

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

SPECIAL COMMISSION CONFERENCE

DATE: January 4, 1996

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

Issue 1: What is the appropriate test year to be used for interim purposes and what methodology should be used to determine test year revenues before any revenue increase?

Recommendation: The historical test year ended December 31, 1994 is appropriate to use to determine interim rates. Further, test year revenues should be calculated using the modified stand alone rate structure established by the Commission in Docket No. 920199-WS by Order No. PSC-95-1292-FOF-WS, issued on October 19, 1995.

APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

[Handwritten signatures in the Majority column]

Susan L. Clark

[Handwritten signature in the Dissenting column]
#9. *[Signature]*

REMARKS/DISSENTING COMMENTS:

PSC/RAR33 (5/90)

[Handwritten note] 4 Issues 2 \$6

DOCUMENT NUMBER-DATE

00205 JAN-8 1996

FPSC-RECORDS/REPORTING

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Issue 2: If the Commission approves staff's recommendation in Issue 1, what interim revenue increase should be approved?

Recommendation: The interim revenue requirements shown in Attachment A of staff's memorandum dated December 22, 1995, should be approved. These are based on the 1994 historical base year and the current modified stand alone rates. 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 Buenaventura Lakes facilities in Osceola County. Accordingly, no interim revenue requirements are calculated for those facilities.

APPROVED

*Commissioner Deason
dissented.*

Issue 3: What are the appropriate interim water and wastewater rates for Southern States Utilities, Inc.?

Primary Recommendation: The Commission should approve the interim rates for the water and wastewater plants shown in staff's memorandum, "Primary Recommendation" column, on the corresponding Schedule Nos. 4 for each plant. For the water and wastewater plants previously included in Docket No. 920199-WS, the interim rates should be calculated using the modified stand alone rate structure with benchmarks of \$52 for water and \$65 for wastewater. For the remaining 11 water and wastewater plants, each plant's interim percentage increase, excluding miscellaneous service revenue, should be applied to the rates in effect as of December 31, 1994. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to 25-30.475(1), F.A.C., provided the customers have received notice. The rates may not be implemented until proper 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 notice.

APPROVED

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Alternate Recommendation: The Commission should approve the interim rates for the water and wastewater plants shown in staff's memorandum, "Alternate Recommendation" column, on the corresponding Schedule Nos. 4 for each plant. For the water and wastewater plants previously included in Docket No. 920199-WS, the interim rates should be calculated using the modified stand alone rate structure with benchmarks of \$85 for water and \$80 for wastewater. For the remaining 11 water and wastewater plants, each plant's interim percentage increase, excluding miscellaneous service revenue, should be applied to the rates in effect as of December 31, 1994. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to 25-30.475(1), F.A.C., provided the customers have received notice. The rates may not be implemented until proper 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 notice.

DENIED

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 of \$5,864,375. In lieu of a letter of credit or bond, SSU may obtain an escrow agreement which requires SSU to deposit an amount monthly, as discussed in staff's memorandum, 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.

APPROVED

Issue 5: Should the Office of Public Counsel's (OPC) motion to dismiss SSU's supplemental petition for interim rates be granted?

Recommendation: No. A motion to dismiss an interim rate petition is inappropriate. Even if the Commission considers OPC's motion, OPC has not demonstrated sufficient grounds to support a dismissal of SSU's petition.

APPROVED

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Issue 6: Should the Commission grant OPC's Motion to Cap SSU's Maximum Interim Rates in this Proceeding?
Recommendation: No, OPC's motion should be denied.

APPROVED

*Commissioner Deason
dissented.*