

VOTE SHEET

May 22, 2012

Docket No. 120037-WS – Application for increase in water and wastewater rates in Lake County by Utilities, Inc. of Pennbrooke.

Issue 1: Should the Utility’s proposed final water and wastewater rates be suspended?

Recommendation: Yes. Pennbrooke’s proposed final water and wastewater rates should be suspended.

APPROVED

Issue 2: Should any interim revenue increases be approved?

Recommendation: No. Pennbrooke should be allowed to continue collecting water revenues designed to produce test year revenue of \$491,577. However, because it appears that Pennbrooke is earning above its maximum rate of return, \$75,385 (or 15.34 percent) of this water revenue should be collected subject to refund with interest. As discussed in analysis portion of staff’s memorandum dated May 16, 2012, the wastewater system is earning within its last authorized ROE range, and thus no interim increase or decrease is warranted.

APPROVED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS’ SIGNATURES

MAJORITY

DISSENTING

Julie A.
[Signature]
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REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE
03234 MAY 22 2012
FPSC-COMMISSION CLERK

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Issue 3: What are the appropriate interim water and wastewater rates?

Recommendation: In accordance with Section 367.082(2)(b), F.S., the Utility's existing rates are appropriate for interim purposes.

APPROVED

Issue 4: What is the appropriate security to guarantee the interim decrease?

Recommendation: A cumulative corporate undertaking of \$357,423 is acceptable contingent upon receipt of the written guarantee of the parent company, Utilities, Inc. (UI or Company) and written confirmation that the cumulative outstanding guarantees on behalf of UI-owned utilities in other states will not exceed \$1.2 million (inclusive of all Florida utilities). 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 \$357,423, which includes an amount of \$43,990 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 in accordance with Rule 25-30.360, F.A.C.

APPROVED

Issue 5: Should the docket be closed?

Recommendation: No. The docket should remain open pending the Commission's PAA decision on the Utility's requested rate increase.

APPROVED