

VOTE SHEET

DATE: APRIL 14, 1997

RE: DOCKET NO. 960799-WS - Application for staff-assisted rate case in DeSoto County by Lake Suzy Utilities, Inc.

Issue 1: Is the quality of service provided by Lake Suzy Utilities, Inc. in DeSoto County satisfactory?

Recommendation: Yes. The quality of service provided by Lake Suzy Utilities, Inc. is satisfactory.

**APPROVED**

COMMISSIONERS ASSIGNED: ~~Full Commission~~ JN, GR, DS, KS

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

*[Handwritten signatures in the Majority column]*

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DOCUMENT NUMBER-DATE

03903 APR 16 5

FPSC-RECORDS/REPORTING

REMARKS/DISSENTING COMMENTS:  
PSC/RAR33 (5/90)

~~COMMISSIONER CLARK PARTICIPATED IN THE VOTE VIA 2-WAY CONFERENCE CALL. IN HER ORAL VOTE, SHE: AGREED WITH THE MAJORITY / DISSENTED. COMMISSIONER CLARK WILL SIGN THE ORIGINAL VOTE SHEET UPON HER RETURN TO TALLAHASSEE.~~

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

**Recommendation:** A used and useful percentage for the water treatment plant is not applicable. The water distribution system is 61.18% used and useful with the exception of account number 334, which is 100% used and useful. The wastewater plant accounts are 69.03% used and useful with the exception of Account Number 363, which is 100% used and useful. The collection system is 51.36% used and useful with the exception of Account Number 363, which is 100% used and useful.

## APPROVED

**Issue 3:** Who owns the land on which the utility's facilities are located and what is the appropriate value for each system?

**Recommendation:** The utility owns the land on which its facilities are located. The appropriate value is \$1,150 for water and \$262,581 for wastewater.

## APPROVED

**Issue 4:** What is the appropriate average test year rate base for each system?

**Recommendation:** The appropriate average test year rate base is zero for water and \$435,783 for wastewater.

## APPROVED

**Issue 5:** What is the appropriate return on equity and the appropriate overall rate of return?

**Recommendation:** The appropriate return on equity is 11.51% with a range of 10.51% - 12.51%. The appropriate overall rate of return is 9.74% with a range of 9.28% - 10.21%.

Issue 6: What are the appropriate test year revenues?

Recommendation: The appropriate test year revenues are \$142,675 for water and \$39,280 for wastewater.

**APPROVED**

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

Recommendation: The appropriate test year operating income is \$5,475 for water and the appropriate test year operating loss is \$29,304 for wastewater.

**APPROVED**

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

Recommendation: The appropriate operating expense is \$136,942 for water and \$71,965 for wastewater.

**APPROVED**

Issue 9: What are the appropriate revenue requirements?

Recommendation: The appropriate revenue requirements are \$136,942 for water and \$114,410 for wastewater.

**APPROVED**

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

**Recommendation:** The recommended rates should be designed to produce revenue of \$136,942 for water and \$114,410 for wastewater. The utility should employ the base facility and gallonage charge rate structure for water and retain the same for wastewater. 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 may not be implemented until proper notice has been received by the customers. The utility should provide proof of the date notice was given within 10 days after the date of the notice.

**APPROVED**

**Issue 11:** Should the utility be authorized to collect miscellaneous charges and, if so, what are the appropriate charges?

**Recommendation:** Yes. The utility should be authorized to collect miscellaneous service charges and the appropriate charges should be the recommended charges specified in the analysis portion of staff's 4/2/97 memorandum. The approved charges will 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. These charges may 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 12:** What are the appropriate service availability charges for each system?

**Recommendation:** The utility's existing system capacity charge for water should be discontinued. The utility's existing meter installation charges for water should remain in effect. The appropriate service availability charges for wastewater should be the recommended charges listed in the analysis portion of staff's memorandum. The approved charges 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.

**APPROVED**

Issue 13: 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 required by Section 367.0816, F.S.?

Recommendation: Revenues should be reduced by a total of \$262 for water and by \$131 for wastewater 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 Schedule Nos. 4 and 4-A of staff's memorandum. 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 14: Should the utility be authorized to collect Allowance for Funds Prudently Invested (AFPI) charges and, if so, what are the appropriate charges?

Recommendation: Yes. The utility should be authorized to collect AFPI charges. The appropriate charges are those shown on Schedule 5 of staff's memorandum. The charges should be effective on or after July 1996, the month following the end of the test year in accordance with Rule 25-30.434(4), F.A.C.

**APPROVED**

Issue 15: 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**

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Issue 16: Should this docket be closed?

Recommendation: Yes. Upon expiration of the protest period, if no protest is received from a substantially affected person within 21 days from issuance of the order, this docket should be closed administratively.

**APPROVED**