

VOTE SHEET

DATE: December 17, 1996

RE: DOCKET NO. 961231-WS - Application for approval of agreement for treatment and disposal of reclaimed water with Lee County and for approval of rate-making treatment for revenues received, by Florida Cities Water Company - Lee County Division.

Issue 1: Recommendation that the new class of service agreement between Florida Cities Water Company (FCWC) and Lee County for treatment and disposal of reclaimed water be approved. However, the appropriate rate should be \$1,175.20 for the base facility charge and \$1.95 per one thousand gallons for the first six million gallons treated per month and \$1.70 per one thousand gallons for all excess gallons over six million per month. Therefore, the tariffs filed by FCWC on November 5, 1996, should be denied as filed. If the utility files revised tariff sheets within thirty days of the issuance date of the order, which are consistent with the Commission's vote, staff should be given administrative authority to approve the revised tariff sheets. If revised tariff sheets are filed and approved,

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COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

[Handwritten signatures in the Majority column]

REMARKS/DISSENTING COMMENTS:

PSC/RAR33 (5/90)

DOCUMENT NUMBER-DATE

13466 DEC 17 96

REGISTRATION REPORTING

(Continued from previous page)

Issue 1: (Continued)

the rates should become effective on the stamped approval date of the revised tariff sheets, provided Lee County has received notice. The utility should provide proof that Lee County has received notice within ten days after the date of the notice. In addition, as set forth in the agreement, FCWC should apply the approved rate to the commencement of delivery of reclaimed water and grant Lee County the appropriate credit, without interest. This credit should be the amount representing the difference between the general service rate currently being charged and staff's recommended rate, discussed above. The revenues should be treated as non-recurring; however, FCWC should file with the Commission semi-annual earnings reports to allow staff to monitor its earnings. Therefore, if the revenues associated with this agreement place FCWC outside its approved rate of return, staff will address the overearnings in a subsequent docket. No show cause should be initiated because, although the agreement was signed on July 10, 1996, the new rate will not go into effect until it has been approved.

MODIFIED

The negotiated rate was approved.

Issue 2: Recommendation that the docket be closed upon the utility's timely filing of revised tariffs according to the Commission's order, proper notice being provided to Lee County, staff's verification that the tariffs reflect the Commission's order, and if no protests are filed by a substantially affected person within 21 days of issuance of the order. If any timely protest is filed, the docket should not be closed. If a protest is filed regarding the Commission-approved tariff, the utility's proposed tariff may be implemented. Furthermore, if the utility's proposed tariff is implemented, then all charges collected should be held subject to refund pending resolution of the protest.

APPROVED