organizational control.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Patronis

**Staff:** ENG: Knoblauch, Watts

AFD: Galloway

ECO: Bruce

GCL: Mapp

**Issue 1:** Should the application for transfer of majority organizational control of B&C in Baker and Union Counties and D&E in Flagler and Volusia Counties from Plum Creek to Weyerhaeuser be approved?

**Recommendation:** Yes. The transfer of majority organizational control from Plum Creek to Weyerhaeuser is in the public interest and should be approved effective the date of the Commission vote. The resultant order should serve as the water and wastewater certificates, with the territories described in Attachment A for B&C and Attachment B for D&E of staff's memorandum dated March 23, 2017. The Utilities' existing rates and charges should remain in effect until a change is authorized by the Commission in a subsequent proceeding. For the Utilities', the tariff pages reflecting the transfer should be effective on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), Florida Administrative Code, (F.A.C.).

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

**Recommendation:** Yes. If the Commission approves staff's recommendation in Issue 1, this docket should be closed.

**ITEM NO.**

**CASE**

6\*\*

**Docket No. 170029-GU** – Petition for approval of modifications to extension of facilities and area extension program tariffs, by Florida City Gas.

**Critical Date(s):** 04/04/17 (60-Day Suspension Date Waived by the Company Until the 04/04/17 Agenda Conference)

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** ECO: Ollila

GCL: Leathers

**Issue 1:** Should the Commission approve FCG’s proposed tariff modifications, as revised on March 17, 2017, to the Extension of Facilities and AEP tariffs?

**Recommendation:** Yes, the Commission should approve FCG’s proposed tariff modifications, as revised on March 17, 2017, to the Extension of Facilities and AEP tariffs effective April 4, 2017.

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

**Recommendation:** If Issue 1 is approved the tariffs should become effective on April 4, 2017. If a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.

**ITEM NO.**

**CASE**

7\*\*PAA

**Docket No. 160143-WU** – Application for staff-assisted rate case in Hardee County by Charlie Creek Utilities, LLC.

**Critical Date(s):** 11/01/17 (15-Month Effective Date (SARC))

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Graham

**Staff:** ECO: Friedrich, Hudson  
AFD: Vogel  
ENG: P. Buys, Knoblauch  
GCL: Tan

**(Proposed Agency Action - Except Issue Nos. 10, 11, and 18.)**

**Issue 1:** Is the quality of service provided by Charlie Creek Utilities, LLC satisfactory?

**Recommendation:** Yes. The overall quality of service provided by Charlie Creek Utilities, LLC should be considered satisfactory.

**Issue 2:** What are the used and useful percentages (U&U) of Charlie Creek Utilities, LLC's water treatment plant (WTP) and distribution system?

**Recommendation:** Charlie Creek's WTP should be considered 50 percent U&U. The water distribution system should be considered 55 percent U&U. There appears to be no excessive unaccounted for water (EUW); therefore, staff is not recommending an adjustment be made to operating expenses for chemicals and purchased power.

**Issue 3:** What is the appropriate average test year rate base for Charlie Creek Utilities, LLC?

**Recommendation:** The appropriate average test year water rate base for Charlie Creek is \$26,617.

**Issue 4:** What is the appropriate return on equity and overall rate of return for Charlie Creek Utilities, LLC?

**Recommendation:** The appropriate return on equity (ROE) is 11.16 percent with a range of 10.16 percent to 12.16 percent. The appropriate overall rate of return is 6.28 percent.

**Issue 5:** What are the appropriate test year revenues for Charlie Creek Utilities, LLC?

**Recommendation:** The appropriate test year revenues for Charlie Creek's water system are \$65,621.

**Issue 6:** What is the appropriate amount of operating expense for Charlie Creek Utilities, LLC?

**Recommendation:** The appropriate amount of operating expense for Charlie Creek is \$69,063.

**ITEM NO.**

**CASE**

7\*\*PAA

**Docket No. 160143-WU** – Application for staff-assisted rate case in Hardee County by Charlie Creek Utilities, LLC.

(Continued from previous page)

**Issue 7:** Should the Commission utilize the operating ratio methodology as an alternative method of calculating the water revenue requirement for Charlie Creek Utilities, LLC? If so, what is the appropriate margin?

**Recommendation:** Yes, the Commission should utilize the operating ratio methodology for calculating the water revenue requirement for Charlie Creek. The margin should be 10 percent of O&M expense.

**Issue 8:** What is the appropriate revenue requirement for Charlie Creek Utilities, LLC?

**Recommendation:** The appropriate revenue requirement is \$75,318, resulting in an annual increase of \$9,697 (14.78 percent).

**Issue 9:** What are the appropriate rate structure and rates for Charlie Creek Utilities, LLC?

**Recommendation:** The recommended rate structure and monthly water rates are shown on Schedule No. 4 of staff's memorandum dated March 23, 2017. 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 sheet, 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.

**Issue 10:** What is the appropriate amount by which rates should be reduced in 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 water rates should be reduced as shown on Schedule No. 4 of staff's memorandum dated March 23, 2017, to remove rate case expense grossed up for RAFs and amortized over a four-year period. The decrease in rates should become effective immediately following the expiration of the four-year rate case expense recovery period, pursuant to Section 367.081(8), F.S. Charlie Creek 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, 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.

**ITEM NO.**

**CASE**

7\*\*PAA

**Docket No. 160143-WU** – Application for staff-assisted rate case in Hardee County by Charlie Creek Utilities, LLC.

(Continued from previous page)

**Issue 11:** Should the recommended rates be approved for Charlie Creek Utilities, LLC 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. Charlie Creek 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 March 23, 2017. 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.

**Issue 12:** Should the miscellaneous service charges of Charlie Creek Utilities, LLC be revised?

**Recommendation:** Yes. Charlie Creek’s miscellaneous service charges should be revised. The charges should be effective on or after the stamped approval date on the tariff, pursuant to Rule 25-30.475, F.A.C. In addition, the approved charges 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.

**Issue 13:** Should the request of Charlie Creek Utilities, LLC to implement a late payment charge be approved?

**Recommendation:** Yes. Charlie Creek’s request to implement a \$5.25 late payment charge should be approved. The utility should be required to file a proposed customer notice and tariff to reflect the Commission-approved charge. The approved charge 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. The utility should provide proof of the date notice was given no less than 10 days after the date of the notice.

**ITEM NO.**

**CASE**

7\*\*PAA

**Docket No. 160143-WU** – Application for staff-assisted rate case in Hardee County by Charlie Creek Utilities, LLC.

(Continued from previous page)

**Issue 14:** Should the Commission approve Charlie Creek Utilities, LLC’s request to implement a convenience charge of \$3.43?

**Recommendation:** Yes. Charlie Creek’s request for approval of a convenience charge of \$3.43 for customers who opt to pay their bill by debit or credit card should be approved. The convenience charge should be effective 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. The utility should provide proof of the date notice was given within 10 days of the date of the notice.

**Issue 15:** Should Charlie Creek Utilities, LLC’s request for a \$50 meter tampering charge be approved?

**Recommendation:** Yes. Charlie Creek’s request to implement a \$50 meter tampering charge 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. Charlie Creek should provide proof of the date notice was given within 10 days of the date of the notice.

**Issue 16:** What are the appropriate initial customer deposits for Charlie Creek Utilities, LLC?

**Recommendation:** The appropriate water initial customer deposit should be \$76 for the residential 5/8" x 3/4" meter size. 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 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.

**Issue 17:** Should the existing plant capacity charge of Charlie Creek Utilities, LLC, be discontinued?

**Recommendation:** Yes. Charlie Creek’s existing plant capacity charge should be discontinued. The utility’s existing plant capacity charge should be discontinued.



**ITEM NO.**

**CASE**

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7\*\*PAA

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**Docket No. 160143-WU** – Application for staff-assisted rate case in Hardee County by Charlie Creek Utilities, LLC.

(Continued from previous page)

**Issue 18:** Should the utility be required to notify the Commission in writing that it has adjusted its books in accordance with the Commission’s decision?

**Recommendation:** Yes. Charlie Creek should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission’s decision. Charlie Creek 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 should be provided within 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.

**Issue 19:** Should this docket be closed?

**Recommendation:** No. Except for the granting of temporary rates in the event of protest, the four year rate reduction, and proof of adjustments of books and records, which are final actions 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, and the utility has provided staff with proof that the adjustments for all the applicable NARUC USOA primary accounts have been made. Once the above actions are completed this docket will be closed administratively.