

VOTE SHEET

MAY 1, 2001

RE: DOCKET NO. 001118-WU - Application for staff-assisted rate case in Polk County by Keen Sales, Rentals and Utilities, Inc. (Sunrise Water Company).

ISSUE 1: Should the quality of service provided by Sunrise Water Company be considered satisfactory?

PRIMARY RECOMMENDATION: No. The utility's overall quality of service is not satisfactory based upon the utility's attempt to address customer satisfaction. Until such time as the utility makes certain changes within its personnel, and attempts to provide satisfactory service to all of its customers, staff is recommending that this utility's overall quality of service is unsatisfactory.

**APPROVED**

ALTERNATIVE RECOMMENDATION: Yes. Staff recommends that the quality of service be considered satisfactory and that staff monitor the utility for 90 days to insure that problems with the maintenance man are corrected.

**DENIED**

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

*Michael A. Paler...*  
*[Signature]*  
*[Signature]*  
*[Signature]*

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

05424 MAY-10

FPSC-RECORDS/REPORTING

VOTE SHEET  
MAY 1, 2001

DOCKET NO. 001118-WU - Application for staff-assisted rate case in Polk County by Keen Sales, Rentals and Utilities, Inc. (Sunrise Water Company).

(Continued from previous page)

ISSUE 2: Are any pro forma adjustments needed for the Sunrise Water Company?

RECOMMENDATION: Yes. A pro forma adjustment of \$17,500 is needed for continuation of the meter replacement program, which results in approximately 145 meters due to be replaced by the utility. Pro forma plant should be completed within six months of the effective date of the Commission's Consummating Order.

**APPROVED**

ISSUE 3: Should any excessive unaccounted for water be recognized in the used and useful calculation?

RECOMMENDATION: No.

**APPROVED**

ISSUE 4: What portions of the water plant and distribution system are used and useful?

RECOMMENDATION: The water treatment plant should be considered 100% used and useful. The water distribution system should also be considered 100% used and useful.

**APPROVED**

VOTE SHEET  
MAY 1, 2001

DOCKET NO. 001118-WU - Application for staff-assisted rate case in Polk County by Keen Sales, Rentals and Utilities, Inc. (Sunrise Water Company).

(Continued from previous page)

ISSUE 5: What is the appropriate allocation of common costs from Keen to the Sunrise water system?

RECOMMENDATION: The appropriate allocation from Keen to the Sunrise water system is 48.90%.

**APPROVED**

ISSUE 6: Should an acquisition adjustment be approved in the determination of the utility's rate base at the date of purchase?

RECOMMENDATION: No. An acquisition adjustment should not be approved in the determination of the utility's rate base at the date of purchase.

**APPROVED**

ISSUE 7: What is the utility's appropriate average amount of rate base?

RECOMMENDATION: The appropriate average amount of rate base should be \$83,192 for the test year.

**APPROVED**

ISSUE 8: 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 should be 9.94% with a range of 8.94% to 10.94% and the appropriate overall rate of return should be 7.58% with a range of 7.49% to 7.66%.

**APPROVED**

VOTE SHEET

MAY 1, 2001

DOCKET NO. 001118-WU - Application for staff-assisted rate case in Polk County by Keen Sales, Rentals and Utilities, Inc. (Sunrise Water Company).

(Continued from previous page)

ISSUE 9: What is the appropriate test year revenue for this utility?

RECOMMENDATION: The appropriate test year revenue should be \$35,353.

**APPROVED**

ISSUE 10: What is the appropriate amount of operating expenses for rate setting purposes?

RECOMMENDATION: The appropriate amount of operating expenses for rate making purposes should be \$82,031.

**APPROVED**

ISSUE 11: What is the appropriate revenue requirement for this system?

RECOMMENDATION: The appropriate revenue requirement should be \$88,335 for the test year.

**APPROVED**

VOTE SHEET

MAY 1, 2001

DOCKET NO. 001118-WU - Application for staff-assisted rate case in Polk County by Keen Sales, Rentals and Utilities, Inc. (Sunrise Water Company).

(Continued from previous page)

ISSUE 12: Is a continuation of the utility's current rate structure appropriate in this case, and, if not, what is the appropriate rate structure?

RECOMMENDATION: No. A continuation of the utility's current rate structure, which includes a 5,000 gallon per month allotment, is not appropriate in this case. The rate structure should be changed to a three-tier inclining block rate structure, with recommended usage blocks per month of 0-5,000 gallons, 5,001-10,000 gallons, and over 10,000 gallons. The recommended usage block rate factors are 1.0, 1.5, and 3.0, respectively, and a 50% conservation adjustment should also be implemented.

**APPROVED**

ISSUE 13: Is an adjustment to reflect repression of residential consumption appropriate due to the change in rate structure and price increase in this case, and, if so, what is the appropriate repression adjustment?

RECOMMENDATION: Yes. A repression adjustment of 1,907 kgal is appropriate. In order to monitor the effects of both the change in rate structure and the recommended revenue increase, 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.

**APPROVED**

VOTE SHEET

MAY 1, 2001

DOCKET NO. 001118-WU - Application for staff-assisted rate case in Polk County by Keen Sales, Rentals and Utilities, Inc. (Sunrise Water Company).

(Continued from previous page)

ISSUE 14: What are the appropriate rates for this utility?

RECOMMENDATION: The recommended rates should be designed to produce revenue of \$88,335. If the approved revenue requirement is significantly different from \$88,335, staff should be given the authority to approve administratively the recalculated rates that generate the final approved revenue requirement, based on the rate structure recommendations and fallout repression adjustments discussed in Issues Nos. 12 and 13. The utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date of the revised tariff sheets pursuant to Rule 25-30.475(1), Florida Administrative Code. The rates should not be implemented until staff has approved the proposed customer notice, and the notice has been received by the customers. The utility should provide proof of the date notice was given no less than 10 days after the date of the notice.

**APPROVED**

ISSUE 15: 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.

**APPROVED**

VOTE SHEET

MAY 1, 2001

DOCKET NO. 001118-WU - Application for staff-assisted rate case in Polk County by Keen Sales, Rentals and Utilities, Inc. (Sunrise Water Company).

(Continued from previous page)

ISSUE 16: 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 17: Should the Commission order Keen Sales, Rentals and Utilities, Inc., Sunrise Water Company, to show cause, in writing, within 21 days, why it should not be fined an amount up to \$5,000 for each offense as authorized by Section 367.161, Florida Statutes, for: (1) What appears to be scheduled interruptions to customers without proper notice to customers in apparent violation of Rule 25-30.250(2), Florida Administrative Code; (2) The utility apparently considering bills delinquent after only 15 days and discontinuing service without providing five working days' written notice after the bills became delinquent in apparent violation of Rules 25-30.335(4) and 25-30.320(2)(g), Florida Administrative Code; (3) The utility's apparent failure to read meters and render bills to customers at regular intervals in apparent violation of Rules 25-30.261(1) and 25-30.335(1), Florida Administrative Code; (4) The utility's apparent failure to maintain a record of all interruptions in service in apparent violation of Rule 25-30.251, Florida Administrative Code; (5) The utility's apparent failure to fully and promptly acknowledge and investigate all customer complaints and respond fully and promptly to all customer requests in apparent violation of Rule 25-30.355(1), Florida Administrative Code?

RECOMMENDATION: No. A show cause proceeding should not be initiated for the above-noted apparent violations. However, the utility should be directed to provide training to its staff on how to respond to customer complaints and the importance of good customer relations. Moreover, the utility should be admonished for its apparent violations of Commission rules and on the need to comply with all Commission rules.

# APPROVED

VOTE SHEET

MAY 1, 2001

DOCKET NO. 001118-WU - Application for staff-assisted rate case in Polk County by Keen Sales, Rentals and Utilities, Inc. (Sunrise Water Company).

(Continued from previous page)

ISSUE 18: Should this docket be closed?

RECOMMENDATION: No. If no timely protest is received upon expiration of the protest period, the Proposed Agency Action Order will become final and effective upon the issuance of a Consummating Order. However, this docket should remain open for an additional six months from the effective date of the Order to allow staff to verify that the utility has installed its recommended pro forma plant. Once staff has verified that this work has been completed, the docket should be closed administratively.

**APPROVED**