

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

July 1, 2008

Docket No. 070416-WS – Application for staff-assisted rate case in Polk County by Plantation Landings, Ltd.

Issue 1: Is the quality of service provided by Plantation Landings, Ltd. considered satisfactory?

Recommendation: Yes. The quality of service provided by Plantation Landings should be considered satisfactory.

DEFERRED

Issue 2: Does the Utility have excessive unaccounted for water and, if so, what adjustments should be made?

Recommendation: Yes. The Utility had approximately 9.72% excessive unaccounted for water during the test year period. Therefore, allowable expenses for purchased electricity and chemicals should be reduced by 9.72% for the WTP during the test year period.

DEFERRED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

REMARKS/DISSENTING COMMENTS: Deferred to the July 15, 2008 Commission Conference.

DOCUMENT NUMBER-DATE

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Issue 3: What portions of Plantation Landings' systems are used and useful?

Recommendation: The following used and useful percentages are appropriate for the Utility's water and wastewater systems:

Water Treatment Plant	100 percent
Water Distribution System	100 percent
Wastewater Treatment Plant	100 percent
Wastewater Collection Systems	100 percent

DEFERRED

Issue 4: What is the appropriate average test year rate base for the Utility?

Recommendation: The appropriate average test year rate base for the Utility is \$105,270 for water and \$170,190 for wastewater.

DEFERRED

Issue 5: What is the appropriate return on equity and overall rate of return for this utility?

Recommendation: The appropriate return on equity is 12.01% with a range of 11.01% to 13.01%. The appropriate overall rate of return is 6.02%.

DEFERRED

Issue 6: What are the appropriate amounts of test year revenues in this case?

Recommendation: The appropriate amounts of test year revenues in this case are \$43,261 for the water system and \$33,719 for the wastewater system.

DEFERRED

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Issue 7: What are the appropriate operating expenses?

Recommendation: The appropriate amount of operating expenses for the Utility are \$53,344 for water and \$79,894 for wastewater.

DEFERRED

Issue 8: What are the appropriate revenue requirements?

Recommendation: The appropriate revenue requirement is \$60,462 for water and \$92,792 for wastewater.

DEFERRED

Issue 9: What are the appropriate pre-repression billing determinants for ratesetting purposes for the respective water and wastewater systems?

Recommendation: The appropriate pre-repression billing determinants for ratesetting are 5,040 equivalent residential connections (ERCs) and 24,329.6 thousand gallons (24,329.6 kgals) for the water system and 4,812 ERCs and 7,639.2 kgals for the wastewater system.

DEFERRED

Issue 10: What are the appropriate rate structures for the Utility's water and wastewater systems?

Recommendation: The appropriate rate structure for the Utility's water system is the base facility charge (BFC)/uniform gallonage charge rate structure. The water system's 3 kgals allotment should be removed from the BFC, and the BFC cost recovery allocation should be set at 40%. The appropriate rate structure for the Utility's wastewater system is the BFC/gallonage charge rate structure. The wastewater system's 3 kgals allotment should be removed from the BFC, and the BFC cost recovery allocation should be set at 75%. The general service gallonage charge should be set at 1.2 times the corresponding residential gallonage charge. Charges for residential wastewater service should be capped at 6 kgals of consumption.

DEFERRED

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Issue 11: Are repression adjustments appropriate in this case, and, if so, what are the appropriate adjustments to make for this utility?

Recommendation: Yes, repression adjustments to both the water and wastewater systems are appropriate. Residential water consumption should be reduced by 19.2%, resulting in a consumption reduction of approximately 4,421.4 kgals. Total water consumption for ratesetting is 19,908.3 kgals. The corresponding residential wastewater consumption should be reduced by 15.4%, resulting in a consumption reduction of approximately 1,109.2 kgals. Total wastewater consumption for ratesetting is 6,529.9 kgals. The resulting water system reductions to revenue requirements are \$576 in purchased power expense, \$870 in chemicals expense and \$65 in regulatory assessment fees (RAFs). The resulting wastewater system reductions to revenue requirements are \$1,441 in purchased power expense, \$1,284 in chemicals expense, \$922 in sludge removal, and \$164 in RAFs. The post-repression revenue requirements are \$58,952 for the water system and \$88,981 for the wastewater system.

In order to monitor the effects of both the changes in revenues and rate structure, the Utility should be ordered to file monthly reports detailing the number of bills rendered, the consumption billed and the revenues billed for each system. In addition, the reports should be prepared, by customer class and meter size. The reports should be filed with staff, on a quarterly basis, for a period of two years beginning the first billing period after the approved rates go into effect. To the extent the Utility makes adjustments to consumption in any month during the reporting period, the Utility should be ordered to file a revised monthly report for that month within 30 days of any revision.

DEFERRED

Issue 12: What are the appropriate rates for this utility?

Recommendation: The appropriate monthly water rates are shown on Schedule 4-A of staff's memorandum dated June 19, 2008, and the appropriate monthly wastewater rates are shown on Schedule 4-B of staff's memorandum dated June 19, 2008. Excluding miscellaneous service revenues, the recommended water rates are designed to produce revenues of \$58,952, and the recommended wastewater rates are designed to produce revenues of \$88,981. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date of the revised tariff sheets, pursuant to Rule 25-30.475(1), F.A.C. In addition, the rates should not be implemented until staff has approved the proposed customer notice. The Utility should provide proof of the date the notice was given no less than 10 days after the date of the notice.

DEFERRED

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Issue 13: 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 No. 4 of staff's memorandum dated June 19, 2008, 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, F.S. 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.

DEFERRED

Issue 14: 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 Plantation?

Recommendation: Yes. Pursuant to Section 367.0814(7), F.S., 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 Plantation 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 memorandum dated June 19, 2008. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., Plantation 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.

DEFERRED

Issue 15: Should this docket be closed?

Recommendation: No. If no person whose substantial interests are affected by the proposed agency action issues files a protest within 21 days of the issuance of the order, a Consummating Order will be issued. However, the docket should remain open for staff's verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff. When the PAA issues are final and the tariff and notice actions are complete, this docket may be closed administratively.

DEFERRED