

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

OCTOBER 16, 2001

RE: Docket No. 010503-WU - Application for increase in water rates for Seven Springs System in Pasco County by Aloha Utilities, Inc.

ISSUE 1: Should an interim revenue increase be approved?

RECOMMENDATION: Yes. On an interim basis, the utility should be authorized to collect annual water revenues as indicated below:

	<u>Revenue Requirement</u>	<u>\$ Increase</u>	<u>% Increase</u>
Water	\$1,989,823	\$252,737	14.55%

DEFERRED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

13162 OCT 17 5

FPSC-COMMISSION CLERK

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ISSUE 2: What are the appropriate interim rates?

RECOMMENDATION: The interim rates should be designed to allow the utility the opportunity to generate annual operating revenues of \$1,989,823, which represents an increase of \$252,737. To generate this revenue increase, the service rates in effect as of June 30, 2001, should be increased by 14.81%. 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), Florida Administrative Code, provided the customers have received notice. The rates should not be implemented until the required security has been filed and proper notice has been received by the customers. The utility should provide proof to staff of the date notice was given within 10 days after the date of the notice.

ISSUE 3: What is the appropriate security to guarantee the interim increase?

RECOMMENDATION: The utility should be required to open an escrow account, or file a security bond or a letter of credit to guarantee any potential refunds of revenues collected under interim conditions. If the utility chooses to open an escrow account, it should deposit 14.81% of interim revenues collected each month. The security bond or letter of credit should be in the amount of \$192,139. Pursuant to Rule 25-30.360(6), Florida Administrative Code, the utility should provide a report by the 20th of each month indicating the monthly and total revenue collected subject to refund. Should a refund be required, the refund should be with interest and undertaken in accordance with Rule 25-30.360, Florida Administrative Code.

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ISSUE 4: Should this docket be closed?

RECOMMENDATION: No. This docket should remain open pending the Commission's final action on the utility's requested final rate increase.