

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

NOVEMBER 17, 1998

RE: DOCKET NO. 981147-WS - Investigation into potential overearnings in Highlands County by Highlands Ridge Associates, Inc.

Issue 1: Should the Commission initiate an overearnings investigation of Highlands Ridge Associates, Inc.?

Recommendation: Yes. The Commission should initiate an investigation of the composition and level of water and wastewater rates to determine potential overearnings. Rate base for both the water and wastewater systems should also be established since rate base has never been set for this utility.

APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Handwritten signatures in the majority column, including names like Susan Clark and Jerry Heaver.

Empty lines in the dissenting column.

DOCUMENT NUMBER-DATE

1296 11 NOV 18 98

FPSC-RECORDS/REPORTING

REMARKS/DISSENTING COMMENTS:

Commissioner Garcia participated in the Agenda Conference via video teleconference and ~~disented~~ in the vote. He will sign the vote sheet upon his return to Tallahassee.

agreed

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(Continued from previous page)

Issue 2: Should any amount of annual water or wastewater revenues be held subject to refund, and, if so, what are the appropriate amounts?

Recommendation: Yes. Highlands Ridge should hold annual water revenues of \$19,004 and annual wastewater revenues of \$17,146 subject to refund. The following amounts are recommended:

	<u>Test Year</u> <u>Revenues</u>	<u>Amount</u> <u>Subject</u> <u>to Refund</u>	<u>% Subject</u> <u>to Refund</u>
Water	\$89,294	\$19,004	21.28%
Wastewater	\$98,017	\$17,146	17.49%

**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 amount of \$18,576. In lieu of a letter of credit or bond, the utility should obtain an escrow agreement which requires the utility to deposit an amount monthly, as discussed below, until completion of the overearnings investigation and the resolution of the other outstanding matters as discussed previously. Pursuant to Rule 25-30.360.(6), Florida Administrative Code, the utility should be required to provide a report by the 20th of each month indicating the monthly and total revenue collected subject to refund. The utility should be put on notice that failure to comply with these requirements will result in the initiation of a show cause proceeding.

**APPROVED**

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(Continued from previous page)

Issue 4: Should this docket be closed?

Recommendation: No. This docket should remain open pending staff's investigation of the utility's earnings for 1997 and the results of staff's investigation and analysis into all other outstanding matters.

**APPROVED**