

VOTE SHEET

DATE: August 13, 1996

RE: DOCKET NO. 960814-WS - Investigation of possible overearnings in Manatee County by Keith & Clara Starkey d/b/a Heather Hills Estates.

Issue 1: Is the quality of service provided by Heather Hills Estates in Manatee County satisfactory?

Recommendation: Yes. The quality of service provided by Heather Hills Estates should be considered satisfactory.

APPROVED

Issue 2: What portions of water and wastewater plants-in-service are used and useful?

Recommendation: The water distribution system and wastewater collection system should be considered 100% used and useful. Since there is no water or wastewater treatment plant, no treatment plant used and useful percentage is applicable.

APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

[Handwritten signatures in the majority column]

REMARKS/DISSENTING COMMENTS:

PSC/RAR33 (5/90)

DOCUMENT NUMBER-DATE

08525 AUG 14 96

FPSC-RECORDS/REPORTING

Issue 3: What is the appropriate average amount of test year rate base for each system?

Recommendation: The appropriate average amount of test year rate base for Heather Hills Estates is \$6,522 for water and \$26,168 for wastewater.

APPROVED

Issue 4: Should a positive acquisition adjustment be approved?

Recommendation: No, a positive acquisition adjustment should not be included in the calculation of rate base for this utility.

APPROVED

Issue 5: 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% - 11.18% and the appropriate overall rate of return is also 10.18% with a range of 9.18% - 11.18%.

APPROVED

Issue 6: What are the appropriate test year operating revenues for each system?

Recommendation: The appropriate test year operating revenue is \$43,228 for water and \$61,280 for wastewater. The utility should install a meter for the recreation building, which is presently unmetered.

APPROVED

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Issue 7: What are the appropriate amounts for operating expense for each system?
Recommendation: The appropriate amounts for operating expense are \$40,652 for water and \$58,932 for wastewater.

APPROVED

Issue 8: What is the appropriate revenue requirement for each system?
Recommendation: The appropriate revenue requirement is \$41,316 for water and \$61,596 for wastewater.

APPROVED

Issue 9: Is Heather Hills Estates Utility overearning?
Recommendation: Heather Hills is not overearning on the wastewater system, but is overearning on the water system by approximately \$1,826. However, in lieu of ordering a reduction in water rates, the Commission should order the utility to initiate a meter replacement program which would negate any overearnings on the part of the water system. In addition, a revenue neutral rate structure change in the existing rate structure of the utility to eliminate the minimum gallonage charge for water and wastewater is recommended.

APPROVED

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Issue 10: What is the appropriate rate structure and what are the recommended rates for this utility?

Recommendation: If the Commission approves the meter replacement program outlined in Issue No. 9, the recommended rates should be designed to produce revenues of \$43,228 for water and \$61,280 for wastewater. A revenue neutral rate structure change is recommended; therefore, test year revenues are being used to calculate the new rate structure. 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. The rates should not be implemented until proper notice has been received by the customers. The utility should provide proof of the date notice was given within 10 days after the date of the notice.

APPROVED

Issue 11: Should this docket be closed?

Recommendation: Yes, upon expiration of the protest period, if a timely protest is not received, this docket should be closed.

APPROVED