

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

SEPTEMBER 2, 2003

RE: Docket No. 000694-WU - Petition by Water Management Services, Inc. for limited proceeding to increase water rates in Franklin County.

ISSUE 1: Should the utility's request for fire flow protection improvements be included in this limited proceeding?

RECOMMENDATION: Yes. WMSI's request for fire flow improvements should be included in this limited proceeding.

APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Charles W. Boyd
Mark J. ...
...
...
Chudy Bradley

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

08157 SEP-28

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ISSUE 2: What is the appropriate depreciable life for the transmission main attached to the St. George Island bridge?

RECOMMENDATION: A 35-year average service life (or 2.86 percent) is appropriate for the transmission main. All other costs recorded in Account 331 should continue to be depreciated over a 40-year life.

APPROVED

ISSUE 3: What is the appropriate Phase 2 annual revenue requirement for this limited proceeding?

RECOMMENDATION: The appropriate Phase 2 annual revenue requirement for this limited proceeding is \$490,959.

APPROVED

ISSUE 4: What is the appropriate rate increase, if any, for Phase 2?

RECOMMENDATION: The appropriate rate increase for Phase 2 is a 42.1 percent increase in both base facility and gallonage charges, resulting in the rates depicted in Attachment A to staff's memorandum dated August 21, 2003. The approved Phase 2 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, and should be held subject to over-collection with interest pending the final decision in this docket. The Phase 2 rates should not be implemented until staff has approved the proposed customer notice, and the 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. The utility should not be required to post security for any potential over-collection of any rate increase because of the true-up provision which occurs in Phase 3. Pursuant to Rule 25-30.360(6), Florida Administrative Code, the utility

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should file reports with the Commission no later than 20 days after each monthly billing after the increased Phase 2 rates are in effect. These reports should indicate the amount of revenue collected under the increased rates.

APPROVED

ISSUE 5: What is the appropriate amount by which water rates should be reduced four years after the established effective date to reflect the removal of amortized rate case expense, as required by Section 367.0816, Florida Statutes?

RECOMMENDATION: The water rates should be reduced as shown on Attachment A to staff's memorandum dated August 21, 2003, to remove \$10,436 in rate case expense amortization, grossed up for regulatory assessment fees. 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.

APPROVED

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ISSUE 6: Should the recommended rates remain in effect for the utility, subject to a true-up in Phase 3 of this proceeding?

RECOMMENDATION: Yes. The recommended rates are temporary rates and should remain in effect for the utility since any potential over-collection is subject to a true-up in Phase 3 of this proceeding. These rates should remain in effect until final rates are approved in 2004. The utility should be authorized to collect the temporary rates after staff's approval of the proposed customer notice and the revised tariff sheets.

APPROVED

ISSUE 7: Should this docket be closed?

RECOMMENDATION: No. If no timely protest is received upon expiration of the protest period, the portion of the Order which is Proposed Agency Action will become final upon the issuance of a Consummating Order. The docket should remain open pending Commission action on the utility's request for permanent rates to be addressed in Phase 3.

APPROVED