

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

APRIL 4, 2000

RE: DOCKET NO. 991290-WU - Application for staff-assisted rate case in Lake County by Brendenwood Water System.

Issue 1: What is the quality of service rendered to the customers of the utility?

Recommendation: The quality of service provided to the customers should be considered satisfactory.

APPROVED

Issue 2: What are the appropriate used and useful percentages for the water treatment plant and water distribution system?

Recommendation: The water treatment plant and water distribution systems should be considered 100% used and useful.

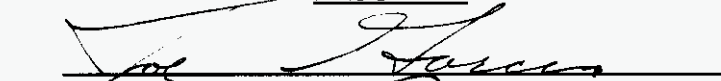
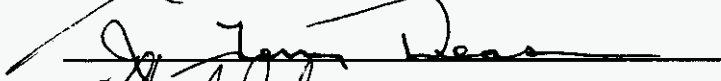



APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

REMARKS/DISSENTING COMMENTS:

Commissioner Clark participated in the conference via telephone. She agreed with/ ~~dissented from~~ the majority vote and will sign the vote sheet upon return to Tallahassee.

DOCUMENT NUMBER-DATE

04202 APR-58

FPSC-RECORDS/REPORTING

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Issue 3: Does the utility own the land on which its water facilities are located, and, if so, what is the appropriate land value to be included in rate base?

Recommendation: No, the utility does not own the land on which its water facilities are located. The land is owned by the owner of the utility and is leased to the utility for 99 years. The appropriate land value to be included in rate base is zero.

APPROVED

Issue 4: What is the appropriate average test year rate base for Brendenwood Water System?

Recommendation: The appropriate average test year rate base for Brendenwood Water System is \$7,430.

APPROVED

Issue 5: What is the appropriate rate of return on equity and the appropriate overall rate of return for the utility?

Recommendation: The appropriate return on equity and the appropriate overall rate of return for the utility is 8.93% with a range of 7.93% - 9.93%.

APPROVED

Issue 6: What is the appropriate test year revenue for the utility?

Recommendation: The appropriate test year revenue for the utility is \$24,259.

APPROVED

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Issue 7: What is the appropriate amount for operating expenses for this utility?

Recommendation: The appropriate amount for operating expenses for this utility is \$28,029.

APPROVED

Issue 8: Should the Commission utilize the operating ratio methodology as an alternative means to calculate the revenue requirement for Brendenwood water system and, if so, what is the appropriate margin?

Recommendation: Yes. The Commission should utilize the operating ratio methodology for calculating the revenue requirement for the Brendenwood water system. The margin should be 10% of operation and maintenance expenses.

APPROVED

Issue 9: What is the appropriate revenue requirement?

Recommendation: The appropriate revenue requirement using the operating ratio methodology for calculating the revenue requirement is \$30,594.

APPROVED

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Issue 10: Should the utility's base facility charge for residential customers be calculated consistent with Commission Order No. 16134?

Recommendation: Yes, the utility's base facility charge for residential customers should be calculated consistent with Commission Order No. 16134. However, future meter change outs for residential 1" meters should be replaced with a 5/8" x 3/4" meter or charged the appropriate rate for a 1" meter.

APPROVED

Issue 11: What is the appropriate conservation rate structure for this utility?

Recommendation: The appropriate conservation rate structure for this utility is the inclining-block rate structure as detailed in the analysis portion of staff's March 23, 2000 memorandum.

APPROVED

Issue 12: Is a repression adjustment to consumption appropriate for this utility and, if so, what is the appropriate adjustment?

Recommendation: Yes. A repression adjustment of 693,680 gallons to water consumption is appropriate. In order to monitor the effect of the rate increase and rate structure change 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 for each month during the quarter. This information should be provided for each customer class, meter size and usage block. 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 13: What are the recommended rates for this utility?

Recommendation: The recommended rates should be designed to produce revenue of \$30,594 using the inclining-block rate structure. 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.

APPROVED

Issue 14: Should the utility be authorized to collect miscellaneous charges and, if so, what are the appropriate charges?

Recommendation: Yes. The utility should be authorized to collect miscellaneous service charges as recommended in the staff analysis. The utility should file revised tariff sheets which are consistent with the Commission's vote. Staff should be given administrative authority to approve the tariffs upon verification that the tariff sheets 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.

APPROVED

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Issue 15: Should the recommended rates be approved for the utility on a temporary basis, subject to refund, in the event of a protest filed by a party other than the utility?

Recommendation: Yes. Pursuant to Section 367.0814(7), Florida Statutes, the recommended rates should be approved for the utility on a temporary basis, subject to refund, in the event of a protest filed by a party other than the utility. Prior to implementation of any temporary rates, the utility should provide appropriate security. If the recommended rates are approved on a temporary basis, the rates collected by the utility shall be subject to the refund provisions discussed in the staff analysis. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(7), Florida Administrative Code, the utility should file reports with the Division of Water and Wastewater no later than 20 days after each monthly billing. These reports should indicate the amount of revenue collected under the increased rates subject to refund.

APPROVED

Issue 16: Should the utility be required to show cause, in writing within 21 days, why it should not be fined up to \$5,000 per day for its apparent violation of Rule 25-30.115, Florida Administrative Code, for its failure to maintain its books and records in conformance with the National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts (USOA)?

Recommendation: No. A show cause proceeding should not be initiated. However, the utility should be ordered to maintain its books and records in conformance with the 1996 NARUC USOA and submit a statement from its accountant by March 31, 2001 along with its 2000 annual report, stating that its books are in conformance with the NARUC USOA and have been reconciled with the Commission Order.

APPROVED *(The utility is to be put on notice that non-compliance may result in show cause proceedings)*

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Issue 17: Should the utility be ordered to show cause, in writing, within 21 days, why it should not be fined for its apparent violation of Section 367.091(4), Florida Statutes?

Recommendation: No. A show cause proceeding should not be initiated.

APPROVED

Issue 18: Should this docket be closed?

Recommendation: If no timely protest is received upon expiration of the protest period, the Order should become final and effective upon the issuance of a Consummating Order and this docket should be closed administratively. If a protest is filed within 21 days of the issuance of the Order, the Commission-approved temporary rates should become effective pending resolution of the protest.

APPROVED