

VOTE SHEET

March 5, 2013

Docket No. 100471-SU – Application for staff-assisted rate case in Marion County by S & L Utilities, Inc.

Issue 1: Should the Utility's request for an extension of time to complete the pro forma plant addition be approved?

Recommendation: Yes. The Utility's request for an extension of time to complete the final pro forma plant addition should be approved. S & L should have the final plant addition completed by November 1, 2013.

APPROVED

RECEIVED-FPSC
13 MAR -5 AM 10: 19
COMMISSION
CLERK

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

[Handwritten signatures in blue ink on four lines]

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE
01149 MAR-5 2013
FPSC-COMMISSION CLERK

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Issue 2: Should the Commission revise the Phase II rates to reflect the pro forma plant additions completed by the Utility, and if so, what are the appropriate return on equity (ROE), overall rate of return, revenue requirement, and rates?

Recommendation: Yes. The Commission should revise the Phase II revenue requirement to reflect the pro forma plant additions completed to date. S & L's ROE should be 11.16 percent with a range of 10.16 to 12.16 percent. The appropriate overall rate of return is 7.31 percent. The revised Phase II revenue requirement is \$61,693, which equates to an increase of 2.94 percent over the Phase I revenue requirement. The Phase II increase should be applied as an across-the-board increase to the Phase I rates currently in effect. 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 within 10 days of the date of the notice.

APPROVED

Issue 3: Should the Commission approve a Phase III rate increase for this Utility and if so, what is the appropriate ROE, overall rate of return, revenue requirement, and rates?

Recommendation: Yes. The Commission should approve Phase III rates to reflect the final pro forma plant additions. S & L's ROE should be 11.16 percent with a range of 10.16 to 12.16 percent. The appropriate overall rate of return is 7.11 percent. The Phase III revenue requirement is \$63,309, which equates to an increase of 2.62 percent over the Phase II revenue requirement. The Phase III increase should be applied as an across-the-board increase to the Phase II rates. The Utility should be allowed to implement the above rates once the pro forma addition for the two air blowers has been completed and documentation provided showing that the improvements have been made. Once verified, the 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 notice has been received by the customers. S & L should provide proof of the date notice was given within 10 days of the date of the notice. If the Utility encounters any unforeseen events that will impede the completion of the pro forma project, the Utility should immediately notify the Commission in writing.

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Issue 4: What is the appropriate initial customer deposit for this Utility?

Recommendation: An initial customer deposit of \$136 should be approved. The Utility should file a revised tariff sheet and proposed notice consistent with the Commission's vote. The initial customer deposit should become effective for connections made on or after the stamped approval date of the revised tariff sheet after the customers have been notified.

APPROVED

Issue 5: Should this docket be closed?

Recommendation: No. The docket should remain open for staff's verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff. Also, the docket should remain open to allow staff to verify that the pro forma items have been completed and the Phase III rates properly implemented. Once these actions are complete, this docket should be closed administratively.

APPROVED