

VOTE SHEET

June 1, 2010

Docket No. 090477-WU – Application for staff-assisted rate case in Polk County by Alturas Utilities, L.L.C.

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

Recommendation: The overall quality of service provided by the Utility should be considered satisfactory.

APPROVED

Issue 2: What are the used and useful percentages of the water treatment plant and distribution system?

Recommendation: Alturas' water treatment plant and distribution system should be considered 100 percent used and useful.

APPROVED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER DATE
 04548 JUN-1 2010
 FPSC-COMMISSIONER CLERK

(Continued from previous page)

Issue 3: Should the Commission approve pro forma plant for the Utility?

Recommendation: Yes. The Utility Plant in Service (UPIS) should be increased by \$18,075. Accordingly, the respective amounts of accumulated depreciation and depreciation expense should be increased by \$844. Additionally, the Utility should be required to complete all the pro forma upgrades within twelve months of the issuance date of the Consummating Order. Should the Utility find that it is unable to complete these additions within the specified 12-month period, Alturas should promptly notify staff of any delays and the cause of any delay. If the Utility fails to complete the above plant additions within the specified 12-month period or fails to promptly report any unforeseen delays for these additions, staff will file a subsequent recommendation to lower the Utility's rates.

APPROVED

Issue 4: What is the appropriate average test year rate base for the Utility?

Recommendation: The appropriate average test year water rate base for the Utility is \$45,477.

APPROVED

Issue 5: What is the appropriate rate of return on equity (ROE) and overall rate of return for this Utility?

Recommendation: The appropriate ROE is 9.67 percent with a range of 8.67 percent to 10.67 percent. The appropriate overall rate of return is 9.64 percent.

APPROVED

Issue 6: What is the appropriate amount of test year revenues in this case?

Recommendation: The appropriate amount of test year revenues in this case is \$20,656.

APPROVED

(Continued from previous page)

Issue 7: What is the appropriate amount of operating expense?

Recommendation: The appropriate amount of operating expense for the Utility is \$27,749.

APPROVED

Issue 8: What is the appropriate revenue requirement?

Recommendation: The appropriate revenue requirement is \$32,130.

APPROVED

Issue 9: Should the Utility's current water system rate structure be changed, and, if so, what is the appropriate adjustment?

Recommendation: No. The Utility's current residential and non-residential water systems' rate structure, which consists of a monthly base facility charge (BFC)/uniform gallonage charge rate structure, should remain unchanged. The BFC allocation should be set at 30 percent.

APPROVED

Issue 10: Is a repression adjustment appropriate in this case, and if so, what are the appropriate adjustments to make for this Utility, what are the appropriate corresponding expense adjustments to make, and what is the final revenue requirement?

Recommendation: No, a repression adjustment is not appropriate at this time.

APPROVED

(Continued from previous page)

Issue 11: What are the appropriate rates for this Utility?

Recommendation: The appropriate monthly water rates are shown on Schedules No. 4 of staff's memorandum dated May 19, 2010. The recommended rates should be designed to produce revenue of \$32,130 for water, excluding miscellaneous service revenues. 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 on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The Utility should provide proof of the date notice was given no less than 10 days after the date of the notice.

APPROVED

Issue 12: 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 May 19, 2010, to remove rate case expense grossed up for RAFs 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. 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

(Continued from previous page)

Issue 13: 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), 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, 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 analysis portion of staff's memorandum dated May 19, 2010. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., 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.

APPROVED

Issue 14: Should the Utility be required to provide proof, within 90 days of an effective order finalizing this docket, that it has adjusted its books for all the applicable National Association of Regulatory Utility Commissioners Uniform System of Accounts (NARUC USOA) primary accounts associated with the Commission approved adjustments?

Recommendation: Yes. To ensure that the Utility adjusts its books in accordance with the Commission's decision, Alturas should provide proof, within 90 days of the final order issued in this docket, that the adjustments for all the applicable NARUC USOA primary accounts have been made.

APPROVED

· Vote Sheet
· June 1, 2010

Docket No. 090477-WU – Application for staff-assisted rate case in Polk County by Alturas Utilities, L.L.C.

(Continued from previous page)

Issue 15: Should this docket be closed?

Recommendation: No. The docket should remain open for twelve months after the Consummating Order for staff's verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff, the Utility has sent the notices to its customers, staff has received proof that the customers have received notice within 10 days after the date of the notice, the Utility has provided staff with proof that the adjustments for all the applicable NARUC USOA primary accounts have been made, and that the pro forma items have been completed. Once staff has verified all of the above actions are complete, this docket should be closed administratively.

APPROVED