

VOTE SHEET

DATE: June 10, 1997

RE: DOCKET NO. 961332-SU - Application for staff-assisted rate case in Columbia County by Kirby D. Morgan, Inc.

Quality of Service

Issue 1: Is the quality of service provided by Kirby D. Morgan, Inc. satisfactory?

Recommendation: Yes. The overall quality of service provided by Kirby D. Morgan, Inc. should be considered satisfactory.

APPROVED

Rate Base

Issue 2: What percentage of the utility's wastewater treatment plant and collection system is used and useful?

Recommendation: The wastewater treatment plant should be considered 56% used and useful, and the wastewater collection system should be considered 65% used and useful.


APPROVED


COMMISSIONERS ASSIGNED: Full Commission


COMMISSIONERS' SIGNATURES

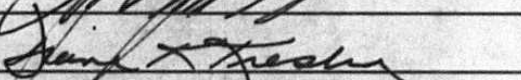
MAJORITY

DISSENTING









REMARKS/DISSENTING COMMENTS:

PSC/RAR33 (5/90)

DOCUMENT NUMBER-DATE

05867 JUN 11 97

FPSC-RECORDS/REPORTING

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

Recommendation: The average test year rate base is \$47,247.

APPROVED

Cost of Capital

Issue 4: What is the appropriate rate of return on equity, and what is the appropriate overall rate of return for this utility?

Recommendation: The appropriate rate of return on equity is 10.18% with a range of 9.18% - 11.18% and the appropriate overall rate of return is 10.18% with a range of 9.18% - 11.18%.

APPROVED

Net Operating Income

Issue 5: What is the appropriate test year operating revenue?

Recommendation: The appropriate test year operating revenue should be \$20,592.

APPROVED

Issue 6: What are the appropriate amounts for operating expense for the system?

Recommendation: The appropriate amounts for operating expense should be \$31,933.

APPROVED

Revenue Requirement

Issue 7: What is the appropriate revenue requirement?

Recommendation: The appropriate revenue requirement is \$36,743.

APPROVED

Rates and Charges

Issue 8: What is the appropriate rate structure and what are the recommended rates for this utility?

Recommendation: Rates should be set to allow the utility the opportunity to recover its operating expenses and earn a 10.18% rate of return on its rate base. The approved rates will be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), Florida Administrative Code. 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

Other Issues

Issue 9: What is the appropriate amount by which revenues 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, Florida Statutes?

Recommendation: Revenues should be reduced by a total of \$262 annually to reflect the removal of rate case expense grossed up for regulatory assessment fees which are being amortized over a four-year period. Using the utility's current revenues, expenses, capital structure and customer base, the effect of the revenue reduction results in rate decreases as shown on Schedule No. 4. 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, Florida Statutes. 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 10: Should the recommended rates be approved for the utility on a temporary basis, subject to refund, in the event of a protest filed by a party other than the utility?

Recommendation: Yes, the recommended rates should be approved for the utility on a temporary basis, subject to refund, in the event of a protest filed by a party other than the utility. If the recommended rates are approved on a temporary basis, the rates collected by the utility shall be subject to the refund provisions discussed in the staff analysis portion of staff's 5/29/97 memorandum.

APPROVED

Issue 11: Should the utility be required to maintain its books and records in conformity with the 1984 NARUC Uniform System of Accounts (USOA)?

Recommendation: Yes, the utility should be required to maintain its books and records in conformity with the 1984 NARUC Uniform System of Accounts.

APPROVED

Issue 12: Should this docket be closed?

Recommendation: Yes, upon expiration of the protest period, if no timely protest is received from a substantially affected person, this docket should be closed.

APPROVED