

VOTE SHEET

JULY 15, 1997

RE: DOCKET NO. 961447-WU - Application for staff-assisted rate case in Lee County by Spring Creek Village, Ltd.

Issue 1: Is the quality of service provided by Spring Creek Village Utilities, Ltd., satisfactory?

Recommendation: No. The quality of service provided by the utility should be considered unsatisfactory. The utility should be required to file quarterly reports for a period of one year after the date of the Commission order. These reports should include a description of customer complaints and how they were resolved, the number of outages, how long service was interrupted, and the nature of the problems that caused the outages.

**APPROVED**

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

*[Handwritten signatures in the majority column]*

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REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

07-120 JUL 16 97

FPSC RECORDS/REPORTING

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Issue 2: What are the appropriate used and useful percentages for the water treatment and distribution system?

Recommendation: The water treatment and distribution systems should be considered 100% used and useful.

**APPROVED**

Issue 3: What is the appropriate average test year rate base for this utility?

Recommendation: The appropriate average test year rate base for this system is \$52,942.

**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 and overall rate of return is 9.21% with a range of 8.21% - 10.21%.

**APPROVED**

Issue 5: What are the appropriate test year revenues?

Recommendation: The appropriate test year revenues are \$17,092.

**APPROVED**

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Issue 6: What is the appropriate test year operating loss for this utility?

Recommendation: The appropriate test year operating loss for this utility is \$25,946.

**APPROVED**

Issue 7: What is the appropriate amount for test year operating expenses?

Recommendation: The appropriate amount for test year operating expenses is \$44,490.

**APPROVED**

Issue 8: What is the appropriate revenue requirement for this utility?

Recommendation: The appropriate revenue requirement is \$49,366.

**APPROVED**

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Issue 9: What are the appropriate rates and rate structure?

Recommendation: The recommended rates should be designed to produce revenue of \$49,366. The utility should employ the base facility and gallonage charge rate structure. 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. 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 within 10 days after the date of the notice.

**APPROVED**

Issue 10: Should the utility be authorized to collect miscellaneous service charges, and if so, what are the appropriate charges?

Recommendation: Yes. The utility should be authorized to collect miscellaneous service charges and the appropriate charges should be the recommended charges specified in the staff analysis portion of the recommendation dated July 2, 1997. The approved charges 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. These charges may 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**

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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, Florida Statutes?

Recommendation: Revenues should be reduced by a total of \$994 to reflect the removal of rate case expense grossed up for regulatory assessment fees, which is being amortized over a four year period. The effect of the revenue reduction results in rate decrease as shown on Schedule No. 4 of staff's memorandum dated July 2, 1997. The decrease in rates should become effective immediately following the expiration of the recovery period, pursuant to Section 367.0816, Florida Statutes. 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 in the event of a timely protest filed by a party other than the utility?

Recommendation: Yes. The recommended rates should be approved for the utility on a temporary basis in the event of a timely protest filed by a party other than the utility. The utility should be authorized to collect the temporary rates after staff's approval of the security for potential refund, the proposed customer notice, and the revised tariff sheets.

**APPROVED**

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Issue 13: Should this docket be closed?

Recommendation: No. Upon expiration of the protest period, if no timely protest is received, this docket should remain open for 90 days from the issuance date of the order to allow staff to verify completion of all post test year plant improvements. If all post test year plant improvements have been completed within the 90 day time frame, this docket should be closed administratively.

**APPROVED**