

VOTE SHEET

February 9, 2010

Docket No. 090244-WU – Application for staff-assisted rate case in Lake County by TLP Water, Inc.

Issue 1: Is the quality of service provided by TLP Water, Inc. satisfactory?

Recommendation: The overall quality of service is marginal. Water quality provided by TLP Water, Inc. (the Utility) is meeting Florida Department of Environmental Protection (DEP) standards and should be considered satisfactory. Operational conditions should be considered marginal due to the outstanding DEP violations. The Utility’s attempt to address customer satisfaction is satisfactory, although improved communication to the customers outside the park would be beneficial.

APPROVED

Issue 2: What are the used and useful percentages of the Utility’s plant and distribution system?

Recommendation: The water plant and distribution system for TLP Water, Inc. are 100 percent used and useful.

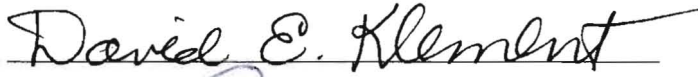

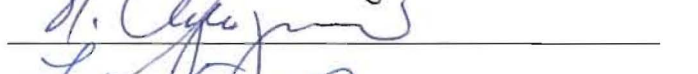


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COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS’ SIGNATURES

MAJORITY

DISSENTING

David E. Klement






REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

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

Recommendation: The appropriate average test year rate base for TLP is \$67,899.

APPROVED

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

Recommendation: The appropriate return on equity (ROE) is 11.30 percent with a range of 10.30–12.30 percent. The appropriate overall rate of return is 12.00 percent.

APPROVED

Issue 5: What are the appropriate amount of test year revenues?

Recommendation: The appropriate test year revenue for this Utility is \$24,804.

APPROVED

Issue 6: What are the appropriate operating expenses?

Recommendation: The appropriate amount of operating expenses for TLP is \$26,561.

APPROVED

Issue 7: What is the appropriate revenue requirement?

Recommendation: The appropriate revenue requirement is \$34,708 for water.

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Issue 8: Should the Utility’s current rate structure be changed, and if so, what is the appropriate rate structure for the Utility’s water system?

Recommendation: No. Due to the lack of metered data coupled with low average consumption due to a highly seasonal customer base, staff recommends a continuation of a flat rate structure. However, staff recommends that a dual flat rate is appropriate to include a flat rate for both residences that are occupied year round and a reduced flat rate for residences that are unoccupied for at least 60 consecutive days during the off-season.

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Issue 9: Is an adjustment to reflect repression of consumption appropriate at this time?

Recommendation: No, a repression adjustment is not appropriate at this time.

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Issue 10: What are the appropriate rates for this Utility?

Recommendation: The appropriate monthly water rates are shown on Schedule No. 4 of staff’s memorandum dated January 28, 2010. The recommended rates should be designed to produce revenues of \$34,708, excluding miscellaneous service charges. 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 on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved 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 no less than 10 days after the date of the notice.

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Issue 11: In determining whether any portion of the interim increase granted should be refunded, how should the refund be calculated, and what is the amount of the refund, if any?

Recommendation: The Utility did not implement the Commission-approved interim rates. Therefore, no refund is necessary.

APPROVED

Issue 12: Should the Utility be allowed to implement a returned check charge, and, if so, what is the appropriate amount?

Recommendation: Yes. TLP should be allowed to implement a returned check charge. The amount of the returned check should be the actual costs incurred by the Utility.

APPROVED

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, F.S.?

Recommendation: The water rates should be reduced as shown on Schedule 4 of staff's memorandum dated January 28, 2010, 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. TLP 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.

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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 TLP?

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, TLP 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 January 28, 2010. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., TLP 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 15: Should the Utility be required to provide proof, within 90 days of an effective order finalizing this docket, that it has adjusted its books for all the applicable NARUC USOA primary accounts associated with the Commission-approved adjustments?

Recommendation: Yes. To ensure that the Utility adjusts its books in accordance with the Commission's decision, TLP should provide proof, within 90 days of the final order issued in this docket, that the adjustments for all the applicable NARUC USOA primary accounts have been made.

APPROVED

Issue 16: Should this docket be closed?

Recommendation: No. The docket should remain open until a final order has been issued, staff has approved the revised tariffs sheets and customer notices, the Utility has sent the notices to its customers, staff has received proof that the customers have received notice within 10 days after the date of the notice, and the Utility has provided staff with proof that the adjustments for all the applicable NARUC USOA primary accounts have been made. Once staff has verified all of the above actions are complete, this docket should be closed administratively.

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