

FLORIDA PUBLIC SERVICE COMMISSION

Item 11

VOTE SHEET

FILED APR 10, 2014
DOCUMENT NO. 01607-14
FPSC - COMMISSION CLERK

April 10, 2014

Docket No. 130211-WS – Application for staff-assisted rate case in Polk County by S.V. Utilities, Ltd.

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

Recommendation: Yes. The overall quality of service for the SV 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 system?

Recommendation: SV's WTP, water distribution, WWTP, and wastewater collection system should be considered 100 percent used and useful (U&U). Staff recommends that a 22 percent adjustment to purchased power and chemicals should be made for excess unaccounted for water (EUW). No adjustment is recommended for excess infiltration and inflow (I&I).

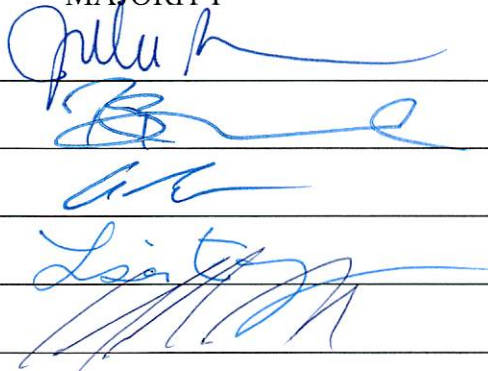
APPROVED

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 SV?

Recommendation: The appropriate average test year rate base for SV is \$120,475 for water and \$130,662 for wastewater.

APPROVED

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

Recommendation: The appropriate return on equity (ROE) is 8.74 percent with a range of 7.74 percent to 9.74 percent. The appropriate overall rate of return is 8.74 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 SV's water and wastewater systems are \$74,362 and \$72,403, respectively.

APPROVED

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

Recommendation: The appropriate amount of operating expense for SV is \$96,472 for water and \$152,320 for wastewater.

APPROVED

as modified.

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

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Issue 7: What is the appropriate revenue requirement?

Recommendation: The appropriate revenue requirement is \$107,001 for water and \$163,740 for wastewater, resulting in an annual increase of \$32,639 for water (43.89 percent), and an annual increase of \$91,337 for wastewater (126.15 percent).

APPROVED

Issue 8: What are the appropriate rate structures and rates for SV'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.

APPROVED

as modified.

The 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 in four years after the published 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. SV 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. SV 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, SV 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

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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									
SV Utilities									
Docket No. 130211-WS									
Usage	3,000 Water Non-Discretionary			4,000 Water Non-Discretionary			5,000 Water Non-Discretionary		
	BFC	Gallage		BFC	Gallage		BFC	Gallage	
	\$4.44	0-3,000 gallons	\$1.29	\$4.46	0-4,000 gallons	\$1.29	\$4.47	0-5,000 gallons	\$1.29
Over 3,000 gallons		\$1.89	Over 4,000 gallons		\$1.96	Over 5,000 gallons		\$2.02	
0	\$4.44			\$4.46			\$4.47		
3	\$8.31			\$8.33			\$8.34		
4	\$10.20			\$9.62			\$9.63		
5	\$12.09			\$11.58			\$10.92		
6	\$13.98			\$13.54			\$12.94		
8	\$17.76			\$17.46			\$16.98		
10	\$21.54			\$21.38			\$21.02		

WASTEWATER RATE COMPARISON									
SV Utilities									
Docket No. 130211-WS									
Usage	3,000 Water Non-Discretionary			4,000 Water Non-Discretionary			5,000 Water Non-Discretionary		
	BFC	Gallage		BFC	Gallage		BFC	Gallage	
	\$8.94	per 1,000 gallons	\$2.15	\$9.02	per 1,000 gallons	\$2.10	\$9.10	per 1,000 gallons	\$2.04
8,000 gallon cap		8,000 gallon cap			8,000 gallon cap				
0	\$8.94			\$9.02			\$9.10		
3	\$15.39			\$15.32			\$15.22		
4	\$17.54			\$17.42			\$17.26		
5	\$19.69			\$19.52			\$19.30		
6	\$21.84			\$21.62			\$21.34		
8	\$26.14			\$25.82			\$25.42		
10	\$26.14			\$25.82			\$25.42		

Parties Staff Handout
Internal Affairs Agenda
on 4/10/14
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