

VOTE SHEET

DECEMBER 16, 1997

RE: DOCKET NO. 971504-WU - Investigation of rates of A.P. Utilities, Inc. in Marion County for possible overearnings.

Issue 1: Should the Commission initiate an overearnings investigation of APU?

Recommendation: Yes. The Commission should initiate an investigation of the composition and level of water rates to determine potential overearnings. Rate base should be set because rate base has not been established since the transfer of majority organizational control to the present owner.

APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

[Handwritten signatures in the Majority column: Joe Garcia, Susan L. Clark, J. P. ...]

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

12880 DEC 17 97

FPSC-RECORDS/REPORTING

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Issue 2: Should any amount of annual water revenues be held subject to refund?

Recommendation: Yes. APU should hold annual water revenues of \$31,037 subject to refund for possible overearnings. The following amount is recommended:

	<u>Total</u>	Amount Subject <u>To Refund</u>	% Subject <u>To Refund</u>
Water	\$222,370	\$31,037	13.96%

APPROVED

Issue 3: What is the appropriate security to guarantee the amount subject to refund for APU?

Recommendation: The utility should be required to file a bond, letter of credit or escrow agreement to guarantee the amount subject to refund. The letter of credit or bond should be in the amount of \$24,243. In lieu of a letter of credit or bond, the utility may obtain an escrow agreement which requires the utility to deposit an amount monthly, as discussed below, until completion of the overearnings investigation. Pursuant to Rule 25-30.360(6), Florida Administrative Code, the utility shall provide a report by the 20th day of each month indicating the monthly and total revenue collected subject to refund.

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Issue 4: Should the utility be required to escrow its regulatory assessment fees on a monthly basis?

Recommendation: Yes. The utility should be ordered to establish a separate joint, interest-bearing escrow account for all 1998 RAFs within 30 days. The account must comply with the requirements outlined in the analysis portion of staff's 12/4/97 memorandum of this recommendation. In addition, the utility should be ordered to place 4.5% of monthly service revenues billings beginning with January 1998 billings, including miscellaneous service charges, into the interest-bearing joint escrow account for payment of its RAFs. The utility should also be ordered to maintain a record of the revenues billed for each month and the utility should file a report with the Division of Water and Wastewater no later than 20 days after each monthly billing. These reports shall indicate the amount of revenue billed each month under the categories of monthly service rates and miscellaneous service revenues.

APPROVED