

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

NOVEMBER 30, 2004

RE: Docket No. 040300-SU - Application for staff-assisted rate case in Volusia County by Tymber Creek Utilities.

Issue 1: Is the quality of wastewater service provided by Tymber Creek Utilities, Inc., considered satisfactory? Recommendation: Yes. The quality of service provided by Tymber Creek should be considered satisfactory. Although the utility currently is not in full compliance status for wastewater, the Department of Environmental Protection's (DEP's) inspector believes that the utility's owner is cooperating and currently bringing the plant into compliance status. The utility should complete any and all improvements to the system that are necessary to satisfy the standards set by the DEP within nine months of the Consummating Order. Also, it is recommended that a local emergency phone number be updated and be posted at the plant and at each lift station. The emergency phone number should be posted at all locations no later than 90 days from the date of the Consummating Order for this rate case.

APPROVED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Handwritten signatures of majority commissioners: [Illegible], [Illegible], [Illegible], [Illegible]

Four horizontal lines for dissenting signatures.

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE
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Issue 2: What portions of Tymber Creek Utilities, Inc.'s wastewater system are used and useful?

Recommendation: The utility's wastewater treatment plant should be considered 61% used and useful. The wastewater collection system should be considered 92.30% used and useful.

APPROVED

Issue 3: What is the appropriate test year rate base for the utility?

Recommendation: The appropriate average test year rate base for Tymber Creek is \$159,097 for wastewater. The utility should complete the pro forma plant items within nine months from the date of the consummating order.

APPROVED

Issue 4: What is the appropriate rate of return on equity and the appropriate overall rate of return for this utility?

Recommendation: The appropriate return on equity is 9.25% with a range of 8.25% - 10.25%. The appropriate overall rate of return is 8.78%.

APPROVED

Issue 5: What are the appropriate test year revenues?

Recommendation: The appropriate test year revenues for this utility are \$147,094 for wastewater.

APPROVED

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Issue 6: What is the appropriate amount of operating expenses?

Recommendation: The appropriate amount of operating expenses for this utility is \$166,187 for wastewater.

APPROVED

Issue 7: What is the appropriate revenue requirement?

Recommendation: The appropriate revenue requirement is \$180,155 for wastewater.

APPROVED

Issue 8: What are the appropriate rates for the system?

Recommendation: The recommended rates should be designed to produce revenues of ~~\$173,454~~ \$180,155. 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), F.A.C. The rates should not be implemented until staff has approved the proposed customer notice. 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 9: 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, 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 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. 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 10: 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 November 18, 2004 memorandum. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the utility should file reports with the Commission's Division of Economic Regulation no later than the 20th of each month indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund.

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Issue 11: Should this docket be closed?

Recommendation: No. If no timely protest is received upon expiration of the protest period, the PAA Order will become final upon the issuance of a Consummating Order. However, this docket should remain open for an additional nine months from the date of the Consummating Order to allow staff to verify completion of pro forma plant items described in Issue No. 3. Once staff has verified that this work has been completed, the docket should be closed administratively.

APPROVED