

VOTE SHEET

JUNE 24, 1997

RE: DOCKET NO. 970164-WU - Application for increase in rates in Martin County by Hobe Sound Water Company.

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

Recommendation: Yes. Hobe Sound's proposed water and wastewater rates should be suspended.

APPROVED

Issue 2: What is the appropriate test year to be used for interim purposes?

Recommendation: The appropriate test year to be used for interim is the 13-month average test year ended June 30, 1996.

APPROVED

Issue 3: Should an interim revenue increase be approved?

Recommendation: Yes. On an interim basis, the utility should be authorized to collect \$1,690,541 in annual water revenues. This represents an annual increase of \$183,461 (or 12.17%) for the test year ended June 30, 1996.

APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

[Handwritten signatures in the majority column]

REMARKS/DISSENTING COMMENTS:

DATE

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by Hobe Sound Water Company.

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Issue 4: What are the appropriate interim water service rates?

Recommendation: The interim service rates for Hobe Sound Water Company should be designed to allow the utility the opportunity to generate annual operating revenues of \$1,688,631 for its water system, excluding miscellaneous revenues. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Section 25-30.475(1), Florida Administrative Code, provided the customers have received notice. The rates should not be implemented until proper notice has been received by the customers. The utility should provide proof to staff of the date notice was given within 10 days after the date of notice.

APPROVED

Issue 5: 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 as security to guarantee any potential refunds of water revenues collected under interim conditions. Pursuant to Rule 25-30.360(6), Florida Administrative Code, the utility shall provide a report by the 20th of each month indicating the monthly and total revenue collected subject to refund.

APPROVED

Issue 6: Should the Commission order Hobe Sound to show cause, in writing, within twenty days, why it should not be fined for violation of Rule 25-22.0407(4), Florida Administrative Code?

Recommendation: No. Show cause proceedings should not be initiated. However, the utility should be put on notice that failure to meet further noticing requirements will not be tolerated.

APPROVED