

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

MARCH 19, 2002

RE: Docket No. 010919-SU - Application for staff-assisted rate case in Marion County by BFF Corp.

ISSUE 1: Is the quality of service provided by BFF Corporation since the interconnection with Utilities, Inc. satisfactory?

RECOMMENDATION: Yes. The quality of service provided to its customers by BFF Corporation since the interconnection with Utilities, Inc. should be considered satisfactory.

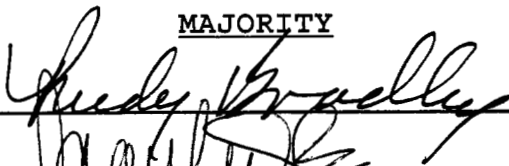
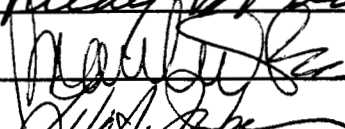
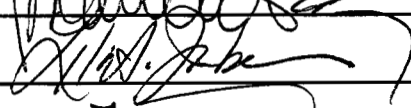
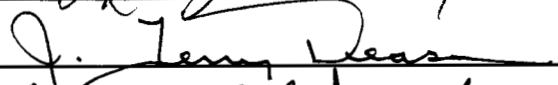

APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

03157 MAR 19 2002

FPSC-COMMISSION CLERK

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ISSUE 2: Should the Commission approve a projected test year for this utility?

RECOMMENDATION: Yes. The Commission should approve a projected test year for the utility. The historical test year is not representative of the change in revenues and expenses caused by BFF's interconnection with Utilities, Inc. which occurred at the end of the historical test year. Therefore, a projected test year ending August 31, 2002, should be approved.

APPROVED

ISSUE 3: What percentage of the utility's force main and collection system is used and useful?

RECOMMENDATION: Staff recommends that 100% of the force main and 88% of the collection system be considered used and useful.

APPROVED

ISSUE 4: Should the sprayfield improvement construction costs be considered prudent?

RECOMMENDATION: No. The sprayfield improvement construction costs should not be considered prudent and should not be allowed.

APPROVED

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ISSUE 5: What is the appropriate treatment of the land associated with the wastewater treatment plant?

RECOMMENDATION: Land in the amount of \$33,221 should be reclassified to Property Held for Future Use and recorded below-the-line. Because this land was included in rate base, the utility should report to this Commission any future sale, foreclosure, or any transaction involving transfer of ownership of the land and any proposed rate reduction resulting therefrom within 60 days of such occurrence.

APPROVED

ISSUE 6: What is the appropriate amount of abandonment/early retirement loss associated with the utility's interconnection with ~~BFF~~ and how should this loss be recovered by the utility?

RECOMMENDATION: The appropriate amount of abandonment/early retirement loss associated with the utility's interconnection with BFF is \$12,922. This loss should be recovered through rates over a five-year period. If the Commission finds that the sprayfield improvements are prudent and complied with the requirements of the operating permit and enforcement actions of DEP, the appropriate amount of abandonment/early retirement loss is \$133,107 and should be recovered through rates over a 20-year period.

utilities inc.

APPROVED

with the noted correction.

ISSUE 7: What is the appropriate projected test year rate base for the utility?

RECOMMENDATION: The appropriate projected test year rate base for the utility is \$150,636.

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ISSUE 8: Should the Commission continue the ~~penalty~~ ^{reduction} approved in Order No. PSC-98-0763-FOF-SU, by reducing BFF's return on equity by 100 basis points for mismanagement and unsatisfactory quality of service prior to the mandated interconnection?

RECOMMENDATION: Yes. The Commission should continue the penalty approved in Order No. PSC-98-0763-FOF-SU, by reducing BFF's return on equity by 100 basis points for mismanagement and unsatisfactory quality of service prior to the DEP mandated interconnection.

APPROVED

with the noted correction

ISSUE 9: 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 10.34% with a range of 10.34% - 12.34%. The appropriate overall rate of return for the utility is 9.27%.

APPROVED

ISSUE 10: What is the appropriate projected test year revenue?

RECOMMENDATION: The appropriate projected test year revenue for this utility is \$64,120 for wastewater.

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ISSUE 11: What is the appropriate amount of operating expense?

RECOMMENDATION: The appropriate amount of operating expense for this utility is \$57,118.

APPROVED

ISSUE 12: What is the appropriate revenue requirement?

RECOMMENDATION: The appropriate revenue requirement is \$71,082 for wastewater.

APPROVED

ISSUE 13: What are the appropriate rates for the system?

RECOMMENDATION: The recommended rates should be designed to produce revenue of \$70,833 excluding miscellaneous service charge revenue, as shown in the analysis portion of staff's March 7, 2002 memorandum. 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.

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ISSUE 14: 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 March 7, 2002 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 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 and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense.

APPROVED

ISSUE 15: What are the appropriate customer deposits for this utility?

RECOMMENDATION: The appropriate customer deposits should be as specified in the analysis portion of staff's March 7, 2002 memorandum. The utility should file revised tariff sheet, 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 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 should be subject to the refund provisions discussed in the analysis portion of staff's March 7, 2002 memorandum. 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 17: Should the docket be closed?

RECOMMENDATION: Yes. If no timely protest is filed by a substantially affected person, this docket should be closed upon issuance of a Consummating Order.

APPROVED