FLORIDA PUBLIC SERVICE COMMISSION COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: Tuesday, December 10, 2019, 9:30 a.m.

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

DATE ISSUED: November 26, 2019

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.

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

1**	Consent Agenda		
2	Docket No. 20190176-EI – Joint petition for approval of regulatory improvements for decentralized solar net-metering systems in Florida		
3**PAA	Docket No. 20190203-EI – Petition for limited proceeding to reduce base rates and charges to reflect impact of the 2019 temporary state income tax rate reduction, by Tampa Electric Company.		
4**PAA	Docket No. 20190005-WS – Annual reestablishment of price increase or decrease index of major categories of operating costs incurred by water and wastewater utilities pursuant to Section 367.081(4)(a), F.S.		
5	Docket No. 20190166-WS – Application for increase in water rates in Highlands County by HC Waterworks, Inc		
6**	Docket No. 20190190-EI – Petition for approval of twelve-month extension of voluntary solar partnership rider and program, by Florida Power & Light Company.		
7**PAA	Docket No. 20190145-GU – Joint petition for approval of restructures Nassau County agreements to reflect Callahan expansion, by Peoples Gas System, Florida Public Utilities Company, SeaCoast Gas Transmission, and Peninsula Pipeline Company, Inc.		
8**	Docket No. 20190171-GU – Petition for approval of 2018 true-up, projected 2019 true-up, and 2020 revenue requirements and surcharges associated with cast iron/bare steel pipe replacement rider, by Peoples Gas System		
9**	Docket No. 20190172-GU – Petition for approval of safety, access, and facility enhancement program true-up and 2020 cost recovery factors, by Florida City Gas		
10**	Docket No. 20190191-GU – Petition for approval to amend tariff provisions on capacity for transportation service to be consistent with tariff filed with rate case settlement, by Florida City Gas		
11**PAA	Docket No. 20190031-WU – Application for increase in water rates in Highlands County by Placid Lakes Utilities, Inc		
12**PAA	Docket No. 20190146-WS – Petition for limited alternative rate increase in Lake County by Lakeside Waterworks, Inc		
13**	Docket No. 20190189-WS – Application for establishment of wastewater allowance for funds prudently invested (AFPI) charges in Lake County		

ITEM NO. CASE

1** Consent Agenda

PAA A) Application for Certificate of Authority to Provide Telecommunications Service.

DOCKET NO.	COMPANY NAME
20190180-TX	Smart Choice Communications, LLC
20190186-TX	HFA of Florida LLC
20190207-TX	Tone Communication Services llc

Recommendation: The Commission should approve the action requested in the dockets referenced above and close these dockets.

2

ITEM NO. CASE

Docket No. 20190176-EI – Joint petition for approval of regulatory improvements for decentralized solar net-metering systems in Florida.

Commissioners Assigned: All Commissioners

Prehearing Officer: Clark

Staff: GCL: DuVal, Cowdery

IDM: Vogel

(Oral Argument Requested - Participation is Dependent on the Commission's Vote on Issue 1)

Issue 1: Should the Commission grant Petitioner's Request for Oral Argument?

Recommendation: No. The Commission should deny Petitioner's Request for Oral Argument.

<u>Issue 2:</u> Should the Commission grant Petitioner's Motion for Reconsideration of the Final Order Denying Petition to Initiate Rulemaking?

Recommendation: No. Petitioner's Motion for Reconsideration should be denied because it does not meet the required standard for a motion for reconsideration. Petitioner has failed to identify a point of fact or law that was overlooked or that the Commission failed to consider in rendering Order No. PSC-2019-0410-FOF-EI, Order Denying Petition to Initiate Rulemaking.

Issue 3: Should this docket be closed?

Recommendation: No, this docket should remain open in litigation status until the pending appeal is resolved by the Court.

ITEM NO. CASE

3**PAA

Docket No. 20190203-EI – Petition for limited proceeding to reduce base rates and charges to reflect impact of the 2019 temporary state income tax rate reduction, by Tampa Electric Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Fay

Staff: AFD: Cicchetti

ECO: Forrest, Draper

GCL: J. Crawford, Brownless

<u>Issue 1:</u> Should Tampa Electric Company's petition addressing Florida's temporary state corporate income tax rate reduction be approved?

Recommendation: Yes. Staff recommends the Commission approve an annual revenue requirement reduction for 2019 of \$4,959,442 to reflect the state corporate income tax rate change; approve the Company's revised Third SoBRA revenue requirement of \$26,452,000; approve the Company's proposed 2020 tariffs and associated base rates and charges and allow them to go into effect concurrently with meter readings for the first billing cycle in January 2020; authorize the Company to account for the revenue impact of the state tax change from January 1, 2019, to December 31, 2019, through a credit of \$4,959,442 through the ECCR clause as part of its true-up filing in 2020; and authorize the Company to flow back excess accumulated deferred income taxes (\$4,265,315 total company net of federal offset) for 2022 and 2023 by crediting one-fifth of the associated separated, annual revenue requirement amount through the ECCR clause during those years. The proposed tariffs are shown in Attachment Four to the petition.

Issue 2: Should this docket be closed?

Recommendation: No. This docket should remain open through 2022 to address any associated necessary true-ups.

ITEM NO. CASE

4**PAA

Docket No. 20190005-WS – Annual reestablishment of price increase or decrease index of major categories of operating costs incurred by water and wastewater utilities pursuant to Section 367.081(4)(a), F.S.

Critical Date(s): 03/31/20 (Statutory Reestablishment Deadline)

Commissioners Assigned: All Commissioners **Prehearing Officer:** Administrative

Staff: AFD: Thurmond, Norris

GCL: J. Crawford

<u>Issue 1:</u> Which index should be used to determine price level adjustments?

Recommendation: The Gross Domestic Product Implicit Price Deflator Index is recommended for use in calculating price level adjustments. Staff recommends calculating the 2020 Price Index by using a fiscal year, four quarter comparison of the Implicit Price Deflator Index ending with the third quarter of 2019.

<u>Issue 2:</u> What rate should be used by water and wastewater utilities for the 2020 Price Index?

Recommendation: The 2020 Price Index for water and wastewater utilities should be 1.79 percent.

<u>Issue 3:</u> How should the utilities be informed of the indexing requirements?

Recommendation: Pursuant to Rule 25-30.420(1), F.A.C., the Office of Commission Clerk, after the expiration of the Proposed Agency Action (PAA) protest period, should mail each regulated water and wastewater utility a copy of the PAA order establishing the index containing the information presented in Attachment 1 of staff's memorandum dated November 26, 2019. A cover letter from the Director of the Division of Accounting and Finance should be included with the mailing of the order (Attachment 2 of staff's memorandum dated November 26, 2019). The entire package should also be made available on the Commission's website.

Issue 4: Should this docket be closed?

Recommendation: No. Upon expiration of the 14-day protest period, if a timely protest is not received, the decision should become final and effective upon the issuance of a Consummating Order. Any party filing a protest should be required to prefile testimony with the protest. However, this docket should remain open through the end of the year and be closed upon the establishment of the new docket on January 2, 2020.

5

ITEM NO. CASE

Docket No. 20190166-WS – Application for increase in water rates in Highlands County by HC Waterworks, Inc.

Critical Date(s): 12/16/19 (60-Day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Fay

Staff: ENG: Lewis, Graves, Johnson, Knoblauch

AFD: Norris, Sewards, Thurmond

ECO: Bethea, Hudson

GCL: Schrader

(Participation is at the Discretion of the Commission)

<u>Issue 1:</u> Should the Utility's proposed final water rates be suspended?

Recommendation: Yes. HC's proposed final water rates should be suspended.

Issue 2: Should any interim revenue increase be approved?

Recommendation: Yes. HC should be authorized to collect annual revenues as indicated below:

	Adjusted Test Year Revenues	\$ Increase	Revenue <u>Requirement</u>	% Increase
Water	\$569,711	\$66,364	\$636,075	11.65%

Issue 3: What are the appropriate interim water rates?

Recommendation: The recommended interim rate increase of 11.86 percent for water should be applied as an across-the-board increase to the existing service rates. The rates, as shown on Schedule No. 4 of staff's memorandum dated November 26, 2019, 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 the required security has been filed, 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 to customers within 10 days of the date of the notice.

Issue 4: What is the appropriate security to guarantee the interim increase?

Recommendation: The appropriate security to guarantee the funds collected subject to refund is a corporate undertaking.

ITEM NO.	CASE		
5	Docket No. 20190166-WS – Application for increase in water rates in Highlands County by HC Waterworks, Inc.		
	(Continued from previous page)		
	Issue 5: Should this docket be closed? Recommendation: The docket should remain open pending the Commission's PAA decision on the Utility's requested rate increase.		

ITEM NO. CASE

6**

Docket No. 20190190-EI – Petition for approval of twelve-month extension of voluntary solar partnership rider and program, by Florida Power & Light Company.

Critical Date(s): 60-Day Suspension Date Waived by FPL until 12/10/2019

Commissioners Assigned: All Commissioners **Prehearing Officer:** Administrative

Staff: ECO: Hampson, Coston GCL: Simmons, Trierweiler

<u>Issue 1:</u> Should the Commission approve FPL's one-year extension of its VSP pilot program?

Recommendation: Yes. The Commission should approve the one-year extension of the VSP pilot program. This extension would allow FPL to evaluate the potential overlap in customer interest for the proposed SolarTogether program and the VSP pilot program, if SolarTogether is approved in 2020. The revised tariff, as shown in Attachment A of staff's memorandum dated November 26, 2019, should be effective January 1 to December 31, 2020. FPL should petition the Commission regarding the future status of the VSP pilot program, prior to its expiration.

Issue 2: Should this docket be closed?

Recommendation: If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariff 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. 20190145-GU — Joint petition for approval of restructures Nassau County agreements to reflect Callahan expansion, by Peoples Gas System, Florida Public Utilities Company, SeaCoast Gas Transmission, and Peninsula Pipeline Company, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Polmann

Staff: ECO: Guffey, Coston, Draper

GCL: Simmons

<u>Issue 1:</u> Should the Commission approve the Firm Service Agreement (agreement) dated July 19, 2019, between SeaCoast and Peoples?

Recommendation: Yes, the Commission should approve the agreement dated July 19, 2019, between SeaCoast and Peoples as shown in Attachment B of staff's memorandum dated November 26, 2019.

<u>Issue 2:</u> Should the Commission approve the Amended Firm Gas Transportation Service Agreement dated July 19, 2019, between Peninsula and FPUC?

Recommendation: Yes, the Commission should approve the Amended Transportation Service Agreement (amended agreement) between Peninsula and FPUC as shown in Attachment C of staff's memorandum dated November 26, 2019.

<u>Issue 3:</u> Should the Commission approve the cancellation of the Gas Transportation Agreement between Peninsula and Peoples?

Recommendation: Yes, the Commission should approve the cancellation of the Gas Transportation Agreement between Peninsula and Peoples effective with the in-service date of the Callahan pipeline.

Issue 4: Should this docket be closed?

Recommendation: Yes. 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.

ITEM NO. CASE

8**

Docket No. 20190171-GU – Petition for approval of 2018 true-up, projected 2019 true-up, and 2020 revenue requirements and surcharges associated with cast iron/bare steel pipe replacement rider, by Peoples Gas System.

Critical Date(s): 8-Month Effective Date: 04/30/20 (60-Day Suspension Date Waived by the Utility)

Commissioners Assigned: All Commissioners **Prehearing Officer:** Administrative

Staff: ECO: Guffey AFD: Hightower GCL: Lherisson

<u>Issue 1:</u> Should the Commission approve Peoples proposed Rider CI/BSR surcharges for the period January through December 2020?

Recommendation: Yes, the Commission should approve Peoples' proposed Rider CI/BSR surcharges for the period January through December 2020.

<u>Issue 2:</u> Should this docket be closed?

Recommendation: Yes. If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariff 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

9**

Docket No. 20190172-GU – Petition for approval of safety, access, and facility enhancement program true-up and 2020 cost recovery factors, by Florida City Gas.

Critical Date(s): 8-month effective date: 05/03/20 (60-Day Suspension Date Waived by the Utility)

Commissioners Assigned: All Commissioners **Prehearing Officer:** Administrative

Staff: ECO: Ward, Coston

AFD: Buys, Cicchetti, Hightower

GCL: J. Crawford

<u>Issue 1:</u> Should the Commission approve City Gas's proposed SAFE factors for the period January through December 2020?

Recommendation: Yes. The Commission should approve City Gas's proposed SAFE factors for the period January through December 2020.

Issue 2: Should this docket be closed?

Recommendation: Yes. If Issue 1 is approved and 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

10**

Docket No. 20190191-GU – Petition for approval to amend tariff provisions on capacity for transportation service to be consistent with tariff filed with rate case settlement, by Florida City Gas.

Critical Date(s): 60-Day Suspension Date Waived by the Utility until 12/10/19

Commissioners Assigned: All Commissioners **Prehearing Officer:** Administrative

Staff: ECO: Ward GCL: Lherisson

<u>Issue 1:</u> Should the Commission approve City Gas's proposed changes to Tariff Sheet No. 22?

Recommendation: Yes. The Commission should approve City Gas's proposed changes to Tariff Sheet No. 22. The proposed tariff should be effective December 10, 2019.

Issue 2: Should this docket be closed?

Recommendation: Yes. If Issue 1 is approved and 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

11**PAA

Docket No. 20190031-WU – Application for increase in water rates in Highlands County by Placid Lakes Utilities, Inc.

Critical Date(s): 5-Month Effective Date Waived Through 12/10/19

Commissioners Assigned: All Commissioners

Prehearing Officer: Clark

Staff: ECO: Ramos

AFD: Bulecza-Banks, Buys, Smith II

ENG: Graves, Knoblauch GCL: Simmons, J. Crawford

(Proposed Agency Action Except for Issues 15 and 16)

<u>Issue 1:</u> Is the quality of service provided by Placid Lakes satisfactory?

Recommendation: Yes. Staff recommends the overall quality of service provided by Placid Lakes be considered satisfactory.

<u>Issue 2:</u> What are the used and useful (U&U) percentages for Placid Lakes' water treatment plant (WTP), storage, and distribution system?

Recommendation: Staff recommends Placid Lakes' WTP and storage be considered 100 percent U&U, and the water distribution system be considered 79.09 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 chemicals and purchased power.

Issue 3: Should adjustments be made to Placid Lakes' Pro Forma Plant additions?

Recommendation: Yes. The appropriate pro forma net plant additions are \$58,716. This results in a decrease of \$14,180 from the utility's amended request. Corresponding adjustments should also be made to increase Accumulated Depreciation by \$33,122 and decrease depreciation expense by \$738. Additionally, pro forma property taxes should be increased by \$233.

<u>Issue 4:</u> What is the appropriate Working Capital allowance?

Recommendation: The appropriate Working Capital allowance is \$69,556. This results in a reduction of \$139 to the utility's requested Working Capital allowance.

Issue 5: What is the appropriate rate base for the test year ended December 31, 2018?

Recommendation: Consistent with other recommended adjustments, the appropriate rate base for the test year ended December 31, 2018, is \$585,815. This results in a reduction of \$194,441 to the utility's requested rate base.

Issue 6: What is the appropriate return on equity (ROE)?

Recommendation: Based on the Commission leverage formula currently in effect, the appropriate return on equity (ROE) is 8.76 percent. Staff recommends an allowed range of plus or minus 100 basis points be recognized for ratemaking purposes.

ITEM NO. CASE

11**PAA

Docket No. 20190031-WU – Application for increase in water rates in Highlands County by Placid Lakes Utilities, Inc.

(Continued from previous page)

<u>Issue 7:</u> What is the appropriate weighted average cost of capital including the proper components, amounts, and cost rates associated with the capital structure for the test year ended December 31, 2018?

Recommendation: The appropriate weighted average cost of capital for the test year ended December 31, 2018, is 6.33 percent.

Issue 8: What are the appropriate test year revenues?

Recommendation: The appropriate test year revenues for Placid Lakes Utilities, Inc. are \$701,884.

<u>Issue 9:</u> Should adjustments be made to the utility's O&M expenses?

Recommendation: Yes. O&M expense should be increased by \$2,904 to reflect an increase to chemical expense.

<u>Issue 10:</u> What is the appropriate amount of rate case expense for the current case?

Recommendation: The appropriate amount of rate case expense is \$30,664. This expense should be recovered over four years for an annual expense of \$7,666. Therefore, annual rate case expense should be reduced by \$4,020.

<u>Issue 11:</u> What is the appropriate revenue requirement for the test year ended December 31, 2018?

Recommendation: Staff recommends the following revenue requirement be approved. (Smith II)

 Revenues
 \$ Increase
 Requirement
 % Increase

 \$701,884
 \$60,335
 \$762,219
 8.60%

Issue 12: What is the appropriate rate structure and rates for the utility's water system? **Recommendation:** The recommended rate structures and monthly water rates are shown on Schedule No. 4 of staff's memorandum dated November 26, 2019. 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 provided customers have received notice pursuant to Rule 25-30.475, F.A.C. The utility should provide proof of noticing within 10 days of rendering its approved notice.

ITEM NO. CASE

11**PAA

Docket No. 20190031-WU – Application for increase in water rates in Highlands County by Placid Lakes Utilities, Inc.

(Continued from previous page)

<u>Issue 13:</u> Should the utility's request for a new class of service for private fire protection be approved?

Recommendation: Yes, the utility's request to establish a new class of service for private fire protection should be approved. Staff's recommended monthly private fire protection rates are shown on Schedule No. 4 of staff's memorandum dated November 26, 2019. The utility should file a proposed tariff sheet 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 provided customers have received notice pursuant to Rule 25-30.475, F.A.C. The utility should provide proof of noticing within 10 days of rendering its approved notice.

<u>Issue 14:</u> 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 water rates should be reduced, as shown on Schedule No. 4 of staff's memorandum dated November 26, 2019, to remove rate case expense grossed-up for regulatory assessment fees 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. Placid Lakes 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.

<u>Issue 15:</u> 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. Placid Lakes should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision. Placid Lakes should submit a letter within 90 days of the final order in this docket, confirming that the adjustments to all applicable National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts (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.

ITEM NO. CASE

11**PAA

Docket No. 20190031-WU – Application for increase in water rates in Highlands County by Placid Lakes Utilities, Inc.

(Continued from previous page)

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 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 applicable NARUC USOA primary accounts have been made. Once these actions are complete, this docket should be closed administratively.

ITEM NO. CASE

12**PAA

Docket No. 20190146-WS – Petition for limited alternative rate increase in Lake County by Lakeside Waterworks, Inc.

Critical Date(s): 12/18/19 - 90-Day Deadline Pursuant to Rule 25-30.457(11), F.A.C.

Commissioners Assigned: All Commissioners

Prehearing Officer: Polmann

Staff: ECO: Sibley, Hudson

AFD: Wilson, T. Brown ENG: Doehling, Phillips

GCL: Weisenfeld

(Proposed Agency Action Except for Issue 3)

<u>Issue 1:</u> Should the Commission approve Lakeside Waterworks, Inc.'s application for a LARI?

Recommendation: Yes. The Commission should approve Lakeside's application for a LARI in the amount of 20 percent. This equates to an increase of \$13,097. Pursuant to Rule 25-30.457(12), F.A.C., the utility should be required to hold any revenue increase granted subject to refund with interest for a period of 15 months after the filing of its annual report for the year the adjustment in rates was implemented. If overearnings occur, such overearnings, up to the amount held subject to refund, with interest, should be disposed of for the benefit of the customers. After the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the utility should be required to file reports with the Office of Commission Clerk no later than the 20th of every month indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report filed must also indicate the status of the security being used to guarantee repayment of any potential refund.

Issue 2: What are the appropriate monthly service rates for Lakeside Waterworks, Inc.? **Recommendation:** The existing service rates for Lakeside should be increased by 20 percent in accordance with Rule 25-30.457, F.A.C. The appropriate service rates are shown on Schedule No. 1 of staff's memorandum dated November 26, 2019. The utility should file 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 rates 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

12**PAA

Docket No. 20190146-WS – Petition for limited alternative rate increase in Lake County by Lakeside Waterworks, Inc.

(Continued from previous page)

<u>Issue 3:</u> Should the recommended rates be approved for Lakeside Waterworks, Inc. 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 Rule 25-30.457(15), F.A.C., in the event of a protest of the Proposed Agency Action (PAA) Order by a substantially affected person other than the utility, Lakeside should be authorized to implement the rates established in the LARI PAA Order on a temporary basis subject to refund upon the utility filing a staff-assisted rate case application within 21 days of the date the protest is filed.

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 temporary rates should not be implemented until staff has approved the proposed notice, and the notice has been received by the customers. If the recommended rates are approved on a temporary basis, the incremental increase collected by the utility will be subject to the refund provisions outlined in Rule 25-30.360, F.A.C. Pursuant to Rule 25-30.457(17), F.A.C., if the utility fails to file a SARC application within 21 days in the event there is a protest, the application for a LARI will be deemed withdrawn. (Wilson)

Issue 4: Should this docket be closed?

Recommendation: No. In the event of a protest, Lakeside Waterworks may implement the rates established in the PAA Order on a temporary basis, subject to refund with interest, upon the utility's filing of a SARC application within 21 days of the date the protest is filed. If Lakeside Waterworks fails to file a SARC within 21 days, the utility's petition for a LARI will be deemed withdrawn pursuant to Rule 25-30.457(17), F.A.C. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the PAA Order, a Consummating Order should be issued. The docket should remain open for staff's verification that the revised tariff sheets which reflect the Commission-approved rates, and the customer notice, have been filed by Lakeside Waterworks and approved by staff, and so that staff may conduct an earnings review of the utility pursuant to Rule 25-30.457(12), F.A.C. Upon staff's approval of the tariff and completion of the earnings review process as set forth in Rule 25-30.457(12)-(14), F.A.C., this docket should be closed administratively.

ITEM NO. CASE

13**

Docket No. 20190189-WS – Application for establishment of wastewater allowance for funds prudently invested (AFPI) charges in Lake County.

Critical Date(s): 60-Day Suspension Date Waived Through 12/10/19

Commissioners Assigned: All Commissioners **Prehearing Officer:** Administrative

Staff: ECO: Ramos, Hudson

GCL: Trierweiler

<u>Issue 1:</u> Should the Commission suspend UIF's proposed tariff of revised AFPI charges for the LUSI wastewater system?

Recommendation: Yes. UIF's proposed tariff to establish AFPI charges for its LUSI wastewater system should be suspended.

Issue 2: Should this docket be closed?

Recommendation: No. The docket should remain open pending the Commission's final action on UIF's requested approval to revise existing AFPI wastewater charges for the LUSI wastewater system.