

VOTE SHEET

August 18, 2009

Docket No. 080715-WU – Application for staff-assisted rate case in Lake County by CWS Communities LP.

Issue 1: Is the quality of service provided by CWS Communities LP satisfactory?

Recommendation: The overall quality of service provided by CWS Communities LP is satisfactory.

APPROVED

Issue 2: What are the used and useful percentages of the Utility's water system?

Recommendation: The treatment plant and distribution system should be considered 100 percent used and useful.

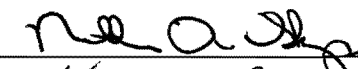
APPROVED

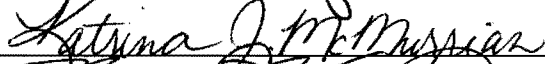
COMMISSIONERS ASSIGNED: All Commissioners


COMMISSIONERS' SIGNATURES

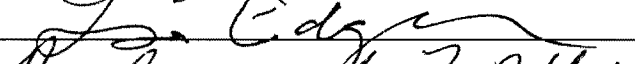
MAJORITY

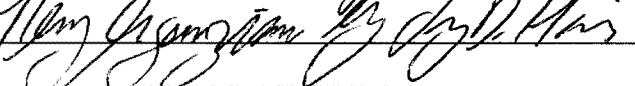
DISSENTING











REMARKS/DISSENTING COMMENTS: Commissioner Argenziano participated in the conference by telephone. She will sign the vote sheet upon her return to the office.

DOCUMENT NUMBER - DATE

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Issue 3: Should the 2009 pro forma adjustment for meter installations be included?

Recommendation: Yes, the 2009 pro forma adjustment of \$900 for meter installations should be included in the Utility's rate base.

APPROVED

Issue 4: What is the appropriate average test year rate base for the Utility?

Recommendation: The appropriate average test year water rate base for the Utility is \$33,004.

APPROVED

Issue 5: What is the appropriate rate of return on equity and overall rate of return for this Utility?

Recommendation: The appropriate return on equity is 11.14 percent with a range of 10.14-12.14 percent. The appropriate overall rate of return is 7.90 percent.

APPROVED

Issue 6: What is the appropriate amount of test year revenues in this case?

Recommendation: The appropriate amount of test year revenues in this case is \$26,413.

APPROVED

Issue 7: What are the appropriate operating expenses?

Recommendation: The appropriate amount of operating expense for the Utility is \$38,543.

APPROVED

(Continued from previous page)

Issue 8: What is the appropriate revenue requirement?

Recommendation: The appropriate revenue requirement is \$41,845 for water.

APPROVED

Issue 9: Should the Utility's current rate structure be changed, and if so, what is the appropriate rate structure for the Utility's water system?

Recommendation: No. The Utility's current dual flat rate structure which includes rates for occupied and unoccupied residence should be continued for the water system's residential and non-residential class.

APPROVED

Issue 10: Is an adjustment to reflect repression of consumption appropriate at this time?

Recommendation: No, a repression adjustment is not appropriate at this time.

APPROVED

Issue 11: What are the appropriate rates for each system?

Recommendation: The appropriate monthly water rates are shown on Schedule No. 4-A in staff's memorandum dated August 6, 2009. The recommended rates should be designed to produce revenues of \$41,845, excluding miscellaneous service charges. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. 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. In addition, the approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The Utility should provide proof of the date notice was given no less than 10 days after the date of the notice.

APPROVED

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Issue 12: 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 water rates should be reduced as shown on Schedule No. 4 in staff's memorandum dated August 6, 2009, to remove rate case expense grossed up for RAFs and amortized over a four-year period. 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. If the Utility files this reduction in conjunction with a price index or pass-through rate adjustment, separate data should be filed for the price index and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense.

APPROVED

Issue 13: Should the recommended rates be approved for the Utility on a temporary basis, subject to refund, in the event of a protest filed by a party other than the Utility?

Recommendation: Yes. Pursuant to Section 367.0814(7), F.S., the recommended rates should be approved for the Utility on a temporary basis, subject to refund, in the event of a protest filed by a party other than the Utility. Prior to implementation of any temporary rates, the Utility should provide appropriate security. If the recommended rates are approved on a temporary basis, the rates collected by the Utility should be subject to the refund provisions discussed in the analysis portion of staff's memorandum dated August 6, 2009. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility should file reports with the Commission's Division of Economic Regulation no later than the 20th of each month indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund.

APPROVED

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Issue 14: Should the Utility be required to provide proof, within 90 days of a final order finalizing this docket, that it has adjusted its books for all the applicable NARUC USOA primary accounts associated with the Commission approved adjustments?

Recommendation: Yes. To ensure that the Utility adjusts its books in accordance with the Commission's decision, CWS should provide proof, within 90 days of the final order issued in this docket, that the adjustments for all the applicable NARUC USOA primary accounts have been made.

APPROVED

Issue 15: Should this docket be closed?

Recommendation: No. The docket should remain open until a final order has been issued, staff has approved the revised tariffs sheets and customer notices, the Utility has sent the notices to its customers, staff has received proof that the customers have received notice within 10 days after the date of the notice, and the Utility has provided staff with proof that the adjustments for all the applicable NARUC USOA primary accounts have been made. Once staff has verified all of the above actions are complete, this docket should be closed administratively.

APPROVED