

VOTE SHEET

DATE: September 3, 1996

RE: DOCKET NO. 960132-WS - Application for staff-assisted rate case in Broward County by MHC-DeAnza Financing Limited Partnership d/b/a Colonies Water Company.

Issue 1: Is the quality of service provided by Colonies Water Company in Broward County satisfactory?

Recommendation: Yes. The quality of service provided by Colonies Water Company is considered satisfactory.

APPROVED

Issue 2: What portions of water and wastewater plants-in-service are used and useful?

Recommendation: The water treatment plant used and useful is not applicable; the water distribution system is 100% used and useful; the wastewater treatment plant used and useful is not applicable; and the wastewater collection system is 100% used and useful.



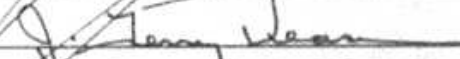

APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING





REMARKS/DISSENTING COMMENTS:

PSC/RAR33 (5/90)

DOCUMENT NUMBER-DATE

09397 SEP-4 8

FPSC-RECORDS/REPORTING

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

Recommendation: The appropriate average test year rate base should be \$211,121 for water and \$193,508 for wastewater. The utility should be required to provide staff with all pertinent documentation and other information regarding the nominee relationship between Snowbirdland Vistas, so that staff may determine whether a separate docket should be opened on this matter.

APPROVED

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

Recommendation: The appropriate return on equity is 11.10% with a range of 10.10% - 12.10%. The appropriate overall rate of return is 9.46% with a range of 8.91% - 10.01%.

APPROVED

Issue 5: What are the appropriate test year revenues?

Recommendation: The appropriate test year revenues are \$118,785 for water and \$111,142 for wastewater. The utility should be required to henceforth record revenue for the four general service customers.

APPROVED

Issue 6: Should Colonias Water Company be required to pay regulatory assessment fees on the amount of the discrepancy in 1995 revenue?

Recommendation: Yes. If the Commission approves Issue No. 5 of this recommendation, the utility should be required to pay \$1,184 in regulatory assessment fees within 30 days of the effective date of the Commission's order. The utility should also be required henceforth to bill all connections at the approved tariff rates and to record these revenues on its books.

APPROVED

Issue 7: What is the appropriate test year operating income or loss for each system?

Recommendation: The appropriate test year operating income is \$10,870 for water. The appropriate operating loss is \$29,242 for wastewater.

APPROVED

Issue 8: What is the appropriate amount for operating expenses for each system?

Recommendation: The appropriate amount for operating expenses is \$108,344 for water and \$142,625 for wastewater.

APPROVED

Issue 9: What are the appropriate revenue requirements?

Recommendation: The appropriate revenue requirements are \$128,316 for water and \$160,931 for wastewater.

APPROVED

Issue 10: What are the appropriate rates and rate structure?

Recommendation: The recommended rates should be designed to produce revenue of \$128,316 for water and \$160,931 for wastewater. The utility should retain its existing rate structure. 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. The rates should not be implemented until proper notice has been received by the customers. The utility should provide proof of the date notice was given no less than 10 days after the date of the notice.

APPROVED

Issue 11: 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: Revenues should be reduced by a total of \$1,372 for water and wastewater each to reflect the removal of rate case expense grossed up for regulatory assessment fees, which are being amortized over a four-year period. The effect of the revenue reduction results in the rate decreases shown on Schedules Nos. 4 and 4-A of staff's memorandum dated August 22, 1996. The decrease in rates should become effective immediately following the expiration of the recovery period, pursuant to Section 367.0816, F.S. The utility 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.

APPROVED

Issue 12: Should the recommended rates be approved for the utility on a temporary basis in the event of a timely protest filed by a party other than the utility?

Recommendation: Yes, the recommended rates should be approved for the utility on a temporary basis in the event of a timely protest filed by a party other than the utility. The utility should be authorized to collect the temporary rates after staff's approval of the security for potential refund, the proposed customer notice, and the revised tariff sheets.

APPROVED

Issue 13: Should the utility be required to revise its customer bill format to include the delinquent date or date after which a customer bill becomes delinquent and delete the separate line item for the 10% city sales tax?

Recommendation: Yes. The utility should be required to revise its customer bill format to include the delinquent date or date after which a customer bill becomes delinquent. The utility should also be required to delete the separate line item for the 10% city sales tax. A revised tariff sheet with a revised bill attached should be submitted along with other tariff revisions for this rate case.

APPROVED

Vote Sheet

Docket No. 960132-WS

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Issue 14: Should this docket be closed?

Recommendation: Yes. Upon expiration of the protest period, if no timely protest is received, this docket should be closed.

APPROVED