

VOTE SHEET

February 8, 2011

Docket No. 100326-SU – Application for staff-assisted rate case in Duval County by Commercial Utilities, Division of Grace & Co., Inc.

**Issue 1:** Is the quality of service provided by the Utility satisfactory?

**Recommendation:** Yes. The quality of service provided by Commercial is satisfactory.

**APPROVED**

**Issue 2:** What are the used and useful percentages for this Utility?

**Recommendation:** The collection system should be considered 100 percent used and useful (U&U).

**APPROVED**

COMMISSIONERS ASSIGNED: All Commissioners

**COMMISSIONERS' SIGNATURES**

**MAJORITY**

**DISSENTING**

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**REMARKS/DISSENTING COMMENTS:**

DOCUMENT NUMBER-DATE

00896 FEB-8 =

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

**Recommendation:** The appropriate average test year rate base for Commercial is \$377,598.

**APPROVED**

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

**Recommendation:** The appropriate return on equity (ROE) is 8.82 percent with a range of 7.82 percent to 9.82 percent. The appropriate overall rate of return is 8.78 percent.

**APPROVED**

**Issue 5:** What is the appropriate amount of test year revenues in this case?

**Recommendation:** The appropriate test year revenue for this Utility is \$244,798.

**APPROVED**

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

**Recommendation:** The appropriate amount of operating expenses for this Utility is \$255,714.

**APPROVED**

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**Issue 7:** What is the appropriate revenue requirement?

**Recommendation:** The appropriate revenue requirement is \$288,867.

**APPROVED**

**Issue 8:** What are the appropriate rates for this Utility?

**Recommendation:** The appropriate monthly wastewater rates are shown on Schedule No. 4 of staff's memorandum dated January 27, 2011. The recommended rates should be designed to produce revenue of \$288,867, excluding miscellaneous service charges. The appropriate rate structure for Commercial's general service customers is a continuation of the BFC/uniform gallonage charge rate structure. Commercial 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.

**APPROVED**

**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, F.S.?

**Recommendation:** The wastewater rates should be reduced as shown on Schedule No. 4 of staff's memorandum dated January 27, 2011, to remove rate case expense grossed up for RAFs 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 Commercial 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 10:** Should Commercial's request to amend the Utility's customer deposits tariff and establish non-sufficient funds (NSF) fees be approved?

**Recommendation:** Yes. Commercial's request to amend the Utility's customer deposits and establish non-sufficient funds (NSF) fees should be approved. The Utility should file revised tariff sheets and a proposed customer notice consistent with the Commission's vote. Staff should be given administrative authority to approve the revised tariff sheets upon staff's verification that the tariffs are consistent with the Commission's decision. The tariff sheets containing customer deposits and non-sufficient funds fees should become effective for services rendered on or after the stamped approval date on the tariff, pursuant to Rule 25-30.475, F.A.C. In addition, the approved customer deposits and NSF fees should not be implemented until staff has approved the proposed customer deposits and NSF fees notice and the notice has been received by the customers. This notice may be combined with the notice required in Issue 8.

**APPROVED**

**Issue 11:** Should the recommended rates be approved for the Utility on a temporary basis, subject to refund, in the event of protest filed by a party other than the Utility?

**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. Commercial 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 temporary rates should not be implemented until staff has approved the proposed notice, and the notice has been received by the customers. 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 memorandum dated January 27, 2011. 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.

**APPROVED**

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**Issue 12:** 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 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, Commercial should provide proof, within 90 days of the final order in this docket, that the adjustments for all applicable NARUC USOA primary accounts have been made.

**APPROVED**

**Issue 13:** Should this docket be closed?

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

**APPROVED**