

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

DECEMBER 5, 2000

RE: DOCKET NO. 000327-WS - Application for staff-assisted rate case in Putnam County by Buffalo Bluff Utilities, Inc.

Issue 1: Is the quality of service provided by Buffalo Bluff satisfactory?
Recommendation: The quality of service provided by Buffalo Bluff to its customers appears to be satisfactory. However, the utility should be required to install meters at unmetered accounts, replace defective or damaged water meters, and repair the sewer line, as discussed in the analysis portion of staff's November 20, 2000 memorandum. All pro forma plant should be completed within 180 days of the effective date of the Commission Order.

APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

[Handwritten signatures in blue ink over horizontal lines]

REMARKS/DISSENTING COMMENTS:

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Issue 2: Does Buffalo Bluff have excessive unaccounted for water and, if so, what adjustments should be made?

Recommendation: Yes. Buffalo Bluff has approximately 11% excessive unaccounted for water. Allowable expenses for purchased electricity and chemicals would normally be reduced. However, in Issue No. 1, staff is recommending that the utility be ordered to install irrigation meters and replace defective meters so that actual customer usage will be billed. Therefore, staff recommends that no adjustments be made for excessive unaccounted for water at this time.

APPROVED

Issue 3: What percentage of the utility's water and wastewater treatment plants, distribution system, and collection system is used and useful?

Recommendation: The water treatment plant should be considered 100% used and useful. The wastewater treatment plant should be considered 14% used and useful. The distribution system and the collection system should both be considered 88% used and useful.

APPROVED

Issue 4: What is the appropriate average test year rate base for the utility?

Recommendation: The appropriate average test year rate base for Buffalo Bluff is \$24,309 for water and \$32,674 for wastewater.
Cost of Capital

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

Recommendation: The appropriate return on equity and the appropriate overall rate of return for the utility is 9.37% with a range of 8.37% - 10.37%.

APPROVED

Issue 6: What are the appropriate test year revenues?

Recommendation: The appropriate test year revenues for the utility are \$8,550 for water and \$8,834 for wastewater services.

APPROVED

Issue 7: What is the appropriate amount of operating expense?

Recommendation: The appropriate amount for operating expenses for this utility is \$14,802 for water and \$14,938 for wastewater.

Revenue Requirement

APPROVED

Issue 8: What is the appropriate revenue requirement?

Recommendation: The appropriate revenue requirement is \$17,079 for water and \$18,000 for wastewater.

Rate Structure and Rates

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Issue 9: Is a continuation of the utility's current rate structures for its water and wastewater systems appropriate in this case, and, if not, what are the appropriate rate structures for the respective systems?

Recommendation: No. A continuation of the utility's current rate structures for its water and wastewater systems is not appropriate in this case. The water system's rate structure should be changed to a traditional base facility charge (BFC)/gallorage charge rate structure by removing the 3,000 gallon allotment; a 30% conservation adjustment should also be implemented. The wastewater system rate structure should be changed to the traditional BFC/gallorage charge rate structure.

APPROVED

Issue 10: Are adjustments to reflect repression of consumption due to the changes in rate structure and price increases appropriate in this case, and, if so, what are the appropriate repression adjustments for the water and wastewater systems?

Recommendation: Yes. A repression adjustment of 438 kgal is appropriate for the water system, and a corresponding adjustment of 358 kgal is appropriate for the wastewater system. In order to monitor the effects of both the changes in rate structure and the recommended revenue increases, the utility should be ordered to prepare monthly reports detailing the number of bills rendered, the consumption billed and the revenue billed. These reports should be provided, by customer class and meter size, on a quarterly basis for a period of two years, beginning with the first billing period after the increased rates go into effect.

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Issue 11: What is the appropriate residential gallonage cap for wastewater service?

Recommendation: The appropriate residential gallonage cap for wastewater service should be 8,000 gallons for residential customers only.

APPROVED

Issue 12: What are the appropriate rates for each system?

Recommendation: The recommended rates should be designed to produce revenue of \$17,079 for the water system and \$18,000 for the wastewater system, excluding miscellaneous service charges. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), Florida Administrative Code. The rates should not be implemented until 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 13: What are the appropriate customer deposits for this utility?

Recommendation: The appropriate customer deposits should be the recommended charges as specified 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 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 customer deposits 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 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 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.

APPROVED

Issue 15: Should the utility's service availability charges be revised to include a main extension charge and a meter installation charge and, if so, what are the appropriate charges?

Recommendation: Yes. The utility's current service availability charges should be revised to include a main extension charge of \$545 for water and \$935 for wastewater and a meter installation charge of \$110. 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 service availability 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 16: 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(6), Florida Administrative Code, the utility should file reports with the Commission's Division of Economic Regulation no later than the 20th of each month indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund.

APPROVED

Issue 17: 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 NARUC 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.

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Issue 18: Should this docket be closed?

Recommendation: No. If no timely protest is received upon expiration of the protest period, the PAA Order will become final upon the issuance of a Consummating Order. However, this docket should remain open for an additional 180 days from the effective date of the Order to allow staff to verify completion of meter installations and collection system repairs as described in Issue No. 1. Once staff has verified that this work has been completed, the docket should be closed administratively.

APPROVED