

VOTE SHEET

January 9, 2007

Docket No. 060406-SU – Application for staff-assisted rate case in Polk County by Crooked Lake Park Sewerage Company.

Issue 1: Should the quality of service provided by Crooked Lake Park Sewerage be considered satisfactory?

Recommendation: No. The quality of the wastewater service provided by the utility should be considered unsatisfactory.

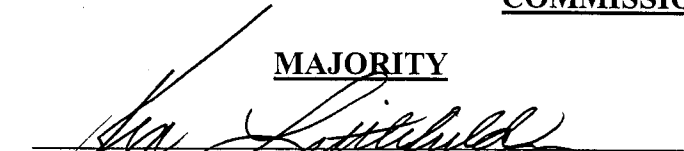

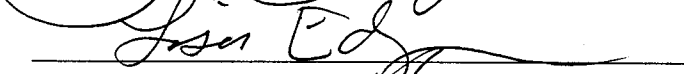
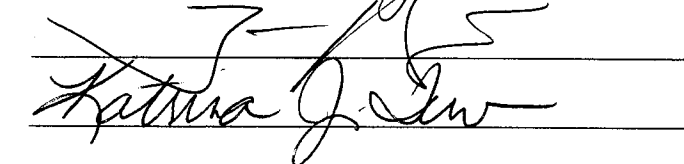
APPROVED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

00224 JAN 10 6

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Issue 2: What are the used and useful percentages for the utility's wastewater treatment plant and wastewater collection system?

Recommendation: Crooked Lake Park's used and useful percentages (U&U) should be as follows:

Wastewater Treatment Plant	100%
Wastewater Collection Systems	100%

APPROVED

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

Recommendation: The appropriate average test year rate base for Crooked Lake is \$127,127 for wastewater.

APPROVED

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

Recommendation: The appropriate return on equity is 11.78% with a range of 10.78% - 12.78%. The appropriate overall rate of return is 8.17%.

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Issue 5: What is the appropriate test year revenue?

Recommendation: The appropriate test year revenue for this utility is \$107,153 for wastewater.

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Issue 6: What is the appropriate amount of operating expenses?

Recommendation: The appropriate amount of operating expenses for the utility is \$127,603 for wastewater.

APPROVED

Issue 7: What is the appropriate revenue requirement?

Recommendation: The appropriate revenue requirement is \$137,989 for wastewater.

APPROVED

Issue 8: What are the appropriate wastewater rates for the system?

Recommendation: The appropriate wastewater rates are shown on Schedule No. 4 of staff's December 27, 2006 memorandum. The recommended wastewater rates are designed to produce revenues of \$137,989. 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. 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 9: In determining whether any portion of the interim increase granted should be refunded, how should the refund be calculated, and what is the amount of the refund, if any?

Recommendation: The utility did not implement the Commission-approved interim rates due to the inability to obtain security. Therefore, no refund is necessary.

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Issue 10: What is the appropriate amount by which rates 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: The wastewater rates should be reduced as shown on Schedule No. 4 of staff's December 27, 2006 memorandum, 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 11: 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. Pursuant to Section 367.0814(7), Florida Statutes, 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. Prior to implementation of any temporary rates, the utility should provide appropriate security. If the recommended rates are approved on a temporary basis, the rates collected by the utility should be subject to the refund provisions discussed in the staff analysis. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), Florida Administrative Code, the utility should file reports with the Commission's Division of Economic Regulation no later than the 20th of each month indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund.

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Issue 12: Should Crooked Lake Park Sewerage Company be ordered to show cause in writing, within 21 days, why it should not be fined for its apparent failure to comply with the requirements of Order No. PSC-99-2116-PAA-SU, issued October 25, 1999, to satisfy the violations listed by the Department of Environmental Protection in its Warning Letter No. WL980009DW53SWD, dated March 25, 1998, in which the utility was cited for the following violations:

- A) Effluent being discharged off utility property;
- B) Failure to use its south percolation pond;
- C) Overflow of raw wastewater from plant tanks;
- D) Failure to report its discharge violations to the DEP; and
- E) Influent flows exceeding permitted capacity.

Recommendation: Yes. Crooked Lake Park Sewerage Company should be ordered to show cause in writing, within 21 days, why it should not be fined \$500 for its apparent failure to timely comply with the requirements of Order No. PSC-99-2116-PAA-SU. The order to show cause should incorporate the conditions stated in the staff analysis.

NO VOTE

Staff is directed to do research and bring the issue back for further consideration of DEP concerns including procedures for the administration of their penalties.

Issue 13: Should College Park Mobile Home Park be ordered to show cause in writing, within 21 days, why it should not be fined for its apparent failure to comply with the requirements of Section 367.031, Florida Statutes, for its apparent violation of charging specifically for water and wastewater service without a certificate?

Recommendation: No. College Park Mobile Home Park (CPMHP) should not be ordered to show cause in writing, within 21 days, why it should not be fined for its apparent failure to obtain a certificate or to comply with the requirements to be considered an exempt entity pursuant to Section 367.022(5), Florida Statutes. Although CPMHP would not appear to be exempt under Section 367.022(5), Florida Statutes, it appears that it would still be exempt pursuant to Section 367.022(8), Florida Statutes, as a reseller.

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Issue 14: Should this docket be closed?

Recommendation: No. 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, a consummating order will be issued. The docket should remain open for staff's verification that the revised tariff sheets and customer notice have been filed by the utility and approved by staff. Once these actions are complete, if Crooked Lake pays the \$500 in fines, the docket should be closed administratively. If the utility timely responds in writing to the Order to show cause, the docket should remain open to allow for the appropriate processing of the response.

MODIFIED

Docket shall remain open pending decision on Issue 12.