

VOTE SHEET

JANUARY 19, 1999

RE: DOCKET NO. 980726-WU - Application for staff-assisted rate case in Pasco County by Dixie Groves Estates, Inc.

Issue 1: Is the quality of service provided by Dixie Groves Estates, Inc. considered satisfactory?

Recommendation: Yes. The overall quality of service provided by Dixie Groves Estates, Inc. should be considered satisfactory. The utility should initiate an office procedure that would expedite response time to customer complaints and phone calls. This program should be developed within nine months of a Commission order and a copy sent to the Commission.

APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

[Handwritten signatures in the Majority column]

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

00941 JAN 22 88

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Issue 2: What percentage of the utility's water treatment plant and distribution system is used and useful?

Recommendation: The system is built out. Therefore, both the water treatment plant and the water distribution system should be considered 100% used and useful. The plant's records show fifty percent (50%) of the pumped raw water is unaccounted for. Staff recommends that revenues be imputed for all water pumped, allowing a 10% unaccounted for water percentage. The utility should also be required to initiate a meter replacement program and a gate valve replacement program.

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

Recommendation: The appropriate average amount of test year rate base for Dixie Groves Estates, Inc. should be \$35,805. The utility should replace 100 customer water meters which are registering zero usage each month, within six months of the effective date of the Commission order.

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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 should be 9.85% with a range of 8.85% - 10.85% and the appropriate overall rate of return should be 9.64%.

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

Recommendation: The appropriate test year operating revenue should be \$34,032.

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

Recommendation: The appropriate amount of operating expense should be \$60,478.

APPROVED

Issue 7: What is the appropriate revenue requirement?

Recommendation: The appropriate revenue requirement should be \$63,930.

APPROVED

Issue 8: What is the appropriate conservation rate structure for this utility?

Recommendation: The appropriate conservation rate structure for this utility is a continuation of the current base facility and gallonage charge rate structure.

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Issue 9: Is repression of consumption likely to occur, and, if so, what is the appropriate consumption adjustment?

Recommendation: Yes, repression of consumption is likely to occur. The appropriate consumption adjustment is a reduction of 2,109,200 gallons for the water system. In order to monitor the effects of the rate increase on consumption, the utility should be ordered to file, on a quarterly basis, reports detailing the number of bills rendered, the number of gallons sold and the total revenues billed during the quarter. These reports should be required for a period of two years, beginning the first quarter after the revised rates go into effect.

APPROVED

Issue 10: What are the recommended rates for this utility?

Recommendation: The recommended rates should be as shown in the staff analysis portion of staff's January 7, 1999 memorandum. 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), Florida Administrative Code. 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.

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Issue 11: 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, Florida Statutes?

Recommendation: The rates should be reduced as shown on Schedule No. 4 to remove rate case expense grossed-up for regulatory assessment fees and amortized over a four-year period. The decrease in rates should become effective immediately following the expiration of the four-year recovery period, pursuant to Section 367.0816, Florida Statutes. The utility should be required to file revised tariff sheets and a proposed customer notice setting forth the lower rates and the reason for the reduction not later than one month prior to the actual date of the required rate reduction.

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Issue 12: What should be the appropriate amount of customer deposits, should the utility be required to pay interest on customer deposits collected since 1993, and should customers who have established a satisfactory payment record, and have had continuous service for a period of 23 months, have their deposit refunded?

Recommendation: The appropriate amount of customer deposits should be \$33.00. The utility should file revised tariff sheets which are 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. Once revised tariff sheets are filed and approved, the customer deposits should become effective for connections made on or after the stamped approval date of the revised tariff sheets, if no protest is filed. The utility should be ordered to pay interest on all customer deposits, including those collected since 1993, as required by Rule 25-30.311, Florida Administrative Code. Past due monies should include interest calculated in accordance with Rule 25-30.311(4), Florida Administrative Code. The utility should refund

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Deposits of all customers who have established a satisfactory payment record and have had continuous service for a period of 23 months pursuant to Rule 25-30.311, Florida Administrative Code. Past due interest should be paid and eligible deposits should be refunded within 90 days of the effective date of the Commission order.

Issue 13: What should the appropriate miscellaneous service charges be for Dixie Groves?

Recommendation: The appropriate miscellaneous service charges should be those recommended in the staff analysis portion of staff's memorandum. The utility should file revised tariff sheets which are 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. If revised tariff sheets are filed and approved, the miscellaneous service charges should become effective for connections made on or after the stamped approval date of the revised tariff sheets, if no protest is filed.

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Issue 14: 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. The utility should be authorized to collect the temporary rates after staff's approval of the security for potential refund, a copy of the proposed customer notice, and revised tariff sheets.

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Issue 15: Should Dixie Groves Estates, Inc. be ordered to show cause within 21 days why it should not be fined in an amount up to \$5,000 for each apparent violation of Rule 25-30.110(1)(a), Florida Administrative Code, for failure to preserve its records in accordance with the "Regulations to Govern the Preservation of Records of Electric, Gas, and Water Utilities" as issued by the National Association of Regulatory Utility Commissioners (NARUC), and for failure to notify the Commission of the destruction of utility records within 90 days?

Recommendation: No. A show cause proceeding should not be initiated. However, the utility should be placed on notice that if it fails to preserve its records in the future or fails to report any other premature destruction of records in accordance with the "Regulations to Govern the Preservation of Records of Electric, Gas, and Water Utilities" as issued by the National Association of Regulatory Utility Commissioners (NARUC), as revised May 1985," a future show cause proceeding may be initiated.

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Issue 16: Should Dixie Groves Estates, Inc. be ordered to show cause within 21 days why it should not be fined in an amount up to \$5,000 for each apparent violation of Rule 25-30.311(4)(a), Florida Administrative Code, for failure to pay interest on customer deposits?

Recommendation: No. A show cause proceeding should not be initiated.

APPROVED

Issue 17: 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.

APPROVED