

VOTE SHEET

JUNE 6, 2000

RE: DOCKET NO. 000006-WS - Annual reestablishment of authorized range of return 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 (WAW) utilities pursuant to Section 367.081(4)(f), Florida Statutes?

Recommendation: Staff recommends that the current leverage formula methodology be applied using updated financial data. Staff recommends the following leverage formula:

Return on Common Equity = 8.99% + 0.376/Equity Ratio

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

Range: 9.37% @ 100% equity to 9.94% @ 40% equity

APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Ad. Gabe

Susan Clark

J. Tom

Joe Garcia

REMARKS/DISSENTING COMMENTS: Chairman Garcia participated in the conference via video teleconference. He agreed with ~~discontented from~~ the majority vote and will sign the vote sheet upon return to Tallahassee.

DOCUMENT NUMBER-DATE
07168 JUN 12 8
FPSC-RECORDS/REPORTING

VOTE SHEET

JUNE 6, 2000

DOCKET NO. 000006-WS - Annual reestablishment of authorized range of return on common equity for water and wastewater utilities, pursuant to Section 367.081(4)(f), F.S.

(Continued from previous page)

Issue 2: Should this docket be closed?

Recommendation: No. Upon expiration of the protest period, if a timely protest is not received, the Order should become final and effective upon issuance of a Consummating Order. This docket should remain open to allow staff to monitor the movement in capital costs and to readdress the reasonableness of the leverage formula as conditions warrant, until next year's docket is open.

APPROVED