

VOTE SHEET

JUNE 1, 1999

RE: DOCKET NO. 990006-WS - Annual reestablishment of authorized range of returns on common equity for water and wastewater utilities, pursuant to Section 367.081(4)(f), F.S.

Issue 1: What is the appropriate range of returns on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), Florida Statutes?

Recommendation: Staff recommends the following leverage formula:

Return on Common Equity = 8.14% + 0.789/Equity Ratio

where the Equity Ratio = Common Equity / (Common Equity + Preferred Equity + Long-Term and Short-Term Debt)

Range: 8.93% @ 100% equity to 10.12% @ 40% equity

This formula is based on modifications to the existing leverage formula methodology. Staff has discussed the modifications in the body of its May 20, 1999 memorandum.

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Handwritten signatures in the majority column, including names like Susan Clark and J. Tom...

Empty lines in the dissenting column.

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

06713 JUN-1 99

FPSC-RECORDS/REPORTING

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Staff further recommends that the Commission limit the authorized return on common equity to a maximum of 10.12% for all equity ratios of less than 40% to discourage imprudent financial risk.

APPROVED

Issue 2: Should the Commission close this docket?

Recommendation: No. Upon expiration of the protest period, this docket should remain open.

APPROVED