

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

DATE: August 6, 1991

RE: ~~DOCKET NO. 900966-WS~~ - Application for a staff-assisted rate case in Sumter County for The Woods, a division of Homosassa Utilities, Inc. (Deferred from the 7/30/91 Commission Conference)

Issue: Recommendation that the appropriate revenue requirements are \$17,069 and \$18,493 for the water and wastewater systems, respectively. (Detailed issues will be provided on a Supplemental Issue Listing.)

Deferred

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

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REMARKS/DISSENTING COMMENTS:

PSC/RAR33 (5/90)

DOCUMENT NUMBER-DATE

07950 AUG -6 1991

PSC-RECORDS/REPORTING

**SUPPLEMENTAL ISSUE LISTING****THE WOODS, A DIVISION OF HOMOSASSA UTILITIES****DOCKET NO. 900966-WS****AUGUST 6, 1991**Quality of Service

- Issue 1: What is the quality of service provided by this utility?  
Recommendation: The quality of service provided by this utility should be considered to be satisfactory. The utility should be required that it notify its customers that long distance emergency phone calls will be taken collect.
- Issue 2: What percent of plant in service is used and useful?  
Recommendation: The water treatment facility is 75% used and useful, the wastewater treatment facility is 87% used and useful, the water distribution and the wastewater collection system is 43% used and useful.
- Issue 3: What is the appropriate average amount of utility plant in service?  
Recommendation: The appropriate average amount of utility plant in service is \$92,670 and \$87,747 for water and wastewater, respectively.

Supplemental Issue Listing  
Docket No. 900966-WS  
August 6, 1991

Issue 4: What is the appropriate average amount of accumulated depreciation for water and wastewater?

Recommendation: The appropriate average amount of accumulated depreciation is \$42,514 and \$40,873, for water and wastewater, respectively.

Issue 5: What is the appropriate net average value of plant held for future use for water and wastewater?

Recommendation: The appropriate net average amount of plant held for future use is \$5,027 and \$5,082, for water and wastewater, respectively.

Issue 6: What is the appropriate average amount of contributions in aid of construction (CIAC) to include in rate base for water and wastewater?

Recommendation: The appropriate average amount of CIAC to include in rate base is \$66,510 and \$59,692 for water and wastewater, respectively.

Supplemental Issue Listing  
Docket No. 900966-WS  
August 6, 1991

- Issue 7: What is the appropriate average amount of amortization of CIAC to include in rate base for water and wastewater?  
**Recommendation:** The appropriate average amount of amortization of CIAC to include in rate base is \$21,161 and \$34,636 for water and wastewater, respectively.
- Issue 8: What is the appropriate method of calculating the working capital allowance, and what is the appropriate amount to include in rate base for the water and wastewater systems?  
**Recommendation:** The appropriate method of calculating the working capital allowance is the one-eighth of operation and maintenance expenses method. The appropriate amount to include in the rate base calculation is \$1,709 for the water system and \$1,514 for the wastewater system.
- Issue 9: What is the appropriate average test year rate base for the water and wastewater systems?  
**Recommendation:** The appropriate average test year rate base is \$4,933 for the water system and \$25,750 for the wastewater system.

Supplemental Issue Listing  
Docket No. 900966-WS  
August 6, 1991

Cost of Capital

Issue 10: What is the appropriate overall rate of return?  
Recommendation: The appropriate overall rate of return should be equal to the return on common equity, 11.22%.

Net Operating Income

Issue 11: What is the appropriate amount of test year operating revenues for water and wastewater?  
Recommendation: The appropriate amount of test year operating revenues for water and wastewater is \$6,973 and \$6,038, respectively.

Issue 12: What is the appropriate amount of test year operating expenses for water and wastewater?  
Recommendation: The appropriate amount of test year operating expenses for water and wastewater is \$15,280 and \$14,069, respectively.

Supplemental Issue Listing  
Docket No. 900966-WS  
August 6, 1991

Issue 13: What is the appropriate test year operating income (loss) for water and wastewater?

Recommendation: The appropriate test year operating loss is \$7,908 and \$7,539 for water and wastewater, respectively.

Issue 14: What is the appropriate revenue requirement and resulting annual increase for the water and wastewater systems?

Recommendation: The appropriate revenue requirements are \$15,833 and \$16,958 for the water and wastewater systems, respectively.

#### Rates and Charges

Issue 15: What is the appropriate rate structure and what are the recommended rates for the water and wastewater systems?

Recommendation: The appropriate rate structure is the base facility/gallonage charge rate structure. The recommended rates for each system (listed in Staff's analysis) will allow the utility to recover its expenses and earn an 11.22% return on its investment.

Supplemental Issue Listing  
Docket No. 900966-WS  
August 6, 1991

Issue 16: Should the utility be authorized to collect service availability charges and if so, what are the appropriate charges?

Recommendation: Staff recommends the utility be able to collect its current tariffed service availability charges.

Issue 17: Should the utility be authorized to collect miscellaneous service charges and if so, what are the appropriate charges?

Recommendation: Yes, the utility should continue to collect its authorized miscellaneous service charges.

Issue 18: Should the utility be authorized to collect customer deposits and if so, what is the appropriate amount?

Recommendation: Yes, the utility should be authorized to collect a \$40.00 customer deposit for both water and wastewater.

Supplemental Issue Listing  
Docket No. 900966-WS  
August 6, 1991

Issue 19: Should the utility be required to maintain its books and records in conformity with the 1984 NARUC Uniform System of Accounts (USOA)?

Recommendation: Yes, the utility should be required to maintain its books and records in conformity with the 1984 NARUC Uniform System of Accounts.

Issue 20: What is the appropriate recovery period for rate case expenses, and what is the appropriate annual rate reduction for each system at the end of that period?

Recommendation: The appropriate recovery period for rate case expenses is four years. The appropriate annual rate reduction for each system at the end of that period is \$233.38

Issue 21: Should the recommended rates be approved for the utility on a temporary basis in the event of a protest filed by a party other than the utility?

Recommendation: Yes, the recommended rates should be approved for the utility on a temporary basis in the event of a protest filed by a party other than the utility.

Supplemental Issue Listing  
Docket No. 900966-WS  
August 6, 1991

Issue 22: What is the appropriate effective date of the increased rates and charges?

Recommendation: Metered rates for water and wastewater service should be effective for meter readings on or after thirty days from the stamped approval date on the revised tariff sheets. The miscellaneous service charges and customer deposits should be effective for service rendered or connections made on or after the stamped approval date on the revised tariff sheets. Tariff sheets will not be approved until customer notice is approved.

Issue 23: Should this docket be closed?

Recommendation: If there is no timely protest filed by a substantially affected party, and Staff has approved both the proposed customer notice and revised tariff sheets, then this docket should be closed.

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

DATE: July 30, 1991

RE: DOCKET NO. 900966-WS - Application for a staff-assisted rate case in Sumter County for The Woods, a division of Homosassa Utilities, Inc.

Issue: Recommendation that the appropriate revenue requirements are \$17,069 and \$18,493 for the water and wastewater systems, respectively. (Detailed issues will be provided on a Supplemental Issue Listing.)

DEFERRED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

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REMARKS/DISSENTING COMMENTS:

PSC/RAR33 (5/90)

DOCUMENT NUMBER-DATE

07696 JUL 31 1991

FPSC-RECORDS/REPORTING

8/6/91 conf.

**SUPPLEMENTAL ISSUE LISTING****THE WOODS, A DIVISION OF HOMOSASSA UTILITIES****DOCKET NO. 900966-WS****JULY 30, 1991**Quality of Service

- Issue 1: What is the quality of service provided by this utility?  
Recommendation: The quality of service provided by this utility should be considered to be satisfactory. The utility should be required that it notify its customers that long distance emergency phone calls will be taken collect.
- Issue 2: What percent of plant in service is used and useful?  
Recommendation: The water treatment facility is 75% used and useful, the wastewater treatment facility is 87% used and useful, the water distribution and the wastewater collection system is 43% used and useful.
- Issue 3: What is the appropriate average amount of utility plant in service?  
Recommendation: The appropriate average amount of utility plant in service is \$92,670 and \$87,747 for water and wastewater, respectively.

Supplemental Issue Listing  
Docket No. 900966-WS  
July 30, 1991

Issue 4: What is the appropriate average amount of accumulated depreciation for water and wastewater?

Recommendation: The appropriate average amount of accumulated depreciation is \$42,514 and \$40,873, for water and wastewater, respectively.

Issue 5: What is the appropriate net average value of plant held for future use for water and wastewater?

Recommendation: The appropriate net average amount of plant held for future use is \$14,236 and \$16,166, for water and wastewater, respectively.

Issue 6: What is the appropriate average amount of contributions in aid of construction (CIAC) to include in rate base for water and wastewater?

Recommendation: The appropriate average amount of CIAC to include in rate base is \$25,275 and \$10,500 for water and wastewater, respectively.

Supplemental Issue Listing  
Docket No. 900966-WS  
July 30, 1991

Issue 7: What is the appropriate average amount of amortization of CIAC to include in rate base for water and wastewater?  
Recommendation: The appropriate average amount of amortization of CIAC to include in rate base is \$6,074 and \$4,891 for water and wastewater, respectively.

Issue 8: What is the appropriate method of calculating the working capital allowance, and what is the appropriate amount to include in rate base for the water and wastewater systems?  
Recommendation: The appropriate method of calculating the working capital allowance is the one-eighth of operation and maintenance expenses method. The appropriate amount to include in the rate base calculation is \$1,709 for the water system and \$1,514 for the wastewater system.

Issue 9: What is the appropriate average test year rate base for the water and wastewater systems?  
Recommendation: The appropriate average test year rate base is \$11,927 for the water system and \$34,112 for the wastewater system.

Supplemental Issue Listing  
Docket No. 900966-WS  
July 30, 1991

Cost of Capital

Issue 10: What is the appropriate overall rate of return?  
Recommendation: The appropriate overall rate of return should be equal to the return on common equity, 11.22%.

Net Operating Income

Issue 11: What is the appropriate amount of test year operating revenues for water and wastewater?  
Recommendation: The appropriate amount of test year operating revenues for water and wastewater is \$6,973 and \$6,038, respectively.

Issue 12: What is the appropriate amount of test year operating expenses for water and wastewater?  
Recommendation: The appropriate amount of test year operating expenses for water and wastewater is \$15,731 and \$14,665, respectively.

Supplemental Issue Listing  
Docket No. 900966-WS  
July 30, 1991

Issue 13: What is the appropriate test year operating income (loss) for water and wastewater?

Recommendation: The appropriate test year operating loss is \$8,305 and \$8,068 for water and wastewater, respectively.

Issue 14: What is the appropriate revenue requirement and resulting annual increase for the water and wastewater systems?

Recommendation: The appropriate revenue requirement is \$17,069 and \$18,493 for the water and wastewater systems, respectively.

Rates and Charges

Issue 15: What is the appropriate rate structure and what are the recommended rates for the water and wastewater systems?

Recommendation: The appropriate rate structure is the base facility/gallonnage charge rate structure. The recommended rates for each system (listed in Staff's analysis) will allow the utility to recover its expenses and earn an 11.22% return on its investment.

Supplemental Issue Listing  
Docket No. 900966-WS  
July 30, 1991

Issue 16: Should the utility be authorized to collect service availability charges and if so, what are the appropriate charges?

Recommendation: Staff recommends the utility be able to collect its current tariffed service availability charges.

Issue 17: Should the utility be authorized to collect miscellaneous service charges and if so, what are the appropriate charges?

Recommendation: Yes, the utility should continue to collect its authorized miscellaneous service charges.

Issue 18: Should the utility be authorized to collect customer deposits and if so, what is the appropriate amount?

Recommendation: Yes, the utility should be authorized to collect a \$45.00 customer deposit for both water and wastewater.

Supplemental Issue Listing  
Docket No. 900966-WS  
July 30, 1991

Issue 19: Should the utility be required to maintain its books and records in conformity with the 1984 NARUC Uniform System of Accounts (USOA)?  
Recommendation: Yes, the utility should be required to maintain its books and records in conformity with the 1984 NARUC Uniform System of Accounts.

Issue 20: What is the appropriate recovery period for rate case expenses, and what is the appropriate annual rate reduction for each system at the end of that period?  
Recommendation: The appropriate recovery period for rate case expenses is four years. The appropriate annual rate reduction for each system at the end of that period is \$233.38

Issue 21: Should the recommended rates be approved for the utility on a temporary basis in the event of a protest filed by a party other than the utility?  
Recommendation: Yes, the recommended rates should be approved for the utility on a temporary basis in the event of a protest filed by a party other than the utility.

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Docket No. 900966-WS  
July 30, 1991

Issue 22: What is the appropriate effective date of the increased rates and charges?

Recommendation: Metered rates for water and wastewater service should be effective for meter readings on or after thirty days from the stamped approval date on the revised tariff sheets. The miscellaneous service charges and customer deposits should be effective for service rendered or connections made on or after the stamped approval date on the revised tariff sheets. Tariff sheets will not be approved until customer notice is approved.

Issue 23: Should this docket be closed?

Recommendation: If there is no timely protest filed by a substantially affected party, and Staff has approved both the proposed customer notice and revised tariff sheets, then this docket should be closed.

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Docket No. 900966-WS  
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