

FLORIDA PUBLIC SERVICE COMMISSION

Fletcher Building
101 East Gaines Street
Tallahassee, Florida 32399-0850

MEMORANDUM

AUGUST 29, 1991

TO : DIRECTOR, DIVISION OF RECORDS AND REPORTING

FROM : DIVISION OF AUDITING AND FINANCIAL ANALYSIS (HARTSFIELD) *dh*

RE : UTILITY: THE WOODS, A DIVISION OF HOMOSASSA UTILITIES
DOCKET NO. 900966-WS
COUNTY: SUMTER
CASE: APPLICATION FOR A STAFF-ASSISTED RATE CASE

AGENDA : SEPTEMBER 10, 1991 - CONTROVERSIAL - PROPOSED AGENCY ACTION
EXCEPT FOR ISSUE 21 - PARTIES MAY PARTICIPATE

CRITICAL DATES : FIFTEEN MONTHS EXPIRES MAY 8, 1992

SPECIAL INSTRUCTIONS : THIS IS AN INITIAL DECISION WHICH SHOULD BE HEARD
BY THE FULL COMMISSION.

At the August 6, 1991 Agenda Conference, the Commission requested schedules showing the effect on rates of rate base being established at purchase price when ownership was transferred from the previous owner to the current owner. Attached are schedules showing the effect on rates of rate base being established at purchase price at the time of transfer. Also included are schedules showing the effect on rates of rate base being established at purchase price with a 75% imputation of CIAC at the time of transfer.

dh/DH

DOCUMENT NUMBER-DATE

08724 AUG 30 1991

FDSC-RECORDS/REPORTING

The Woods
 Schedule of Rate Base
 Test Year Ended 12/31/90

	Water -----	Sewer -----
Utility Plant in Service	25,420.64	5,466.67
Land	500.00	500.00
Accumulated Depreciation	(479.58)	(219.88)
* CIAC	(19,775.00)	0.00
Accum. Amort. of CIAC	247.19	0.00
Plant Held for Future Use	(1,696.81)	(2,407.12)
Working Capital	1,709.00	1,514.00
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Average Rate Base	<u>5,925.43</u>	<u>4,853.66</u>

* No imputation of CIAC at date of transfer

The Woods
 Schedule of Net Operating Income
 Test Year Ended 12/31/90

	Water	Sewer
Operating Revenues	15,495.83	13,976.80
Operation & Maintenance	13,672.00	12,110.00
Depreciation Expense	96.69	74.26
Taxes Other Than Income	1,062.31	1,247.96
Income Taxes	0.00	0.00
Total Operating Expenses	14,831.00	13,432.22
Net Operating Income	664.83	544.58
Rate Base	5,925.43	4,853.66
Rate of Return	11.22%	11.22%

The Woods
 Schedule of Capital Structure
 Test Year Ended 12/31/90

	Balance Per Utility	Staff Adjustments	Balance Per Staff	Recon. Adjustment	Recon. Balance	Weight	Cost Rate	Weighted Cost
Common Equity	(28,940)	25,793	(3,147)	13,926	10,779	100.00%	11.22%	11.22%
Long and Short-Term Debt	0		0	0	0	0.00%	12.00%	0.00%
Customer Deposits	0		0	0	0	0.00%	8.00%	0.00%
Advances from Associated Companies	0		0	0	0	0.00%	0.00%	0.00%
Other	0		0	0	0	0.00%	0.00%	0.00%
	(28,940)	25,793	(3,147)	13,926	10,779	100.00%		11.22%

FACTORED BASE FACILITY CHARGE

Water

5/8" X 3/4"	11.65
3/4"	17.48
1"	29.13
1 1/2"	58.25
2"	93.20
3"	186.40
4"	291.25
6"	582.50
8"	932.00

CHARGE PER 1000 GALLONS 2.35

RESIDENTIAL BILLS

5/8" X 3/4"

3,000 gallons	\$ 18.70
5,000 gallons	\$ 23.40
10,000 gallons	\$ 35.15
Average Bill @ 4,000 Gallons	21.05
Maximum Customer Deposit	42.09

FACTORED BASE FACILITY CHARGE

Wastewater

5/8" X 3/4"	10.59
3/4"	15.89
1"	26.48
1 1/2"	52.95
2"	84.72
3"	169.44
4"	264.75
6"	529.50
8"	847.20

CHARGE PER 1000 GALLONS

Residential	2.11
General Service	2.53

* Maximum of 6,000 gallons

RESIDENTIAL BILLS

	5/8" X 3/4"
3,000 gallons	\$ 16.92
5,000 gallons	\$ 21.14
6,000 gallons	\$ 23.25
Average Bill @ 4,000 Gallons	19.03
Maximum Customer Deposit	38.07

The Woods
 Schedule of Rate Base
 Test Year Ended 12/31/90

	Water -----	Sewer -----
Utility Plant in Service	25,420.64	5,466.67
Land	500.00	500.00
Accumulated Depreciation	(479.58)	(219.88)
CIAC	(21,650.00)	(1,875.00)
Accum. Amort. of CIAC	359.69	112.50
Plant Held for Future Use	(1,159.69)	(1,884.49)
Working Capital	1,709.00	1,514.00
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Average Rate Base	<u>4,700.05</u>	<u>3,613.79</u>

* CIAC imputed at 75% of purchase price at time of transfer.

The Woods
Schedule of Net Operating Income
Test Year Ended 12/31/90

	Water	Sewer
Operating Revenues	15,327.80	13,806.66
Operation & Maintenance	13,672.00	12,110.00
Depreciation Expense	73.70	50.89
Taxes Other Than Income	1,054.75	1,240.30
Income Taxes	0.00	0.00
Total Operating Expenses	14,800.45	13,401.19
Net Operating Income	527.35	405.47
Rate Base	4,700.05	3,613.79
Rate of Return	11.22%	11.22%

The Woods
 Schedule of Capital Structure
 Test Year Ended 12/31/90

	Balance Per Utility	Staff Adjustments	Balance Per Staff	Recon. Adjustment	Recon. Balance	Weight	Cost Rate	Weighted Cost
Common Equity	(28,940)	25,793	(3,147)	11,461	8,314	100.00%	11.22%	11.22%
Long and Short-Term Debt	0		0	0	0	0.00%	12.00%	0.00%
Customer Deposits	0		0	0	0	0.00%	8.00%	0.00%
Advances from Associated Companies	0		0	0	0	0.00%	0.00%	0.00%
Other	0		0	0	0	0.00%	0.00%	0.00%
	(28,940)	25,793	(3,147)	11,461	8,314	100.00%		11.22%

FACTORED BASE FACILITY CHARGE

Water

5/8" X 3/4"	11.61
3/4"	17.42
1"	29.03
1 1/2"	58.05
2"	92.88
3"	145.76
4"	290.25
6"	580.50
8"	928.80

CHARGE PER 1000 GALLONS 2.33

RESIDENTIAL BILLS

5/8" X 3/4"

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3,000 gallons	\$ 18.60
5,000 gallons	\$ 23.26
10,000 gallons	\$ 34.91
Average Bill @ 4,000 Gallons	20.92
Maximum Customer Deposit	41.83

FACTORED BASE FACILITY CHARGE

Wastewater

5/8" X 3/4"	10.55
3/4"	15.83
1"	26.38
1 1/2"	52.75
2"	84.40
3"	168.80
4"	263.75
6"	527.50
8"	844.00

CHARGE PER 1000 GALLONS

Residential	2.09 *
General Service	2.51

* Maximum of 6,000 gallons

RESIDENTIAL BILLS

	5/8" X 3/4"
3,000 gallons	\$ 16.82
5,000 gallons	\$ 21.00
6,000 gallons	\$ 23.09
Average Bill @ 4,000 Gallons	18.90
Maximum Customer Deposit	37.80