



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: February 19, 1999
TO: All Parties of Record
FROM: Rosanne Gervasi, Staff Counsel *RG*
RE: Docket No. 950495-WS - Application for rate increase and increase in service availability by Southern States Utilities, Inc. for Orange-Osceola Utilities, Inc. in Osceola County, and in Bradford, Brevard, Charlotte, Citrus, Clay, Collier, Duval, Highlands, Lake, Lee, Marion, Martin, Nassau, Orange, Osceola, Pasco, Putnam, Seminole, St. Johns, St. Lucie, Volusia, and Washington Counties.

As discussed at our meeting earlier today, here is an updated version of staff's issues. We have excluded the utility's Issue 3, and kept staff's issue 10 for now. The Prehearing Officer has indicated that the issues and their appropriate wording should be placed before the Commission for their consideration at the March 16 Agenda Conference.

Please read all issues carefully, as staff has included a few additional suggested changes that we made after this morning's meeting. **Please fax me your suggested language for all issues by noon on Tuesday, February 23, 1999.** My fax number is (850) 413-6225.

PART I

ISSUE 1: What flows should be used in the numerator of the used and useful equation to calculate used and useful plant for Florida Water Service Corporation's Buenaventura Lakes, Citrus Park, Marco Island and Marco Shores wastewater treatment plants?

ACK _____

ISSUE 2: In mixed use areas, for the water distribution and wastewater collection systems, must the Commission use equivalent residential connections in the numerator of the used and useful equation?

AFA _____

APP _____

CAF _____

ISSUE 3: What is the appropriate provision for reconsideration, appellate, and remand rate case expense for this proceeding?

CMU _____

CTR _____

EAG _____

ISSUE 4: What are the appropriate final water and wastewater revenue requirements?

LEG _____

LIN _____

OPC _____

RCH _____

SEC _____

WAS _____

OTH _____

DOCUMENT NUMBER-DATE

02280 FEB 22 1999

FPSC-RECORDS/REPORTING

ISSUE 5: What are the appropriate water and wastewater rates for Florida Water Services Corporation?

ISSUE 6: 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?

ISSUE 7: Should any portion of the interim increase granted be refunded, and if so, what is the amount?

ISSUE 8: Based on the changes to the used and useful percentages, what are the appropriate allowance for funds prudently invested charges, and are any refunds of the charges collected required?

PART II

ISSUE 9: What is the appropriate action that should be taken with regard to surcharges?

ISSUE 10: Should the utility be allowed to collect interest on the surcharges, and, if so, how should interest be calculated?

ISSUE 11: Should the utility be required to file tariff sheets and a proposed customer notice reflecting approved surcharges?

RG/lw

cc: Division of Water & Wastewater (All Water and Wastewater Managers)
Division of Records & Reporting

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