

FLORIDA PUBLIC SERVICE COMMISSION

Item 5

VOTE SHEET

FILED APR 10, 2014
DOCUMENT NO. 01602-14
FPSC - COMMISSION CLERK

April 10, 2014

Docket No. 130210-WS – Application for staff-assisted rate case in Polk County by CHC VII, Ltd.

Issue 1: Should the quality of service provided by CHC be considered satisfactory?

Recommendation: Yes, the overall quality of service for the CHC system in Polk County is satisfactory.

APPROVED

Issue 2: What are the used and useful percentages of the Utility’s water treatment plant (WTP), water distribution, wastewater treatment plant (WWTP) and wastewater collection systems?

Recommendation: CHC’s WTP, water distribution, WWTP, and wastewater collection system should be considered 100 percent used and useful (U&U). Staff recommends that a 6.1 percent adjustment to operation and maintenance expenses should be made for excessive unaccounted for water (EUW). No adjustment is recommended for excessive infiltration and inflow (I&I).

APPROVED

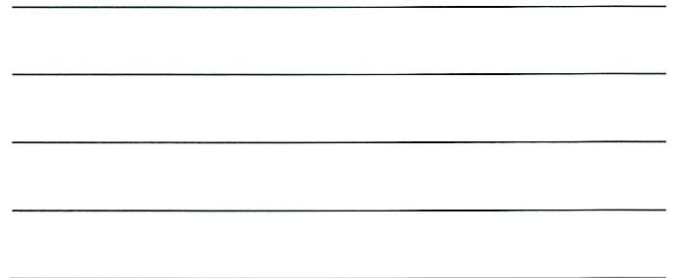
COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS’ SIGNATURES

MAJORITY

DISSENTING





REMARKS/DISSENTING COMMENTS:

(Continued from previous page)

Issue 3: What is the appropriate average test year rate base for CHC?

Recommendation: The appropriate average test year rate base for CHC is \$178,442 for water and \$159,299 for wastewater.

APPROVED

Issue 4: What is the appropriate rate of return on equity and overall rate of return for CHC?

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 4.18 percent.

APPROVED

Issue 5: What are the appropriate test year revenues for the Utility's water and wastewater systems?

Recommendation: The appropriate test year revenues for CHC's water and wastewater systems are \$100,066 and \$92,287, respectively.

APPROVED

Issue 6: What is the appropriate amount of operating expense?

Recommendation: The appropriate amount of operating expense for CHC is \$125,963 for water and \$175,914 for wastewater.

MODIFIED

Staff was given administrative authority to make adjustments as discussed at Commission Conference this date.

Issue 7: What is the appropriate revenue requirement?

Recommendation: The appropriate revenue requirement is \$133,422 for water and \$182,573 for wastewater, resulting in an annual increase of \$33,356 for water (33.33 percent), and an annual increase of \$90,286 for wastewater (97.83 percent).

APPROVED

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Issue 8: What are the appropriate rate structures and rates for CHC’s water and wastewater systems?

Recommendation: The recommended rate structures and monthly water and wastewater rates are shown on Schedule Nos. 4-A and 4-B of staff’s memorandum dated March 27, 2014, respectively. 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 services 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. Along with the customer notice, the Utility should provide customers their most recent three months usage. The Utility should provide proof of the date notice was given within 10 days of the date of the notice.

MODIFIED

Commission voted to approve the non-discriminatory threshold of 5,000 gallons per month, as discussed at Commission Conference this date, and to make fallout adjustments.

Issue 9: 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.?

Recommendation: The water and wastewater rates should be reduced as shown on Schedule Nos. 4-A and 4-B of staff’s memorandum dated March 27, 2014, 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 367.0816, F.S. CHC 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.

APPROVED

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Issue 10: Should the recommended rates 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?

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. CHC 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 27, 2014. 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

Issue 11: Should the Utility be required to provide proof, within 90 days of an effective order finalizing this docket, that it has adjusted its books for all applicable National Association of Regulatory Commissioners Uniform System of Accounts (NARUC USOA) primary accounts associated with the Commission-approved adjustments?

Recommendation: Yes. To ensure that the Utility adjusts its books in accordance with the Commission’s decision, CHC should provide proof, within 90 days of the final order in this docket, that the adjustments for all applicable NARUC USOA primary accounts have been made.

APPROVED

Vote Sheet

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Issue 12: 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. Once these actions are complete, this docket should be closed administratively.

APPROVED

WATER RATE COMPARISON									
CHC VII, LTD									
Docket No. 130210-WS									
Usage	3,000 Water Non-Discretionary			4,000 Water Non-Discretionary			5,000 Water Non-Discretionary		
	BFC	Gallage		BFC	Gallage		BFC	Gallage	
	\$4.56	0-3,000 gallons	\$1.15	\$4.58	0-4,000 gallons	\$1.15	\$4.60	0-5,000 gallons	\$1.15
		Over 3,000 gallons	\$1.51		Over 4,000 gallons	\$1.54		Over 5,000 gallons	\$1.54
0	\$4.56			\$4.58			\$4.60		
3	\$8.01			\$8.03			\$8.05		
4	\$9.52			\$9.18			\$9.20		
5	\$11.03			\$10.72			\$10.35		
6	\$12.54			\$12.26			\$11.89		
8	\$15.56			\$15.34			\$14.97		
10	\$18.58			\$18.42			\$18.05		

WASTEWATER RATE COMPARISON									
CHC VII, LTD									
Docket No. 130210-WS									
Usage	3,000 Water Non-Discretionary			4,000 Water Non-Discretionary			5,000 Water Non-Discretionary		
	BFC	Gallage		BFC	Gallage		BFC	Gallage	
	\$8.19	per 1,000 gallons	\$2.05	\$8.28	per 1,000 gallons	\$1.99	\$8.38	per 1,000 gallons	\$1.92
	8,000 gallon cap			8,000 gallon cap			8,000 gallon cap		
0	\$8.19			\$8.28			\$8.38		
3	\$14.34			\$14.25			\$14.14		
4	\$16.39			\$16.24			\$16.06		
5	\$18.44			\$18.23			\$17.98		
6	\$20.49			\$20.22			\$19.90		
8	\$24.59			\$24.20			\$23.74		
10	\$24.59			\$24.20			\$23.74		

Parties/Staff Handout
Internal Affairs/Agenda
on 4/10/14
Item No. 5