

VOTE SHEET

MARCH 5, 2002

RE: Docket No. 010852-WS - Application for transfer of Certificate Nos. 514-W and 446-S in Bay County from Sandy Creek Utilities, Inc. to Sandy Creek Utility Services, Inc.

ISSUE 1: Should the transfer of Certificate Nos. 514-W and 446-S from Sandy Creek to SCUSI be approved?

RECOMMENDATION: Yes. The transfer of Certificate Nos. 514-W and 446-S from Sandy Creek to SCUSI should be approved. The utility is current on its 2000 regulatory assessment fees (RAFs) and annual reports. Sandy Creek should be responsible for remitting to the Commission the 2001 RAFs accruing up to and including June 15, 2001, the date of the transfer. Sandy Creek should also be responsible for submitting an annual report for this time period. SCUSI should be responsible for payment of the 2001 RAFs associated with revenues collected after the transfer date and all future RAFs and annual reports that should be submitted to the Commission. A description of the territory served by the utility is appended to staff's February 21, 2002 memorandum as Attachment A.

APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

[Handwritten signatures: Rudy Bradley, Michael A. Palech, J. Terry Deason]

[Handwritten signature: J. Terry Deason]

REMARKS/DISSENTING COMMENTS: *Commissioner Deason dissented on issue 3.*

DOCUMENT NUMBER-DATE

02553 MAR-5 8

VOTE SHEET

MARCH 5, 2002

Docket No. 010852-WS - Application for transfer of Certificate Nos. 514-W and 446-S in Bay County from Sandy Creek Utilities, Inc. to Sandy Creek Utility Services, Inc.

(Continued from previous page)

ISSUE 2: What is the rate base of Sandy Creek Utilities, Inc. at the time of transfer?

RECOMMENDATION: The rate bases, which for transfer purposes reflect the net book value, are \$138,415 for the water system and \$190,667 for the wastewater system as of June 15, 2001. SCUSI should be put on notice that it is required to maintain the utility's books and records in conformance with the National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts (USOA).

APPROVED

ISSUE 3: Should an acquisition adjustment be included in the calculation of rate base?

RECOMMENDATION: No. SCUSI has not requested an acquisition adjustment and there are no extraordinary circumstances in this case to warrant the inclusion of an acquisition adjustment. Staff recommends that no acquisition adjustment should be included in the calculation of rate base.

APPROVED

Commissioner Deason dissented

ISSUE 4: Should the rates and charges approved for this utility be continued?

RECOMMENDATION: Yes. SCUSI should continue charging the rates and charges approved for this utility system until authorized to change by the Commission in a subsequent proceeding. The tariff reflecting the change in ownership should be effective for services provided or connections made on or after the stamped approval date on the tariff sheets.

APPROVED

VOTE SHEET

MARCH 5, 2002

Docket No. 010852-WS - Application for transfer of Certificate Nos. 514-W and 446-S in Bay County from Sandy Creek Utilities, Inc. to Sandy Creek Utility Services, Inc.

(Continued from previous page)

ISSUE 5: Should the utility file a wastewater tariff reflecting the reclaimed water class of service for the Sandy Creek Ranch Golf Course?

RECOMMENDATION: Yes. The utility should be required to file a wastewater tariff reflecting the reclaimed water class of service at a zero rate for the Sandy Creek Ranch Golf Course within 30 days of the effective date of the order approving the transfer. Staff should be given the authority to administratively approve the tariff provided it is consistent with the Commission's decision. The tariff should be effective for services rendered on or after the stamped approval date of the tariff. The utility should return to the Commission for a determination regarding rates for reclaimed water service prior to providing that service to any other customers. The utility should be required to file a copy of the golf course agreement within 30 days of the consummating order.

APPROVED

ISSUE 6: Should this docket be closed?

RECOMMENDATION: Yes. If no timely protest is received to the proposed agency action issues, upon the expiration of the protest period a Consummating Order should be issued and the docket should be closed.

APPROVED