

Ann Cole

From: Mary Bane
Sent: Monday, January 05, 2009 9:41 AM
To: Bart Fletcher
Cc: Tim Devlin; Marshall Willis; Cheryl Bulecza-Banks; Patti Daniel; Stan Rieger; Jennifer Brubaker; Ralph Jaeger; Lydia Roberts; Betty Ashby; William C. Garner; Roberta Bass; Lorena Holley; Larry Harris; Bill McNulty; Mary Bane; Ann Cole; Carol Purvis
Subject: RE: Request of Oral Modification to Item 6, January 6, 2009 Agenda, Docket No. 070293-SU - K W Resort Utilities Corp.

Approved.

From: Bart Fletcher
Sent: Wednesday, December 31, 2008 11:43 AM
To: Mary Bane
Cc: Tim Devlin; Marshall Willis; Cheryl Bulecza-Banks; Patti Daniel; Stan Rieger; Jennifer Brubaker; Ralph Jaeger; Lydia Roberts; Betty Ashby
Subject: Request of Oral Modification to Item 6, January 6, 2009 Agenda, Docket No. 070293-SU - K W Resort Utilities Corp.
Importance: High

Staff requests approval to file a revised recommendation for Item 6 scheduled for next Tuesday's agenda. Item 6 relates to a post-hearing recommended increase for K W Resort Utilities Corp. (KWRU). Revisions to the recommendation are necessary because of inadvertently not updating the interim refund percentage and interim period revenue requirement, incorrect general service gallons, and incorrect calculation of the large and small swimming pool rates. The Statutory time frame to process this case has been waived by KWRU through the January 6, 2009, Agenda Conference. These requested modifications have no other effects on Staff's recommendation including final revenue requirement.

First, on Page 74, the third sentence of the recommendation paragraph should read as follows:

"Based on this calculation, the Utility should be required to refund 1.85 ~~2.14~~ percent of wastewater revenues collected under interim rates."

Second, on Pages 74-75, the first, second, and third sentences of the last paragraph in the staff's analysis section should read as follows:

"Using the principles discussed above, staff calculates that the \$1,227,722 wastewater revenue requirement granted in Order No. PSC-07-0812-PCO-SU for the interim test year is greater than the revenue requirement for the interim collection period of \$1,206,373 ~~\$1,202,989~~. This results in a 1.85 ~~2.14~~ percent refund of interim rates. The Utility should be required to refund 1.85 ~~2.14~~ percent of wastewater revenues collected under interim rates. "

Third, after the recommendation was filed, it came to staff's attention that the general service gallons were overstated and that there was a formula error in the calculation of the large and small swimming pool rates. To correct these errors, Schedule No. 4 on pages 84 and 85 should be revised.

As reflected in the following schedules, the revised rates are highlighted in yellow:

DOCUMENT NUMBER-DATE

00032 JAN-5 8

FPSC-COMMISSION CLERK

1/5/2009

K W Resort Utilities Corp.		Schedule No. 4				
Wastewater Monthly Service Rates		Page 1 of 2				
Test Year Ended 12/31/06						
	Rates Prior to Filing	Commission Approved Interim	Utility Requested Final	Initial Recomm. Final	Revised Recomm. Final	Four Year Rate Reduction
<u>Residential</u>						
Flat Rates	\$40.39	\$47.61				
Base Facility Charge All Meter Sizes:			\$35.08	\$18.39	\$18.39	\$1.69
Gallage Charge - Per 1,000 gallons (10,000 gallon cap)			\$4.49	\$3.57	\$3.99	\$0.37
<u>General Service</u>						
Base Facility Charge by Meter Size:						
5/8" x 3/4"	\$30.73	\$36.21	\$35.08	\$18.39	\$18.39	\$1.69
1"	\$74.72	\$88.06	\$87.70	\$45.98	\$45.98	\$4.23
1-1/2"			\$175.40	\$91.95	\$91.95	\$8.45
2"	\$229.52	\$270.50	\$280.64	\$147.12	\$147.12	\$13.53
3"	\$454.63	\$535.80	\$526.20	\$294.24	\$294.24	\$27.05
4"	\$707.94	\$834.35	\$877.00	\$459.75	\$459.75	\$42.27
6"			\$1,754.00	\$919.50	\$919.50	\$84.54
8"			\$2,806.40	\$1,655.10	\$1,655.10	\$152.18
8" Turbo			\$3,157.20	\$2,114.85	\$2,114.85	\$194.45
Gallage Charge, per 1,000 Gallons	\$3.40	\$4.01	\$5.27	\$4.29	\$4.79	\$0.44
<u>Multi-Residential and Commercial</u>						
Flat Rate	\$40.39	\$47.61				
Base Facility Charge by Meter Size:						
5/8" x 3/4"			\$35.08	\$18.39	\$18.39	\$1.69
1"			\$87.70	\$45.98	\$45.98	\$4.23
1-1/2"			\$175.40	\$91.95	\$91.95	\$8.45
2"			\$280.64	\$147.12	\$147.12	\$13.53
3"			\$526.20	\$294.24	\$294.24	\$27.05
4"			\$877.00	\$459.75	\$459.75	\$42.27
Gallage Charge, per 1,000 Gallons			\$5.27	\$4.29	\$4.79	\$0.44
<u>Reclaimed Water</u>						
Gallage Charge, per 1,000 Gallons	\$0.45	\$0.53	\$0.69	\$0.69	\$0.69	\$0.06

K W Resort Utilities Corp.				Schedule No. 4		
Wastewater Monthly Service Rates				Page 2 of 2		
Test Year Ended 12/31/06						
	Rates Prior to Filing	Commission Approved Interim	Utility Requested Final	Initial Recomm. Final	Revised Recomm. Final	Four Year Rate Reduction
Private Lift Station Owners						
5/8" x 3/4"	\$32.55	\$38.32	\$35.08	\$18.39	\$18.39	\$1.69
1"	\$74.72	\$88.06	\$87.70	\$45.98	\$45.98	\$4.23
2"	\$229.52	\$270.50	\$280.64	\$147.12	\$147.12	\$13.53
Gallonge Charge, per 1,000 Gallons	\$2.74	\$3.23	\$5.27	\$4.29	\$4.79	\$0.44
Bulk Wastewater Rates						
Safe Harbor Marina						
13 Residential Units @ 1 ERC each	\$525.11	\$618.87	\$456.04	\$337.37	\$354.86	\$32.63
18 Live Aboard Boats @ .6 ERC each	\$436.20	\$514.09	\$378.86	\$281.14	\$295.72	\$27.19
27 Non-Live Aboard Boats @ .2 ERC each	\$218.10	\$257.04	\$189.43	\$140.57	\$147.86	\$13.59
6 Vacant Slips @ .2 ERC each	\$48.46	\$57.11	\$42.10	\$21.46	\$31.85	\$2.93
2 Bathhouses @ 1 ERC each	\$80.79	\$95.21	\$70.16	\$51.90	\$54.59	\$5.02
2 Commercial Businesses @ .5 ERC each	\$40.39	\$47.61	\$35.08	\$25.95	\$27.30	\$2.51
1 Commercial Bar	\$51.53	\$60.73	\$44.90	\$33.11	\$34.83	\$3.20
Total	\$1,400.58	\$1,650.67	\$1,216.57	\$891.51	\$947.00	\$87.07
South Stock Island Marinas (Peninsular Marina)						
13 Residential Units @ 1 ERC each	\$525.11	\$618.87	\$456.04	\$337.37	\$354.86	\$32.63
16 Live Aboard Boats @ .6 ERC each	\$387.73	\$456.96	\$336.77	\$248.70	\$261.60	\$24.05
26 Non-Live Aboard Boats @ .2 ERC each	\$210.04	\$247.55	\$182.42	\$134.08	\$141.03	\$12.97
Bathhouse @ 1 ERC	\$40.39	\$47.61	\$35.08	\$25.95	\$27.30	\$2.51
3 Commercial Businesses @ .5 ERC each	\$60.59	\$71.41	\$52.62	\$38.93	\$40.95	\$3.76
Total	\$1,223.86	\$1,442.39	\$1,062.93	\$785.04	\$825.73	\$75.92
General Service Multiple Agreement						
Large Swimming Pool (4 ERCs)	\$161.57	\$190.42	\$140.32	\$25.95	\$109.19	\$10.04
Small Swimming Pool (1.18 ERCs)	\$47.67	\$56.18	\$41.39	\$25.95	\$32.21	\$2.96
Temporary Service Agreement						
Sweetwater Environmental, Inc.						
Minimum Charge on 127,100 gallons	\$728.28	\$858.21	\$669.82	\$545.17	\$608.73	\$55.97
Gallonge Charge, per 1,000 Gallons	\$5.73	\$6.75	\$5.27	\$4.29	\$4.79	\$0.44
Typical Residential Bills 5/8" x 3/4" Meter						
3,000 Gallons	\$40.39	\$47.61	\$48.55	\$29.10	\$30.36	
5,000 Gallons	\$40.39	\$47.61	\$57.53	\$36.24	\$38.34	

10,000 Gallons (Wastewater Gallonage Cap - 10,000 Gallons)	\$40.39	\$47.61	\$79.98	\$54.09	\$58.29
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