

VOTE SHEET

October 28, 2008

Docket No. 080104-SU – Application for staff-assisted rate case in Brevard County by Colony Park Utility, Inc.

Issue 1: Is the quality of service provided by Colony Park Utilities, Inc. considered satisfactory?

Recommendation: Yes. The overall quality of service provided by Colony Park Utilities, Inc. should be considered satisfactory.

APPROVED

Issue 2: What portions of the Utility’s wastewater facilities are used and useful?

Recommendation: Colony Park’s wastewater treatment plant and collection system should be considered 100 percent used and useful.

APPROVED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS’ SIGNATURES

MAJORITY

DISSENTING

Handwritten signatures of majority commissioners: Neil A. [unclear], Katrina J. McMurrin, [unclear], [unclear], [unclear]

REMARKS/DISSENTING COMMENTS:

Blank lines for dissenting signatures and remarks.

DOCUMENT NUMBER-DATE

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**Issue 3:** What is the appropriate average test year rate base for Colony Park?

**Recommendation:** The appropriate average test year rate base for Colony Park should be \$76,940.

**APPROVED**

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

**Recommendation:** The appropriate return on equity is 12.01 percent with a range of 11.01 percent - 13.01 percent. The appropriate overall rate of return is 5.50 percent.

**APPROVED**

**Issue 5:** What are the appropriate amount of test year revenues?

**Recommendation:** The appropriate test year revenue for this Utility is \$41,499.

**APPROVED**

**Issue 6:** What are the appropriate operating expenses?

**Recommendation:** The appropriate amount of operating expenses for Colony Park is \$60,046.

**APPROVED**

**Issue 7:** What is the appropriate revenue requirement?

**Recommendation:** The appropriate revenue requirement is \$65,351 for wastewater.

**APPROVED**

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**Issue 8:** What are the appropriate rates for this Utility?

**Recommendation:** The appropriate monthly wastewater rates are shown on Schedule No. 4-A of Staff's memorandum dated October 16, 2008. Excluding miscellaneous service revenues, the recommended wastewater rates are designed to produce revenues of \$65,351. Colony Park 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:** 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, F.S.?

**Recommendation:** The water rates should be reduced as shown on Schedule No. 4 of Staff's memorandum dated October 16, 2008, 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, F.S. Colony Park 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**

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**Issue 10:** 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 Colony Park?

**Recommendation:** Yes. Pursuant to Section 367.0814(7), F.S., 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, Colony Park 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 analysis portion of Staff's memorandum dated October 16, 2008. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., Colony Park 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.

**APPROVED**

**Issue 11:** Should Colony Park Utility, Inc. be ordered to show cause within 21 days why it should not be fined for its apparent violation of Rule 25-30.115, F.A.C., for failure to maintain its books and records in conformance with the National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts (USOA)?

**Recommendation:** No. A show cause proceeding should not be initiated. However, Colony Park Utility, Inc. should be ordered to maintain its books and records in conformance with the 1996 NARUC USOA.

**APPROVED**

**Issue 12:** Should this docket be closed?

**Recommendation:** No. If no person whose substantial interests are affected by the proposed agency action issues files a protest within 21 days of the issuance of the order, a Consummating Order should be issued. However, 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. When the PAA issues are final and the tariff and notice actions are complete, this docket may be closed administratively.

**APPROVED**