

VOTE SHEET

DATE: December 17, 1996

RE: DOCKET NO. 960525-WU - Application for staff-assisted rate case in Pasco County by Virginia City Utilities, Inc.

Issue 1: Recommendation that the overall quality of service provided by Virginia City Utilities, Inc. is considered satisfactory. However, to prevent a potential problem which would affect the entire community's continuous water service during a single resident's line repair, and to insure accurate billing, the utility should be required to replace old valves and old meters. The utility has one hundred meters in pro forma which should be installed within six months from the effective date of the order. The remaining meters and the gate valves are to be replaced through the valve and meter change out program.

APPROVED

Issue 2: Recommendation that the water distribution system is considered 100% used and useful.

APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

[Handwritten signatures in the Majority column]
Susan J. Clark
J. Terry Dean
James K. [unclear]

REMARKS/DISSENTING COMMENTS:

PSC/RAR33 (5/90)

DOCUMENT NUMBER-DATE

13474 DEC 19 96

FPSC-RECORDS/REPORTING

Vote Sheet

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Issue 3: Recommendation that the appropriate average amount of test year rate base for VCUI is \$23,846.

APPROVED

Issue 4: Recommendation that the appropriate rate of return on equity is 11.88% with a range of 10.88% - 12.88% and the appropriate overall rate of return is 10.72% with a range of 10.64% - 10.80%.

APPROVED

Issue 5: Recommendation that the appropriate test year operating revenue is \$78,714.

APPROVED

Issue 6: Recommendation that the appropriate test year loss is \$13,390.

APPROVED

Issue 7: Recommendation that the appropriate amount for operating expenses is \$92,104.

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Issue 8: Recommendation that the appropriate revenue requirement is \$95,412.

APPROVED

Issue 9: Recommendation that the recommended rates be designed to produce revenues of \$92,437. 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), F.A.C. 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.

APPROVED

Issue 10: Recommendation that revenues be reduced by a total of \$513.00 annually to reflect the removal of rate case expense grossed up for regulatory assessment fees which are being amortized over a four-year period. The effect of the revenue reduction results in the rate decreases shown on Schedule No. 4 of staff's December 5, 1996 memorandum. The decrease in rates should become effective immediately following the expiration of the four-year rate case expense recovery period, pursuant to Section 367.0816, F.S. The utility should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and the reason for the reduction no later than one month prior to the actual date of the required rate reduction.

APPROVED

Issue 11: Recommendation that the recommended rates be approved for the utility on a temporary basis in the event of a timely 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, the proposed customer notice, and the revised tariff sheets.

APPROVED

Issue 12: Recommendation that, upon expiration of the protest period, if no timely protest is received from a substantially affected person, this docket should remain open for an additional six months from the effective date of the order to allow the utility time to complete pro forma plant and so that staff may verify the pro forma plant additions recommended in Issue No. 3. After the utility has complied with the order in all respects, has submitted approved revised tariff sheets reflecting the recommended rates, this docket should be closed administratively. However, if the utility fails to timely complete the aforementioned pro forma additions, staff will prepare a follow-up recommendation.

APPROVED