

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of: DOCKET NO. 20210005-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.

_____ /

PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 5

COMMISSIONERS
PARTICIPATING: CHAIRMAN GARY F. CLARK
COMMISSIONER ART GRAHAM
COMMISSIONER ANDREW GILES FAY
COMMISSIONER MIKE LA ROSA
COMMISSIONER GABRIELLA PASSIDOMO

DATE: Tuesday, December 7, 2021

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: DANA W. REEVES
Court Reporter and
Notary Public in and for
the State of Florida at Large

PREMIER REPORTING
114 W. 5TH AVENUE
TALLAHASSEE, FLORIDA
(850) 894-0828

1 P R O C E E D I N G S

2 CHAIRMAN CLARK: All right. Next up is Item
3 No. 5. Mr. Blocker you're recognized to introduce
4 the item.

5 MR. BLOCKER: Good morning, Commissioners.
6 I'm Jonathan Blocker with Commission Staff. Item 5
7 addresses the annual reestablishment of the price
8 index of major categories of operating costs
9 incurred by water and wastewater utilities. Staff
10 is recommending that the 2022 price index be set at
11 4.53 percent. Water and wastewater utilities
12 should be notified of the new index requirements by
13 mail and the information should be available on the
14 Commission website. No customers have contacted
15 the Commission regarding this matter. Staff is
16 prepared to answer any questions.

17 CHAIRMAN CLARK: Thank you, Mr. Blocker.
18 Commissioners, do you have questions?

19 Commissioner La Rosa.

20 COMMISSIONER LA ROSA: Thank you, Chairman.
21 This is more of a comment than it is a question.
22 Staff did a great job of explaining this item to
23 me. And the reason, I guess, I pulled it and the
24 reason I had questions with them in our briefing
25 was what was the reasoning really behind this high

1 increase and so forth. And, of course, concerns of
2 inflation and things that are happening, you know,
3 we're looking at CPI and so forth, are these
4 reasons.

5 So they gave me great historical understanding
6 of where things were 10 years ago, 20 years ago,
7 and so forth. And I agree and I understand with
8 what they're approving -- or what they're
9 suggesting today, and I agree to that. So I have a
10 concern as this moves down the road. When I look
11 back historically and say, oh, one and a quarter,
12 one and a half, one and three quarters percent
13 increase, then all of a sudden we jump up four and
14 a half percent. Well, what's going to happen here,
15 and we're now in approving for 2022. We look back
16 at 2023 or even 2024, we've now increased 15 or 20
17 percent. Well, is there some way to leverage and
18 help ratepayers and maybe divide this out in the
19 future? I'm not suggesting that. I just want to
20 be clear, I'm not suggesting that for today. But
21 it is something maybe that we can look at going
22 forward and moving into the new year to help
23 relieve ratepayers -- just to see what options we
24 ultimately have.

25 So I just wanted to pull that and talk about

1 that for half a second. But I ultimately do agree
2 with what Staff is recommending today.

3 CHAIRMAN CLARK: Thank you, Commissioner La
4 Rosa. I would agree. It's always a concern when
5 you see these large numbers, and understanding how
6 the index works can kind of get complicated in
7 terms of tracking that against inflation, and
8 looking at real inflation dollars versus what the
9 index number is. I think if we were tracking true
10 inflation dollars, we'd be overly concerned right
11 now seeing the numbers that are going to be coming
12 down the pipe in the next couple of years as we
13 begin to look back and do re-averaging. It would
14 be a concern. I think our index formula does take
15 that into consideration.

16 I would say on the same point, I understand
17 the utility company's perspective here, as well.
18 They are seeing these rising costs in real time, in
19 real dollars, and they're having to expend those
20 dollars, whether it be for their wholesale costs,
21 their labor costs, material costs. If you have
22 bought PVC pipe, and I actually purchased a bunch
23 in the last six months, it's doubled and tripled in
24 cost. And just those small factors alone have a
25 significant impact on these small utility

1 companies, especially those that are eligible. The
2 index -- their small utility's ability to have the
3 resources to expand services. And it's for that
4 reason -- that's part of the reasoning behind the
5 indexing.

6 But, Commissioner La Rosa, your points are
7 absolutely on target is -- as we see higher
8 inflation numbers, and those numbers used in the
9 calculations, we do need to be concerned. And if
10 we can look at ways to spread those costs out or to
11 maybe not wait quite so long -- or wait a little
12 longer, I guess, from coming in for those, it
13 certainly has a benefit to the consumers. They
14 don't get to go back and re-collect. So anything
15 that we can do to minimize the impact to consumers,
16 we certainly need to take into consideration.

17 Other comments or questions? I'll entertain
18 your motion, Commissioner La Rosa.

19 COMMISSIONER LA ROSA: Thank you, Chairman.
20 The motion that we approve and accept staff's
21 recommendation on Item No. 5.

22 COMMISSIONER GRAHAM: Second.

23 CHAIRMAN CLARK: Motion and a second. Any
24 discussion?

25 (No comments made.)

1 CHAIRMAN CLARK: All in favor say, aye.

2 (Chorus of ayes.)

3 CHAIRMAN CLARK: Opposed?

4 (No comments made.)

5 CHAIRMAN CLARK: Motion passes. Thank you,
6 staff.

7 (Agenda item concluded.)

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE OF REPORTER

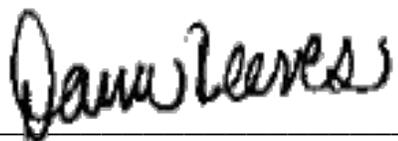
STATE OF FLORIDA)
COUNTY OF LEON)

I, DANA W. REEVES, Professional Court Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 21st day of December, 2021.



DANA W. REEVES
NOTARY PUBLIC
COMMISSION #GG970595
EXPIRES MARCH 22, 2024