

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

SPECIAL COMMISSION CONFERENCE

DATE: October 6, 1995

RE: DOCKET NO. 950495-WS - Application for rate increase and increase in service availability charges by Southern States, Inc. for Orange-Osceola Utilities, Inc. in Osceola County, and in Bradford, Brevard, Charlotte, Citrus, Clay, Collier, Duval, Hernando, Highlands, Hillsborough, Lake, Lee, Marion, Martin, Nassau, Orange, Osceola, Pasco, Polk, Putnam, Seminole, St. Johns, St. Lucie, Volusia, and Washington Counties.

Issue 1: Should the utility's proposed rates be suspended?

Recommendation: Yes. All of SSU's proposed water and wastewater rates should be suspended.

**APPROVED**

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

*Susan Clark*  
*J. Terry Deason*  
*John Johnson*  
*Robert Johnson*  
*John Johnson*

*J. Terry Deason*  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

REMARKS/DISSENTING COMMENTS:

Commissioner Deason dissented on Issues 3 and 7. Commissioner Johnson dissented from the vote on Southern States' suggestion of error and request for oral argument.

PSC/RAR33 (5/90)

DOCUMENT NUMBER-DATE

09880 OCT-6 95

FPSC-RECORDS/REPORTING

Vote Sheet

Docket No. 950495-WS

October 6, 1995

Issue 2: Should OPC's Request for Oral Argument on its Motion to Dismiss be granted?

Recommendation: No. Rule 25-22.0021(1), Florida Administrative Code, precludes parties from participating in discussions regarding interim rates. Moreover, OPC has not demonstrated why oral argument would aid the Commission in evaluating the issues.

**APPROVED**

Issue 3: Should the utility's request for interim rates be granted?

Primary Recommendation: No. The projected test year ended December 31, 1995 is inappropriate to use to determine interim rates. Furthermore, for the plants previously included in Docket No. 920199-WS, the First District Court of Appeals has determined that the uniform rate structure is invalid. Since the utility did not provide plant-specific MFRs for those plants, the Commission does not have the capability to calculate stand-alone revenue requirements.

**MODIFIED**

The primary recommendation was approved, with the modification that the request for interim rates is denied at this time, based on the information in the record; however, the Commissioners recognized that the Company, based on circumstances of this case, may re-file for interim rates at a later date.

Commissioner Deason dissented, in that he would simply approve the primary recommendation.

Alternative Recommendation: Using the historical year ended December 31, 1994, interim rates should be granted for those plants for which information was filed to enable the Commission to calculate stand-alone revenue requirements.

**DENIED**

Vote Sheet

Docket No. 950495-WS

October 6, 1995

**Issue 4:** If the Commission approves the alternative recommendation in Issue 3, what interim revenue increase should be approved?

**Recommendation:** The following interim revenue requirements based on the 1994 historical base year should be approved. No interim increase should be granted for the Uniform Plants since separate revenue requirements cannot be calculated. No interim increase should be granted for the Lakeside, Spring Gardens, or Valencia Terrace facilities since these were not owned by SSU in 1994. Further, SSU did not request interim rate consideration for the facilities in Hillsborough, Polk or Hernando Counties or for the Buenaventura Lakes facilities in Osceola County. Accordingly, no interim revenue requirements are calculated for those facilities.

	<u>Revenues</u>	<u>\$ Increase</u>	<u>% Increase</u>
<b><u>WATER SYSTEMS</u></b>			
Deep Creek	\$1,489,722	\$4,740	0.32%
Enterprise	\$ 29,103	\$-40,657	-58.28%
Geneva Lake Est	\$ 31,733	\$ 1,807	6.04%
Keystone Club Est	\$ 38,968	\$ 4,466	12.94%
Lakeside	\$ 0	\$ 0	0.00%
Lehigh	\$2,341,395	\$319,385	15.80%
Marco Island	\$8,418,448	\$642,909	8.27%
Palm Valley	\$ 50,424	\$ 10,247	25.50%
Remington Forest	\$ 25,532	\$ 9,525	59.51%
Spring Gardens	\$ 0	\$ 0	0.00%
Valencia Terrace	\$ 0	\$ 0	0.00%
Uniform Plants	\$ 0	\$ 0	0.00%
<b><u>WASTEWATER SYSTEMS</u></b>			
Deep Creek	\$1,322,973	\$-369,521	-21.83%
Enterprise	\$ 62,929	\$ 15,721	33.30%
Lehigh	\$2,915,346	\$ 453,462	18.42%
Marco Island	\$3,482,840	\$ 536,046	18.19%
Spring Gardens	\$ 0	\$ 0	0.00%
Tropical Isles	\$ 51,014	\$ 15,804	44.88%
Valencia Terrace	\$ 0	\$ 0	0.00%
Uniform Plants	\$ 0	\$ 0	0.00%

Note: The amounts shown as negative should be considered amounts held subject to refund, not recommended interim decreases in revenues.

Based on the decision in Issue 3, no vote was necessary on this issue.

Vote Sheet

Docket No. 950496-WS

October 6, 1995

Issue 5: If the Commission approves the alternative recommendation in Issue 3 and staff's recommendation in Issue 4, what, if any, are the appropriate interim rates for Southern States Utilities, Inc. for the historic year ended December 31, 1994?

Recommendation: As recommended in Issue 4, SSU's request for a uniform interim rate structure for the plants previously grouped in Docket No. 920199-WS should be denied. However, the Commission should approve interim rates for the remaining 11 water and wastewater plants discussed in the Staff Analysis portion of staff's memorandum dated September 27, 1995 and shown on Schedule No. 4 for each plant. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), Florida Administrative Code, provided the customers have received notice. The rates may not be implemented until proper notice has been received by the customers. SSU should provide proof of the date notice was given within 10 days after the date of notice.

Based on the decision in Issue 3, no vote was necessary on this issue.

Issue 6: If the Commission approves the alternative recommendation in Issue 3 and staff's recommendation in Issue 4, what is the appropriate security to guarantee the interim increase?

Recommendation: The utility should be required to file a bond, letter of credit or escrow agreement to guarantee any potential refunds of water and wastewater revenues collected under interim conditions. The letter of credit or bond should be in the amount discussed in the Staff Analysis portion of staff's memorandum. In lieu of a letter of credit or bond, SSU may obtain an escrow agreement which requires SSU to deposit an amount monthly, until completion of the rate case. Pursuant to Rule 25-30.360(6), F.A.C., the utility should provide a report by the 20th of each month indicating the monthly and total revenue collected subject to refund.

Based on the decision in Issue 3, no vote was necessary on this issue.

Vote Sheet

Docket No. 950495-WS

October 6, 1995

Issue 7: Should OPC's motion to dismiss SSU's Request for an Interim Increase in Rates be granted?

Recommendation: No.

The Commissioners determined that this was an inappropriate motion and should be denied. If treated as a request to deny, it was determined to be moot.

Commissioner Deason dissented regarding the determination that the motion was inappropriate.

Issue 8: Should the Commission grant OPC's motion to cap SSU's maximum interim and final rates in this proceeding to the rates requested by SSU?  
Recommendation: As OPC's motion relates to the determination of interim rates, if the Commission approves Staff's primary recommendation in Issue 3, a ruling on OPC's motion is not necessary. If the Commission approves the alternative recommendation in Issue 3, OPC's motion as it relates to interim should not be considered. However, if the Commission does choose to consider OPC's motion to cap the interim rate, OPC's motion should be denied. With respect to the cap on the final rates, OPC's motion is premature and should not be ruled upon at this time. OPC's request for oral argument should also be denied.

OPC's motion with regard to interim rates was determined to be moot and, with regard to the final rates, the motion was determined to be premature, with no need for decision at this time.

Prior to addressing Issues 1-8, the Commissioners voted to deny Southern States' suggestion of error and request for oral argument on the suggestion.

Commissioner Johnson dissented.