

VOTE SHEET

DATE: July 30, 1996

RE: DOCKET NO. 951591-SU - Application for staff-assisted rate case in Brevard County by Colony Park Utilities, Inc.

Issue 1: What is the quality of service provided by this utility?

Recommendation: The quality of service provided by the utility is considered satisfactory. The staff engineer recommends that the utility be required to investigate the infiltration problem and develop and submit a plan within 180 days of the effective date of the Commission order to minimize the infiltration.

*Approved with the modification
made by staff at agenda*

MODIFIED

Issue 2: What percent of the utility's wastewater treatment plant and wastewater collection system is used and useful?

Recommendation: Both the wastewater treatment plant and wastewater collection system are considered 100% used and useful.

APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Joe Faraca
[Signature]
Susan Clark
A. Terry Deason
Sam [Signature]

REMARKS/DISSENTING COMMENTS:

PSC/RAR33 (5/90)

DOCUMENT NUMBER-DATE

07994 JUL 31 96

FPSC-RECORDS/REPORTING

Issue 3: What is the utility's appropriate average amount of rate base?
Recommendation: The appropriate average amount of test year rate base is \$120,777.

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 rate of return on equity is 10.18% with a range of 9.18% to 11.18% and the appropriate overall rate of return is also 10.18% with a range of 9.18% to 10.18%.

APPROVED

Issue 5: What is the appropriate test year revenue for this utility?
Recommendation: The appropriate test year revenue for this utility is \$35,628.

APPROVED

Issue 6: What is the appropriate amount of operating expenses for rate setting purposes?
Recommendation: The appropriate amount of operating expenses for rate making purposes is \$46,835.

APPROVED

Issue 7: What is the appropriate test year operating loss for this utility?
Recommendation: The appropriate test year operating loss for this wastewater system is (\$10,149).

APPROVED

Issue 8: What is the appropriate revenue requirement for this utility?
Recommendation: The appropriate revenue requirement is \$59,130 for this utility.

APPROVED

Issue 9: What is the appropriate rate structure and what are staff's recommended rates?

Recommendation: The base facility and gallonage charge rate structure is the appropriate rate structure. Staff's recommended rates allow the utility the opportunity to recover its operating expenses and earn a 10.18% return on its investment. The recommended rates are set forth in the analysis portion of staff's memorandum dated July 18, 1996. The rates should be effective for service rendered as of the stamped approval date on the tariff sheets, provided the customers have received notice. The tariff sheets should be approved upon staff's verification that the tariffs are consistent with the Commission's decision, that the customer notice is adequate, and that any required security has been provided. The utility should provide proof of the date notice was given within 10 days after the date of the notice.

APPROVED

Issue 10: What is the appropriate service availability policy for this utility?

Recommendation: The appropriate service availability policy is the utility's existing policy, as outlined in the staff analysis.

APPROVED

Issue 11: 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: Revenues should be reduced by a total of \$419 annually to reflect the removal of rate case expense grossed up for regulatory assessment fees which are being amortized over a four-year period. The effect of the revenue reduction results in the rate decreases shown on Schedule No. 4 of staff's memorandum. 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.

APPROVED

Issue 12: 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, 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. 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.

APPROVED

Issue 13: Should the utility be required to maintain its books and records in conformity with the 1984 NARUC Uniform System of Accounts (USOA)?

Recommendation: Yes, the utility should be required to maintain its books and records in conformity with the 1984 NARUC Uniform System of Accounts.

APPROVED

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Issue 14: What is the appropriate effective date of the revised rates and charges?

Recommendation: The metered rates should be effective for service rendered as of the stamped approval date on the revised tariff sheets, provided customers have received notice. Tariff sheets should be approved upon staff's verification that the tariff sheets are consistent with the Commission's decision, that the proposed customer notice is adequate, and that any required security has been provided. In no event should the rates be effective for services rendered prior to the stamped approval date.

APPROVED

Issue 15: Should this docket be closed?

Recommendation: No. If no timely protest is received upon expiration of the protest period, this docket should remain open for an additional six months from the effective date of the order to allow staff to verify that pro forma necessary to complete the drainage field to comply with the DEP consent order has been completed. However, if the utility fails to timely complete the pro forma, staff will prepare a follow-up recommendation and show cause proceedings may be initiated.

APPROVED