

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

MARCH 1, 2005

RE: Docket No. 040972-SU - Application for rate increase in Pinellas County by Ranch Mobile WWTP, Inc.

Issue 1: Is the quality of service provided by the utility satisfactory?

Recommendation: Yes. The quality of service provided by the utility should be considered satisfactory.

APPROVED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Five handwritten signatures are present in the majority column, written on a background of horizontal lines. The signatures are: Lisa Edge, Fred Bradley, Martin, Terry, and Mark M. Dosh.

Four empty horizontal lines are provided in the dissenting column for signatures.

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE
 02100 MAR-1 05
 FPSC-COMMISSION CLERK

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Issue 2: Should the Commission approve a year-end rate base for the utility?

Recommendation: Yes. The Commission should approve a year-end rate base for the utility to allow it an opportunity to earn a fair return on its investment made during the test year and to insure compensatory rates on a prospective basis. A year-end test year ending December 31, 2005, should be approved.

APPROVED

Issue 3: What are the used and useful percentages of the utility's wastewater facilities?

Recommendation: The utility has interconnected with the City of Largo and retired all of its treatment plant. The wastewater collection system should be considered 100% used and useful.

APPROVED

Issue 4: Are any adjustments necessary to the utility's plant in service, land and land rights, accumulated depreciation and depreciation expense?

Recommendation: Yes. Plant in service should be increased by \$21,689, land and land rights should be decreased by \$1,000, accumulated depreciation should be decreased by \$3,079, and depreciation expense should be decreased by \$2,257.

APPROVED

Issue 5: What is the appropriate working capital allowance?

Recommendation: The appropriate working capital allowance is \$23,756.

APPROVED

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Issue 6: What is the appropriate rate base?

Recommendation: The appropriate year-end rate base for Ranch Mobile for the projected test year ended December 31, 2005, is \$496,399.

APPROVED

Issue 7: What is the appropriate rate of return on equity and the appropriate overall rate of return for this utility?

Recommendation: The appropriate rate of return on equity is 9.10% with a range of 8.10% - 10.10% and the appropriate overall rate of return for this utility is 9.10%.

APPROVED

Issue 8: What is the appropriate test year operating revenue?

Recommendation: The appropriate test year operating revenue is \$198,038.

APPROVED

Issue 9: What adjustments, if any, should be made to test year operation and maintenance expenses?

Recommendation: Operation and maintenance expenses should be increased by \$5,291 as detailed in the analysis portion of staff's February 17, 2005 memorandum.

APPROVED

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Issue 10: Are any adjustments necessary to taxes other than income?

Recommendation: Yes. Test year regulatory assessment fees (RAFs) should be increased by \$566.

APPROVED

Issue 11: What is the test year operating income before any revenue increase?

Recommendation: Based on the adjustments discussed in previous issues, staff recommends that projected test year operating income before any provision for increased revenues should be (\$13,042).

APPROVED

Issue 12: What is the appropriate revenue requirement?

Recommendation: The following revenue requirement should be approved.

	<u>Test Year</u> <u>Revenues</u>	<u>\$ Increase</u>	<u>Revenue</u> <u>Requirement</u>	<u>% Increase</u>
Wastewater	\$198,038	\$54,713	\$252,751	27.63%

APPROVED

Issue 13: What is the appropriate cost of service methodology to be used in allocating costs to the three customers?

Recommendation: The appropriate cost of service methodology to be used in allocating costs to the three customers is based on allocators that assign the appropriate amount of the revenue requirement to the cost causers.

APPROVED

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Issue 14: What are the appropriate monthly rates for this utility?

Recommendation: The appropriate monthly rates for this utility are those shown in the staff analysis. The utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date of the revised tariff sheets pursuant to Rule 25-30.475(1), F.A.C. The rates should not be implemented until staff has approved the proposed customer notice. The utility should provide proof of the date notice was given no less than 10 days after the date of the notice.

APPROVED

Issue 15: What is the appropriate amount by which rates should be reduced four years after the established effective date to reflect the removal of amortized rate case expense as required by Section 367.0816, Florida Statutes?

Recommendation: The wastewater rates should be reduced as shown on Schedule No. 4, to remove rate case expense grossed up for regulatory assessment fees and amortized over a four-year period. 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. If the utility files this reduction in conjunction with a price index or pass-through rate adjustment, separate data should be filed for the price index and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense.

APPROVED

Issue 16: Should this docket be closed?

Recommendation: Yes. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the Order, this docket should be closed upon the issuance of a Consummating Order.

APPROVED