

VOTE SHEET

MARCH 16, 1999

RE: DOCKET NO. 980912-SU - Application for staff-assisted rate case in Pasco County by Sky Acres Enterprises d/b/a Terrace Park Ventures.

Quality of Service

Issue 1: Is the quality of service provided by Sky Acres Enterprises d/b/a Terrace Park Ventures satisfactory?

Recommendation: Yes. The quality of service appears to be satisfactory. However, the utility should be required to initiate an office procedure that would expedite response time to customers' concerns and telephone calls. The program should be developed within three months of the effective date of the Commission order and a copy sent to the Commission. In addition, the utility should be required to correct the placement of the water line entering the plant from the meter within 90 days from the effective date of the Commission order.


APPROVED

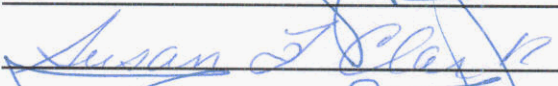
COMMISSIONERS ASSIGNED: Full Commission


COMMISSIONERS' SIGNATURES


MAJORITY


DISSENTING











REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

03425 MAR 17 88

FPSC-RECORDS/REPORTING

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Rate Base

Issue 2: What percentage of the utility's wastewater treatment plant and collection system is used and useful?

Recommendation: The wastewater treatment plant should be considered 56% used and useful. The collection system should be considered 74% used and useful. Staff recommends no margin reserved be allowed.

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Issue 3: What is the utility's appropriate average amount of rate base for ratesetting purposes?

Recommendation: The appropriate average amount of test year rate base should be \$25,907.

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Cost of Capital

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 is 9.85% with a range of 8.85% - 10.85% and the overall rate of return is 9.85%.

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Net Operating Income

Issue 5: What is the appropriate test year revenue?

Recommendation: The appropriate test year revenue is \$9,763.

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Issue 6: What is the appropriate amount of operating expenses?

Recommendation: The appropriate amount of operating expenses is \$27,469.

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Revenue Requirement

Issue 7: What is the appropriate revenue requirement for this utility?

Recommendation: The appropriate revenue requirement is \$30,020.

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Rates and Tariff Charges

Issue 8: Is a repression adjustment to consumption appropriate for this utility, and, if so, what is the appropriate adjustment?

Recommendation: No, a repression adjustment is not appropriate in this case. However, in order to monitor the effects of the rate increase on consumption, the utility should be ordered to file, on a quarterly basis, reports detailing the number of bills rendered, the number of gallons billed and the total revenues billed during the quarter, with the totals shown separately for the residential and general service classes of service. These reports should be required for a period of two years, beginning the first quarter after the revised rates go into effect.

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Issue 9: What is the appropriate conservation rate structure for this utility?

Recommendation: The appropriate conservation rate structure for this utility is the base facility and uniform gallonage charge rate structure.

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Issue 10: What are the appropriate rates?

Recommendation: The recommended rates should be designed to produce revenue of \$30,020. The appropriate residential wastewater gallonage cap should be set at 8,000 gallons. 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, provided the customers have received notice. 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.

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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 required by Section 367.0816, Florida Statutes?

Recommendation: The wastewater rates should be reduced as shown on Schedule No. 4 of staff's March 4, 1999 memorandum, to remove rate case expense grossed up for regulatory assessment fees and amortized over a four-year period. 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.

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Issue 12: What are the appropriate billing procedures and billing format for this utility?

Recommendation: The utility should follow the guidelines of Rule 25-30.335, Florida Administrative Code, for billing procedures. The utility should bill its customers of record on a monthly basis rather than on a quarterly basis. The utility should bill its customers of record on a separate bill that includes the utility's name, the billing period covered, the applicable rate along with beginning and ending meter readings. Further, the utility bill should include the delinquent date or the date after which the bill becomes past due.

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Issue 13: What should the appropriate miscellaneous service charges be for Terrace Park?

Recommendation: The appropriate miscellaneous service charges should be those recommended in the analysis portion of staff's memorandum. The utility should file revised tariff sheets which are consistent with the Commission's vote. Staff should be given administrative authority to approve the revised tariff sheets upon staff's verification that the tariffs are consistent with the Commission's decision. If revised tariff sheets are filed and approved, the miscellaneous service charges should become effective for connections made on or after the stamped approval date of the revised tariff sheets, if no protest is filed.

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Issue 14: 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

Issue 15: Should the Commission order Terrace Park to show cause, in writing within 21 days, why it should not be fined for its apparent violation of Rule 25-30.115, Florida Administrative Code?

Recommendation: No. A show cause proceeding should not be initiated. However, the utility should be ordered to maintain its books and records in conformity with the 1996 NARUC Uniform System of Accounts(USOA) and should be required to submit a statement from its accountant by March 31, 2000, along with its 1999 annual report, stating that its books are in conformity with the NARUC USOA and have been reconciled with the Commission's order.

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Issue 16: Should this docket be closed?

Recommendation: No. If no timely protest is received upon expiration of the protest period, this docket should remain open for an additional 90 days from the effective date of the Commission order to allow staff to verify that the utility has corrected the placement of the water line entering the plant from the meter. Once staff has verified that this work has been completed, the docket should be closed administratively.

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