

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

MARCH 5, 2002

RE: Docket No. 010828-SU - Application for staff-assisted rate case in Highlands County by Harder Hall - Howard, Inc.

ISSUE 1: Is the quality of service provided by Harder Hall-Howard Utilities to its customers satisfactory?

RECOMMENDATION: Yes. Based on the quality of product and plant being satisfactory, as well as the utility's attempt to address customer satisfaction, staff recommends that the quality of service of the utility be considered satisfactory.

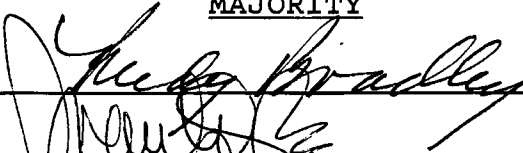
APPROVED

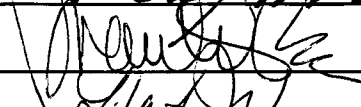
COMMISSIONERS ASSIGNED: Full Commission

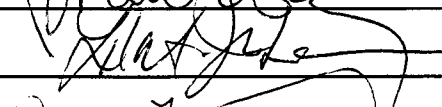
COMMISSIONERS' SIGNATURES


MAJORITY


DISSENTING











REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

02549 MAR-5 02

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ISSUE 2: What portions of the wastewater treatment plant and wastewater collection system should be considered used and useful?

RECOMMENDATION: The wastewater treatment plant should be considered 52.7% used and useful and the wastewater collection system should be considered 49.6% used and useful.

APPROVED

ISSUE 3: What is the appropriate test year rate base for the utility?

RECOMMENDATION: The appropriate test year rate base for the utility is \$99,201. The utility should be required to complete all pro forma additions, as discussed in the analysis portion of staff's February 21, 2002 memorandum, within nine months of the effective date of the Commission Order.

APPROVED

ISSUE 4: 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 is 10.00% with a range of 9.00% - 11.00%. The appropriate overall rate of return for the utility is 10.00%.

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ISSUE 5: What is the appropriate test year revenue?

RECOMMENDATION: The appropriate test year revenue for this utility is \$57,752 for wastewater.

APPROVED

ISSUE 6: What is the appropriate amount of operating expense?

RECOMMENDATION: The appropriate amount of operating expense for this utility is \$72,546.

APPROVED

ISSUE 7: What is the appropriate revenue requirement?

RECOMMENDATION: The appropriate revenue requirement is \$82,466 for wastewater.

APPROVED

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ISSUE 8: What are the appropriate rates for the system?

RECOMMENDATION: The recommended rates should be designed to produce revenue of \$82,466 excluding miscellaneous service charge revenue, as shown in the staff analysis. 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 9: What is the appropriate amount by which rates should be reduced four years after the established effective date to reflect the removal of the amortized rate case expense as required by Section 367.0816, Florida Statutes?

RECOMMENDATION: The wastewater rates should be reduced, as shown on Schedule No. 4 of staff's memorandum, to remove rate case expense grossed up for regulatory assessment fees and amortized over a four-year period. The decrease in rates should become effective immediately following the expiration of the four-year rate case expense recovery period, pursuant to Section 367.0816, Florida Statutes. The utility should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and the reason for the reduction no later than one month prior to the actual date of the required rate reduction. If the utility files this reduction in conjunction with a price index or pass-through rate adjustment, separate data should be filed for the price index or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense.

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ISSUE 10: What are the appropriate customer deposits for this utility?

RECOMMENDATION: The appropriate customer deposits should be 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

ISSUE 11: Should HHH's request to implement a late payment charge be approved and, if so, what is the appropriate charge?

RECOMMENDATION: Yes. The utility should be allowed to implement a \$3.00 late payment charge. 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 late payment charges should become effective on the stamped approval date of the revised tariff sheets, if no protest is filed.

APPROVED

ISSUE 12: Should the utility's service availability charges be revised?

RECOMMENDATION: No. The utility's service availability charges should not be revised.

APPROVED

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ISSUE 13: 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 should 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 the Commission Clerk and Administrative Services 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 14: Should HHH be ordered to show cause, in writing, within 21 days, why it should not be fined for failure to comply with its tariff, in apparent violation of Sections 367.081(1), and 367.091(3), Florida Statutes?

RECOMMENDATION: No. Show cause proceedings should not be initiated at this time. The utility should hereby be put on notice that it must continue to comply with its tariff and bill accordingly in the future.

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ISSUE 15: 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 nine months from the effective date of the Order to allow staff to verify completion of pro forma plant items as described in Issue No. 4. Once staff has verified that this work has been completed, the docket should be closed administratively.

APPROVED