

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

JULY 6, 2004

RE: Docket No. 040216-GU - Application for rate increase by Florida Public Utilities Company.

Issue 1: Should the request for a permanent increase in rates and charges be suspended for FPUC?

Recommendation: Yes. Staff recommends that the requested permanent increase in rates and charges of \$8,186,989 be suspended for FPUC.

APPROVED

Issue 2: Is FPUC's proposed interim test year rate base of \$52,093,355 appropriate?

Recommendation: No. The appropriate interim test year rate base for FPUC is \$50,496,627.

APPROVED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Handwritten signatures of majority commissioners: Mark J. Pappalardo, Mark J. Pappalardo, Mark J. Pappalardo, J. Terry Hooper, and Fred Bradley.

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REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

07336 JUL -6 8

FPSC-COMMISSION CLERK

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Issue 3: Is FPUC's proposed interim test year net operating income of \$3,078,737 appropriate?

Recommendation: No. The appropriate interim test year net operating income for FPUC is \$3,096,833.

APPROVED

Issue 4: Are FPUC's proposed return on equity of 10.40% and overall cost of capital of 7.68% appropriate for purposes of determining interim rates?

Recommendation: No. Staff recommends that, while FPUC's proposed return on equity of 10.40% is appropriate, the overall cost of capital should be 7.65%.

APPROVED

Issue 5: Are FPUC's proposed revenue expansion factor and interim net operating income multiplier of 0.618087 and 1.61790, respectively, appropriate?

Recommendation: Yes. The appropriate revenue expansion factor is .618087, and the appropriate net operating income multiplier is 1.6179.

APPROVED

Issue 6: Should FPUC's requested interim revenue increase of \$1,490,980 be granted?

Recommendation: No. After making the previous adjustments, the interim revenue increase for FPUC should be \$1,236,108.

APPROVED

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Issue 7: How should the interim revenue increase for FPUC be distributed among the rate classes?

Recommendation: Any interim revenue increase approved should be applied evenly across the board to all rate classes based on their base rate revenues, as required by Rule 25-7.040, Florida Administrative Code, and should be recovered on a cents-per-therm basis. The interim rates should be made effective for all meter readings made on or after thirty days from the date of the vote approving any interim increase. The company should give notice to customers of the interim increase commencing with the first bill for service that reflects the increase.

APPROVED

Issue 8: What is the appropriate security to guarantee the amount collected subject to refund?

Recommendation: The appropriate security to guarantee the funds collected subject to refund is a corporate undertaking.

APPROVED

Issue 9: Should this docket be closed?

Recommendation: No. This docket should remain open to process the revenue increase request of the company.

APPROVED