

VOTE SHEET

DATE: February 18, 1997

RE: DOCKET NO. 960984-SU - Investigation of possible overearnings in Volusia County by North Peninsula Utilities Corporation.

Issue 1: Is the quality of service provided by North Peninsula satisfactory?

Recommendation: Yes. The quality of service provided by North Peninsula is satisfactory.

APPROVED

Issue 2: What portions of water and wastewater plants-in-service are used and useful?

Recommendation: The wastewater treatment plant is 65% used and useful and the wastewater collection system is 100% used and useful.

APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

[Handwritten signatures in the Majority column: George J. Garcia, Susan J. Clark, J. Tom Dean, and David T. Green]

REMARKS/DISSENTING COMMENTS:

On the Commission's own motion this item was reconsidered and subsequently approved as on the original vote.

PSC/RAR33 (5/90)

DOCUMENT NUMBER-DATE

01788 FEB 18 97

FPSC-RECORDS/REPORTING

Issue 3: What is the appropriate average amount of test year rate base for North Peninsula?

Recommendation: The appropriate average amount of test year rate base for North Peninsula is \$130,294.

APPROVED

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

Recommendation: The appropriate rate of return on equity is 11.88% with a range of 10.88% - 12.88% and the appropriate overall rate of return is 9.75%.

APPROVED

Issue 5: What is the appropriate test year operating revenue?

Recommendation: The appropriate test year operating revenue is \$143,689.

APPROVED

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

Recommendation: The appropriate amount of test year operating expense is \$106,415.

APPROVED

Issue 7: What is the appropriate test year revenue requirement for North Peninsula?

Recommendation: The appropriate test year revenue requirement is \$119,119.

APPROVED

Issue 8: Should the utility be ordered to refund price index and pass-through rate adjustments that were implemented in 1994, 1995, and 1996?

Recommendation: Yes. The index and pass-through rate adjustments should be refunded with interest. The combined refund for 1995 and 1996 is approximately \$21,257 before assessment of interest. These refunds should be made with interest as required by Rule 25-30.360(4), F.A.C., within 90 days of the effective date of the order. The utility should be required to submit the proper refund reports pursuant to Rule 25-30.360(7), F.A.C. The refund should be made to customers of record as of the date of the order pursuant to Rule 25-30.360(3), F.A.C. The utility should treat any unclaimed refunds as CIAC pursuant to Rule 25-30.360(8), F.A.C.

APPROVED

Issue 9: Should North Peninsula be ordered to refund revenues collected during the interim collection period?

Recommendation: Yes. Excess earnings were collected during the interim collection period. These amounts should be refunded as provided by Order No. PSC-96-1243-FOF-SU. The refund should be 6.71% of the sales revenues collected from October 7, 1996 through December 31, 1996 and 5.48% of sales revenues from January 1, 1997 until rates are reduced as approved by the Commission. These refunds should be made with interest as required by Section 25-30.360(4), F.A.C., within 90 days of the effective date of the order. The refund should be made to customers of record as of the date of the order pursuant to Rule 25-30.360(3), F.A.C. The utility should be required to submit the proper refund reports pursuant to Rule 25-30.360(7), F.A.C. The utility should treat any unclaimed refunds as CIAC pursuant to Rule 25-30.360(8), F.A.C.

APPROVED

Issue 10: What are the appropriate rates for North Peninsula?

Recommendation: The utility should reduce wastewater flat rates by \$1.42 to reflect the new recommended flat monthly rate of \$24.56. The utility should file revised tariff sheets and a proposed customer notice reflecting the appropriate rates and the reason for the reduction. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. The rates should not be implemented until proper notice has been received by the customers. The utility should provide proof of the date notice was given within 10 days after the date of the notice.

APPROVED

Issue 11: Should the utility be required to continue to escrow funds as security?

Recommendation: The utility should escrow 5.48% of its monthly revenues on a going-forward basis, until such time as the Commission's order regarding overearnings is final and effective.

APPROVED

Issue is final action

Issue 12: Should this docket be closed?

Recommendation: This docket should be closed if no person whose interests are substantially affected by the proposed action files a protest within the 21-day protest period, upon staff's verification that the utility has completed the required refunds, and upon the utility's filing of and staff's approval of the proposed customer notice and the revised tariff sheets.

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MODIFIED

Approved as modified by staff regarding shortened protest period and requirement of utility to file testimony along with protest, if a protest is filed by the utility