

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

NOVEMBER 29, 2005

RE: **Docket No. 050274-WS** - Application for staff-assisted rate case in Pasco County by Silver Fox Utility Company LLC d/b/a Timberwood Utilities.

Issue 1: Should the quality of service provided by Timberwood be considered satisfactory?

Recommendation: Yes. The utility's overall quality of service is satisfactory.

APPROVED

Issue 2: What are the used and useful percentages for the utility's wastewater treatment plant, water distribution system, and wastewater collection system?

Recommendation: Timberwood's used and useful percentages (U&U) should be as follows:

Wastewater Treatment Plant	100%
Water Distribution and Wastewater Collection Systems	100%

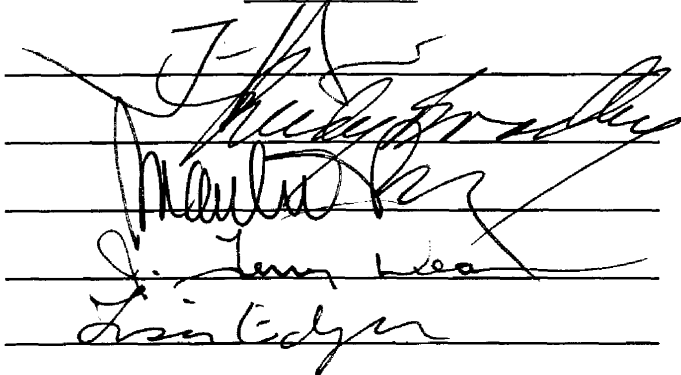
APPROVED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING



REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

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

Recommendation: The appropriate average test year rate base for Timberwood Utilities is \$11,911 for water and \$45,093 for wastewater.

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 8.88% with a range of 7.88% - 9.88%. The appropriate overall rate of return is 8.88%.

APPROVED

Issue 5: What is the appropriate test year revenue?

Recommendation: The appropriate test year revenue for this utility is \$15,864 for water and \$39,419 for wastewater.

APPROVED

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

Recommendation: The appropriate amount of operating expenses for this utility is \$32,075 for water and \$37,394 for wastewater.

APPROVED

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Issue 7: What is the appropriate revenue requirement?

Recommendation: The appropriate revenue requirement is \$33,133 for water and \$41,398 for wastewater.

APPROVED

Issue 8: Are continuations of the utility's current rate structures for its water and wastewater systems appropriate in this case, and, if not, what are the appropriate rate structures for the respective water and wastewater systems?

Recommendation: Yes. The utility's current rate structures for its water and wastewater systems should be continued. The base facility charge (BFC) cost recovery percentage for the water system should be set at 45%, while the respective BFC cost recovery percentage for the wastewater system should be set at 52%.

APPROVED

Issue 9: Are repression adjustments appropriate in this case, and, if so, what are the appropriate adjustments for the water and wastewater systems and the resulting kgals for rate setting for the respective systems?

Recommendation: Yes. Repression adjustments are appropriate for both the water and wastewater systems. Residential consumption should be reduced by 37.1%, resulting in a consumption reduction of approximately 1.393 kgals. The resulting total water consumption for rate setting is 2.818 kgals, or 33.1% less than total test year gallons. Residential wastewater consumption, capped at 6 kgal, should also be reduced by 37.1%, resulting in a consumption reduction of approximately 1.220 kgals. The resulting total wastewater consumption for rate setting is 2.524 kgals, or 32.6% less than billed test year wastewater consumption. In order to monitor the effects of the changes in revenues, the utility should prepare monthly reports for both the water and wastewater systems, detailing the number of bills rendered, the consumption billed, and the revenues billed. These reports should be provided to staff. In addition, the reports should be prepared, by customer class and meter size, on a quarterly basis for a period of two years, beginning the first billing period after the approved rates go into effect.

MODIFIED

No repression adjustment will be allowed. This decision was made with the understanding staff will make fallout corrections to other issues as necessary. The utility will be required to submit

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Issue 10: What are the appropriate rates for the system?

Recommendation: The recommended rates should be designed to produce revenues of \$33,133 for water and \$41,398 for wastewater. 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.

APPROVED

Issue 11: 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 water and wastewater rates should be reduced as shown on Schedule Nos. 4 and 4A of staff's November 17, 2005 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 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

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Issue 12: Should the utility be authorized to collect late payment fees, and if so what are the appropriate charges?

Recommendation: Yes. The utility should be authorized to collect a \$5.00 late fee. The utility should file revised tariff sheets which are consistent with the Commission's vote within one month of the Commission's final vote. The revised tariff sheets should be approved upon staff's verification that the tariffs are consistent with the Commission's decision. If revised tariff sheets are filed and approved, the late payment fee should become effective for connections made on or after the stamped approval date of the revised tariff sheets, provided no protest is filed and customers have been noticed.

APPROVED

Issue 13: 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 shall be subject to the refund provisions discussed below in the staff analysis. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), Florida Administrative Code, 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.

APPROVED

Issue 14: Should this docket be closed?

Recommendation: Yes. 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, and the docket should be closed. If a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect with any increase held subject to refund pending resolution of the protest, and the docket should remain open.

APPROVED