

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

NOVEMBER 3, 1998

RE: DOCKET NO. 981258-WS - Investigation of water and wastewater rates of Lake Haven Utility Association, Ltd. d/b/a Lakes Wales Utility Co., Ltd. in Polk County for possible overearnings.

Issue 1: Should the Commission initiate an earnings investigation of Lake Wales?

Recommendation: Yes. The Commission should initiate an investigation of the composition and level of water and wastewater rates to determine potential overearnings. Water and wastewater rate base should also be established since both were last set by Polk County as of December 31, 1991.

**APPROVED**

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

*[Handwritten signatures in the Majority column]*

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REMARKS/DISSENTING COMMENTS:

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

Recommendation: Yes. Lake Wales should hold the following amounts subject to refund.

	Revenue <u>Requirements</u>	Subject <u>To Refund</u>	Amount % Subject <u>To Refund</u>
Water	\$112,947	\$28,719	20.27%
Wastewater	\$166,339	\$49,867	23.06%

**APPROVED**

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

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 total amount of \$50,884 for water and wastewater. 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 in the analysis portion of staff's October 22, 1998 memorandum, until completion of the overearnings investigation. Pursuant to Rule 25-30.360(6), Florida Administrative Code, the utility should be required to provide a report by the 20th day of each month indicating the monthly and total revenue collected subject to refund.

**MODIFIED**

*A corporate undertaking was approved.*