

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

JUNE 11, 2002

RE: Docket No. 011073-WS - Application for rate increase in Broward County by Ferncrest Utilities, Inc.

ISSUE 1: Should the utility's proposed final rates be suspended?

RECOMMENDATION: Yes. Ferncrest's proposed final water and wastewater rates should be suspended. The docket should remain open pending the Commission's final action on the utility's requested rate increase.

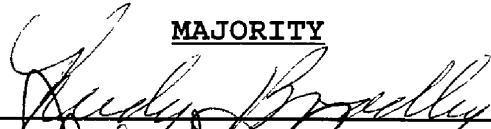
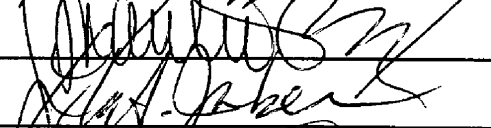
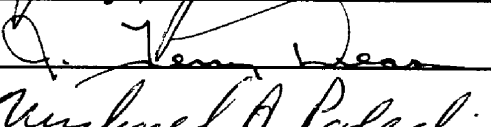
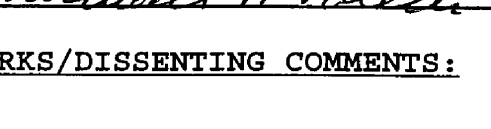
APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

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VOTE SHEET

JUNE 11, 2002

Docket No. 011073-WS - Application for rate increase in Broward County by Ferncrest Utilities, Inc.

(Continued from previous page)

ISSUE 2: What is the appropriate interim test year?

RECOMMENDATION: The simple average test year ended December 31, 2001, is the appropriate test year for interim purposes.

APPROVED

ISSUE 3: Should an interim revenue increase be approved?

RECOMMENDATION: Yes. On an interim basis, the utility should be authorized to collect annual water and wastewater revenues as indicated below:

	<u>Revenues</u>	<u>\$ Increase</u>	<u>% Increase</u>
Water	\$599,644	\$70,341	13.29%
Wastewater	\$687,003	\$12,734	1.89%

APPROVED

ISSUE 4: What are the appropriate interim water and wastewater rates?

RECOMMENDATION: Ferncrest's requested interim rates are appropriate, which represent interim rate increases of 13.69% for water and 1.95% for wastewater. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), Florida Administrative Code, provided the customers have received notice. The utility should provide proof to staff of the date notice was given within 10 days after the date of notice.

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Docket No. 011073-WS - Application for rate increase in Broward County by Ferncrest Utilities, Inc.

(Continued from previous page)

ISSUE 5: What is the appropriate security to guarantee the interim increase?

RECOMMENDATION: The utility should be required to open an escrow account, file a surety bond, or secure a letter of credit to guarantee any potential refund of revenues collected under interim conditions. If the utility chooses to open an escrow account, it should deposit 13.69% of water interim revenues and 1.95% of wastewater interim revenues collected each month. The surety bond or letter of credit should be in the amount of \$48,712. Pursuant to Rule 25-30.360(6), Florida Administrative Code, the utility should provide a report by the 20th of each month indicating the monthly and total revenue collected subject to refund. Should a refund be required, the refund should be with interest and undertaken in accordance with Rule 25-30.360, Florida Administrative Code.

APPROVED