

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

NOVEMBER 1, 2005

RE: **Docket No. 000694-WU** - Petition by Water Management Services, Inc. for limited proceeding to increase water rates in Franklin County.

Issue 1: What is the appropriate final revenue requirement for this limited proceeding?

Recommendation: The appropriate final revenue requirement for this limited proceeding is \$1,368,807.

APPROVED

Issue 2: What true-up mechanism, if any, should be approved to adjust for differences between revenues collected and recoverable expenses incurred from the inception of this limited proceeding through the test year?

Recommendation: WMSI's final rates should be decreased by 10.0 percent during the first twelve months that final rates approved in this proceeding are in effect in order to return to ratepayers revenues collected during Phase 1 and Phase 2 of this proceeding in excess of the actual incremental costs incurred by the utility.

APPROVED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

[Handwritten signatures of majority commissioners]

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

10589 NOV-1 05

VOTE SHEET

NOVEMBER 1, 2005

Docket No. 000694-WU - Petition by Water Management Services, Inc. for limited proceeding to increase water rates in Franklin County.

(Continued from previous page)

Issue 3: What are the appropriate test year billing determinants before repression?

Recommendation: The appropriate test year billing determinants before repression are 24,441 equivalent residential connections (ERCs) and 176,017,000 gallons (176,017 kgals).

APPROVED

Issue 4: What is the appropriate rate structure for this utility?

Recommendation: The appropriate rate structure for this utility is a three-tier inclining-block rate structure. The appropriate usage blocks should be set for monthly usage of: 1) 0 - 8 kgals; 2) 8.001 - 15 kgals; and 3) for usage in excess of 15 kgals. The appropriate rate factors are 1.0, 1.25 and 1.5, respectively, while the appropriate base facility charge cost recovery percentage should be set at 40%.

MODIFIED

Issue 4 was approved with two (2) modifications as stated by Commissioner Deason.

Issue 5: Is a repression adjustment appropriate in this case, and, if so, what is the appropriate adjustment to make for this utility?

Recommendation: Yes. A repression adjustment is appropriate. Residential consumption should be reduced by 2.5%, resulting in a consumption reduction of approximately 3,813.9 kgals. The resulting total water consumption for rate setting is 172,202.8 kgals, which represents a 2.2% reduction in overall consumption. In order to monitor the effects of both the changes in revenue and rate structure, the utility should continue filing the monthly reports that were ordered in Order No. PSC-00-2227-PAA-WS. These reports should be continued for a period of two years, beginning the first billing period after the approved rates go into effect. To the extent the utility makes adjustments to consumption in any month during the reporting period, the utility should be ordered to file a revised monthly report for that month within 30 days after all adjustments to that month have been closed.

APPROVED

VOTE SHEET

NOVEMBER 1, 2005

Docket No. 000694-WU - Petition by Water Management Services, Inc. for limited proceeding to increase water rates in Franklin County.

(Continued from previous page)

Issue 6: What are the appropriate rates for this utility?

Recommendation: The appropriate water monthly rates are shown on Schedule No. 1 of staff's October 20, 2005 memorandum. Excluding miscellaneous service revenues, the recommended water rates are designed to produce revenues of \$1,368,807. 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), Florida Administrative Code. In addition, the rates should not be implemented until staff has approved the proposed customer notice. The utility should provide proof of the date the notice was given no less than 10 days after the date of the notice.

APPROVED

Issue 7: What is the appropriate amount by which water 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 water rates should be reduced as shown on Schedule No. 1 of staff's memorandum to remove \$17,986 in rate case expense amortization, grossed up for regulatory assessment fees. 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 8: Should this docket be closed?

Recommendation: 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