

VOTE SHEET

July 18, 2006

Docket No. 060257-WS – Application for increase in water and wastewater rates in Polk County by Cypress Lakes Utilities, Inc.

Issue 1: Should the proposed water and wastewater rates be suspended?

Recommendation: Yes. Cypress Lake’s proposed water and wastewater rates should be suspended.

APPROVED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS’ SIGNATURES

MAJORITY

DISSENTING

Katrina Jensen

J. V. [Signature]

[Signature]

[Signature]

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REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

06324 JUL 19 06

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Issue 2: Should an interim revenue increase be granted?

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

	<u>Test Year</u> <u>Revenues</u>	<u>\$</u> <u>Increase</u>	<u>Revenue</u> <u>Requirement</u>	<u>%</u> <u>Increase</u>
Water	\$248,357	\$23,640	\$271,997	9.52%
Wastewater	\$360,237	\$76,918	\$437,155	21.35%

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, 2005, should be increased by 9.60% for water and 21.53% for wastewater to generate the recommended revenue increase 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. Also, the rates should not be implemented until the required security has been filed. 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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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 continued 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 revenues collected under interim conditions. UI's total guarantee should be a cumulative amount of \$718,575, which includes an amount of \$58,956 subject to refund in this docket. Pursuant to Rule 25-30.360(6), F.A.C., 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, F.A.C.

APPROVED

Issue 5: Should this docket be closed?

Recommendation: No. The docket should remain open pending the Commission's final action on the utility's requested rate increase.

APPROVED