

VOTE SHEET

JANUARY 21, 2003

RE: Docket No. 020407-WS - Application for rate increase in Polk County by Cypress Lakes Utilities, Inc.

ISSUE 1: Should the utility's proposed water and wastewater rates be suspended?

RECOMMENDATION: Yes. Cypress Lakes' proposed 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

Charles W. Dool

Michael G. ...

John ...

J. ...

...

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

00622 JAN 21 8

FPSC-COMMISSION CLERK

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ISSUE 2: 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>Adjusted Test Year Revenues</u>	<u>\$ Increase</u>	<u>Revenue Requirement</u>	<u>% Increase</u>
Water	\$114,552	\$140,644	\$255,196	122.78%
Wastewater	\$234,778	\$104,389	\$339,167	44.46%

APPROVED

ISSUE 3: What are the appropriate interim water and wastewater rates?

RECOMMENDATION: The service rates for Cypress Lakes in effect as of December 31, 2001, should be increased by 125.89% for water operations and 44.46% for wastewater operations to generate the recommended revenue increases for the interim period. The approved rates should be effective for service rendered as of 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 rates should not be implemented until the required security has been filed. The utility should provide proof of the date notice was given within 10 days after the date of notice.

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ISSUE 4: What is the appropriate security to guarantee the interim increase?

RECOMMENDATION: A corporate undertaking is acceptable contingent upon receipt of the written guarantee of the parent company, Utilities, Inc. (UI), and written confirmation of UI's oral attestation that it does not have any outstanding guarantees on behalf of UI-owned utilities in other states. UI should be required to file a corporate undertaking on behalf of its subsidiaries to guarantee any potential refunds of water and wastewater revenues collected under interim conditions. While the incremental amount subject to refund in this docket is \$164,161, this request will raise UI's total guarantee to a cumulative amount of \$534,776. 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