

VOTE SHEET

DATE: September 10, 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 8/6/91 Commission Conference)

Issue 1: Recommendation that the appropriate revenue requirements are \$17,069 and \$18,493 for the water and wastewater systems, respectively. (Detailed issues are shown on the attached Supplemental Issue Listing.)

APPROVED

All issues on attached Supplemental Issue Listing, with modification noted in Issue 1

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Susan Clark

J. Deason

Michael Wilson

 * *Terry Hearon*

REMARKS/DISSENTING COMMENTS:

PSC/RAR33 (5/90) * Commissioner Deason dissented in decision

DOCUMENT NUMBER - ~~DATE~~ *Issue 9*

09008 SEP 11 1991

SUPPLEMENTAL ISSUE LISTING

THE WOODS, A DIVISION OF HOMOSASSA UTILITIES

DOCKET NO. 900966-WS

September 10, 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.

MODIFIED

Since utility has implemented use of 800 number, it will not be required to take emergency long distance phone calls 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.

APPROVED

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.

APPROVED

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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.

APPROVED

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.

APPROVED

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.

APPROVED

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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.

APPROVED

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.

APPROVED

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.

APPROVED

Commissioner Deason dissented

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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%.

APPROVED

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.

APPROVED

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.

APPROVED

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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.

APPROVED

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.

APPROVED

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.

APPROVED

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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.

APPROVED

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.

APPROVED

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.

APPROVED

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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.

APPROVED

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

APPROVED

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.

APPROVED

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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.

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.

APPROVED