# BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION ORIGINAL

In re: Applications For An Amendment	)	
Of Certificate For An Extension	)	
Of Territory And For an Original	}	
Water And Wastewater Certificate	}	Docket No. 992040-WS
(for a utility in existence and charging	)	
for service)	)	
	)	
In re: Application by Nocatee Utility	}	
Corporation for Original Certificates for	}	
Water & Wastewater Service in Duval	)	Docket No. 990696-WS
and St. Johns Counties, Florida	)	
	)	

## REBUTTAL TESTIMONY OF **MICHAEL E. BURTON**

ON BEHALF OF INTERCOASTAL UTILITIES, INC.

DOCUMENT NUMBER-DATE 06774 JUN-28 FPSC-RECORDS/REPORTING

## Rebuttal Testimony of Michael E. Burton

2		
3	Q:	Please state your name and professional address for the record.
4	<b>A</b> :	My name is Michael E. Burton. My professional address is Burton & Associates, Inc. at
5		440 Osceola Avenue, Jacksonville Beach, Florida 32250
6	Q:	By whom are you employed and in what capacity?
7	A:	I am employed by Burton & Associates, Inc. as its President.
8	Q:	Please state your education and professional experience in matters related to water and
9	`	wastewater utility rates and rate making.
10	<b>A</b> :	I received a Bachelors of Industrial Engineering degree from the University of Florida in
11		March of 1970. I have over 21 years of experience in water and sewer rate making,
12		including 10 years with Arthur Young & Company, now Ernst & Young, where I last
13		served as a Principal in charge of the Firm's Florida Utility Economics Practice Area. I founded Burton & Associates 11 years ago and we have specialized in water and sewer
		rate making since the Firm's inception. I have conducted water and sewer rate studies and
14		related financial analyses for over 60 governmental and private clients. I have also served
15		as the regulatory rate consultant for St. Johns County for 9 years and as the regulatory
16		rate consultant for Flagler County for three years.
17		
18	Q: A:	Have you been accepted as an expert witness in an administrative proceeding?
19	A.	Yes, in cases before the St. Johns County Water and Sewer Authority, the Flagler County Utility Regulatory Interim Authority and the Florida Public Service Commission.
		Culty Regulatory Internit Authority and the Piorida I done Service Commission.
20	Q:	In what areas?
21	<b>A</b> :	Utility rates, rate making and related issues.
22		
23	Q:	Are you familiar with Intercoastal's application and its proposal?
24	<b>A</b> :	Yes.
25		
1		

Q:

A:

Mr. Miller listed as a concern of his in his testimony the fact that Intercoastal has included Walden Chase in its application, whereas Walden Chase has an agreement with St. Johns County to provide water and sewer services as soon as May, 2000. Is this statement true? Intercoastal has assumed that Walden Chase would be in the requested service area in its application. At the time the application was filed, it is my understanding that the issue of St. Johns County serving Walden Chase was under legal appeal. However, in light of Mr. Miller's concerns, I have run our model assuming that Walden Chase is served by St. Johns County. The implication is the removal of Walden Chase's projected connections and resultant revenues, marginal expenses and property and cash CIAC. No adjustment was made to the CIP because Walden Chase would be served with the same backbone system as the rest of the requested service area and the elimination of Walden Chase's connections would not be sufficient to resize the system.

Q: Do you have the results of your projections without Walden Chase?

A: Yes. I have included Exhibit MB-3 which includes these adjustments. I should point out that Exhibit MB-3 also includes a scenario to demonstrate the effect with the assumption of funding with 40% equity and 60% debt in response to Ms. Swain's testimony as described later in my testimony.

Q: With regard to the exclusion of Walden Chase, what are the results of your analysis?
 A: Assuming Intercoastal's proposed capital plan and plan of financing, the exclusion of Walden Chase causes the rate impacts, assuming an average single family residential water

usage of 10,000 gallons per month, to go from \$79.70 with current rates to \$58.87 in 2009. Compared to the analysis in MB-2, where the rate impacts of Intercoastal's plan in 2009 were \$58.59, the removal of Walden Chase would have the effect of increasing the projected monthly water and sewer bill of the typical residential customer by

approximately \$0.28 per month by 2009.

Yes. Ms. Swain concludes that Intercoastal has been unable to pay its debt service from operating earnings for the years 1997 and 1998 and that Intercoastal has had to increase wastewater rates over 40% in part to pay for new debt and that it is unclear whether this increase will provide revenues adequate to pay for new debt.

Q: Do you disagree with her conclusion?

A:

A:

Yes. First, for the moment, assume that Ms. Swain's concerns regarding the ability to pay debt service from operating income are valid. Under the scenario of service proposed by NUC, this concern about inability to meet debt service with net income would be even more apparent in the case of NUC during its start-up years. NUC will have to invest in substantial amounts of infrastructure as a condition of being able to serve the first customers within its service territory and the monies required to fund debt (even at a 60% debt level) to cover that substantial investment will for years be far beyond the net income derived from revenues from customers actually served. This is because the utility will have to invest in those distribution, transmission and collection facilities and will not have any customers online (as does Intercoastal) prior to the construction of at least the first phase. Therefore, to the extent that Ms. Swain's concern is a legitimate one, it will be substantially more apparent and of greater concern under the service proposed by NUC where there is no existing mature service area (such as with Intercoastal), revenues from which will help to lessen the impact of this new area of growth.

That being said, the rate regulation criteria of St. Johns County and the Florida Public Service Commission do not provide for an investor owned utility to generate sufficient net income, on an accrual basis to pay for its debt service. Investor owned rate regulation provides only that a utility be allowed to recover 1) interest, in its return on rate base based upon the weighted cost of capital of the utility, and only to the extent that rate base reflects used and useful plant, and 2) principal in the form of depreciation on the assets funded with debt, and only to the extent that those assets are used and useful.

There is no specific provision, or for that matter requirement, that a utility recover the

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A:

total amount of its debt service, and in fact my comments in the prior paragraph show that the regulations specifically disallow the recovery of principal and interest related to non used and useful plant.

Therefore, Ms. Swain's testimony that Intercoastal's financial strength is somehow suspect because of this condition is misleading, wrong and indicates that she either does not understand the dynamics of the rate regulation process as it relates to the recovery of debt service or is trying to mislead any readers of her testimony regarding Intercoastal's financial strength in this regard.

Q: Do you disagree with any of Ms. Swain's other conclusions?

Yes. Ms. Swain concludes that Intercoastal's recent rate increase of over 40% was to pay for new debt and that it is unclear if that new debt can be paid from the resultant revenues. Again, Ms. Swain either does not understand or is trying to mislead the reader of her testimony. Intercoastal's recent rate increase was awarded by St. Johns County solely because of the impact of the requirement of the Florida Department of Environmental Regulation that Intercoastal install a wastewater effluent discharge line to the Intracoastal Waterway and upgrade its wastewater treatment processes to a level sufficient for such a surface water discharge. This was all to protect the Guana River system from effluent overflows that were coming from the Sawgrass retention ponds, where Intercoastal's effluent was being discharged. The rate increase awarded was what Intercoastal was entitled to under the rules of the St. Johns County Water and Sewer Authority.

Also, as with my answer to the previous question, if Ms. Swain's concern about the ability to pay debt service with revenues is legitimate, it should be of much greater concern regarding NUC's proposed plan of service because of the significant investment required to serve even the first customer, without an existing customer base such as Intercoastal has.

What about Ms. Swain's conclusions about Intercoastal's highly leveraged position?

Ms. Swain concludes that because of Intercoastal's highly leveraged position there is a high financial risk and that this raises questions regarding the continued financial viability of the utility over the long term, particularly in light of its plans to finance its expansion

into the requested territory entirely through debt.

**A**:

First, I will respond as to Ms. Swain's assertion that it is bad to use debt to finance utility improvements, that it indicates a lack of financial strength and that it is risky is simply wrong. Debt is simply an alternative source of capital. The decision as to whether to use debt or equity as a source of capital is made in part based upon the cost of each source of capital and the impact upon the rate payers of the utility. In Intercoastal's case, its cost of debt is 6.5% and the cost of equity is about 10.0%. Therefore, using debt to finance capital improvements results in lower rates than if equity were used, thus benefitting the rate payer. Also, the interest payments associated with debt are a deductible expense for the purposes of computing federal income taxes, thus having a beneficial impact on rates, whereas, return on equity is not deductible.

Q: What about Ms. Swain's assertion that being highly leveraged is risky?

Some may say that as a general rule higher leveraged systems have more risk. This may be a theoretical truism, however, from the actual rate making standpoint of Intercoastal and this service area, any alleged financial risks that may apply to the general case, either do not exist in Intercoastal's case or are more than substantially outweighed by other decreases in risks and benefits to the customers as a whole.

From a pure revenue generation viewpoint, there is no more risk associated with debt than there is with equity, because rate regulation provides that the utility can recover the cost associated with each source of capital. In fact, by not depleting the financial reserves of the utility owners by large equity infusions to the utility to fund capital, not only do the rate payers of Intercoastal benefit through lower rates, but they also benefit by the fact that the utility owners preserve those equity resources to draw upon in the event of unforseen temporary revenue shortfalls and to use to cover any cash flow deficits that may occur during periods when the utility's used and useful percentage does not allow for full recovery of debt service. Therefore, at least in Intercoastal's case, the use of debt is actually less expensive to the rate payer and less risky than the use of equity as a source of capital.

Also, Intercoastal has maintained a highly leveraged position ever since the current owners

Q:

A:

acquired the utility. The strength of this capital financing strategy and the testimony to the long term financial viability of the utility is this long history of successful financing and operation of the utility as it has grown into a large regional utility in northeast St. Johns County.

Have you tested the impact of assuming the same percentage of equity financing as NUC used in Intercoastal's proposed plan for the requested service area?

Yes. NUC used 40% equity and 60% debt in its application. Therefore, to demonstrate the effect of this equity/debt ratio upon Intercoastal's plan I reran our analysis using the assumption that 40% of the required capital improvements would be funded with equity at 10.0% and 60% would be funded with debt at 6.5%.

The results of this analysis are shown in Exhibit MB-3, which also assumes that Walden Chase will not be served by Intercoastal as discussed earlier in my testimony in response to one of Doug Miller's concerns. Exhibit MB-3 shows that for Scenarios 1a and 1b, which project the rate impact of Intercoastal's plan to serve the requested service area, the use of 100% debt financing (Scenario 1a) results in an average residential water and sewer bill of \$58.87 in 2009 assuming 10,000 gallons of water usage per month, whereas, the use of 40% equity financing and 60% debt financing (Scenario 1b) results in an average water and sewer bill of \$61.42. Therefore, by 2009, Intercoastal's proposed capital finance plan results in a monthly savings of \$2.55 compared to funding with 40% equity.

Also, Exhibit MB-3 shows that for Scenarios 2a and 2b, which project the rate impact of Intercoastal adopting NUC's proposed plan to serve the requested service area, the use of 100% debt financing (Scenario 2a) results in an average residential water and sewer bill of \$64.31 in 2005 (the last year of NUC's capital plan) assuming 10,000 gallons of water usage per month, whereas, the use of 40% equity financing and 60% debt financing (Scenario 2b) results in an average water and sewer bill of \$64.62 by 2005. Therefore, Intercoastal's proposed capital finance plan results in a monthly savings of \$0.31 compared to funding with 40% equity.

A:

A:

What about Ms. Swain's continued assertions that Intercoastal will not be able to pay its projected interest from operating income in the projection in your exhibits.

Again, I must state that if Ms. Swain's concerns are legitimate, NUC, under its proposed plan of service will be even less able to fund its interest payments from revenues (even though it proposes to utilize 60% debt), simply because of the fact that it will be a start-up utility with no additional sources of revenue from a mature service area to lessen the impact, as has Intercoastal. That being said, regulation of investor owned utilities does not provide or require that operating income cover interest, and in fact specifically does not allow for it in times when used and useful plant is less than 100%. Furthermore, the ability to pay interest on debt is not limited to operating income. In the calculation of operating income, the non cash expense of depreciation is deducted, however, the cash recovered for depreciation is available to the utility. Therefore, the more appropriate measure of the utility's ability to pay its cash expenses would be an analysis of cash flows.

Q: Have you conducted such an analysis of cash flows?

Yes. Figure 18 in Exhibit MB-3 presents an analysis of cash flows for each year in the ten year projection period for all scenarios considered. For Scenario 1a, which reflects Intercoastal's proposed plan, this figure shows that during the forecast period from 2000 through 2005 that there will be adequate cash flows in each year to cover all of the utility's cash expenses, with the exception of 2002 and 2003. In these years equity subsidies of \$460,987 and \$204,162 respectively will be required to cover all cash expenses. However, positive cash flows in 2004 and 2005 of \$253,941 and 272,070 respectively offset to a great extent the requirement for equity in 2002 and 2003 so that the net equity subsidies required by 2005 will be \$139,138. From 2006 to 2009 the only years with negative cash flows are 2008 and 2009, and in those years the negative cash flows are \$441,929 and \$526,071 respectively. In summary, Figure 18, Scenario 1a in Exhibit MB-3 shows that the maximum cumulative equity subsidy required to cover negative cash flows through 2005 is projected to be \$665,149, in 2003, and the maximum cumulative equity subsidy required through 2009 is projected to be \$968,000, in 2009.

It is important to note these maximum cumulative equity subsidies with 100% debt financing compare to maximum equity contributions of \$5,051,694 through 2005 and \$5,217,261 through 2009 if 40% of the capital used to finance capital improvements were

equity as is shown in Figure 18, Scenario 1b in Exhibit MN-3. I believe that this demonstrates my earlier point that by not using equity to fund capital initially, the utility's owners can preserve those equity resources to cover any cash flow shortfalls that result from operating the utility under the regulatory constraints regarding recovery of the cost of capital.

- Q: Ms. Swain states that Intercoastal's plan will increase its current debt significantly in the next couple of years. Does this alarm you?
- A: No. In fact, I believe that Intercoastal's continued ability to attract debt capital is a measure of its financial strength and the judgement of its financing resources that Intercoastal has a viable long term financial outlook. And as I stated earlier, adjustment of its capital finance plan to a larger equity percentage will only cause rates to be higher.
- Q: Could Intercoastal implement its capital plan with 40% equity and 60% debt funding?
- A: Yes. I believe that Mr. Jim Bowen's testimony indicates that Intercoastal's owners have adequate financial resources to provide that level of equity funding. However, as I have continually stated, the proposed plan provides lower rates and less risk to the rate payer.
- Q: Ms. Swain makes a number of comments about NUC's proposed rates compared to Intercoastal's proposed rates and concludes that rates should not be a major factor in the Commission's decision in these dockets. Do you agree with Ms. Swains statements and conclusions?
- A: No. First, NUC has provided only what is required for a new utility application, that is a snapshot of its rates at 80% of capacity, whereas Intercoastal has provided the Commission with a ten year projection of the impact of serving the requested service area upon its rates. Therefore, Intercoastal has surely provided the Commission with a better basis to assess the impact upon the customers' rates in the requested service area over the long term than has NUC. Ms. Swain's statement regarding her assessment that NUC's rates should decrease over time as additional customers are added is not substantiated by any analysis that she has presented.

Ms. Swain also presented a rate comparison and concludes that because the monthly bills of a customer with 5,333 gallons per month of water usage (Intercoastal's average

customer) with NUC's rates and with Intercoastal's rates are virtually identical, rates should not be a major factor in the commission's decision in these dockets. As I stated in my Intervenor's Testimony, 5,333 gallons per month is the average residential customer's usage for Intercoastal's current customer base. However, this includes many individually metered condominiums east of highway AIA which have highly seasonal occupancy. The development that will occur in Nocatee will likely be more similar to the development in the western portion of Intercoastal's service area, which is single family homes with year round occupancy.

In my Intervenor's Testimony, I provided several pictures of homes in this part of Intercoastal's current service area. Since that time, I have also reviewed an analysis of water usage for the Sawmill Lakes subdivision, which is a subdivision in the western portion of Intercoastal's current service area along CR 210. The homes pictured in my Intervenor's Testimony, all in the western portion of Intercoastal's current service area, are similar to the homes in Sawmill Lakes and at least one of the homes pictured is in Sawmill Lakes.

This water usage analysis shows that the average monthly water usage for this subdivision for the three months ending 1/31/2000 was 18,590 gallons per month per home. It is important to note that these three months are historically the lowest months of usage throughout the year. Therefore, I believe that this level of water usage is a conservative indicator of what might be expected in the requested service area. However, we choose to use only 10,000 gallons per month in our customer impact analysis to be doubly conservative. In Exhibit MB-3, which updates Exhibit MB-2 from my Intervenor's testimony, Scenario 1a, Intercoastal's plan, shows that when the monthly water and sewer bills are compared with Intercoastal's current rates (projected to 2002) and NUC's proposed rates for 10,000 gallons per month of water usage, the bill would be \$79.70 with Intercoastal's rates and \$84.78 with NUC's rates, an amount that is 6.37% higher than with Intercoastal's rates.

Furthermore, these rate impact comparisons are for 2002, the first projected year of development in the requested service area, and the projections provided in Exhibit MB-3 show that under Scenario 1a, Intercoastal's proposed plan, *Intercoastal's rates will* 

Q:

decrease from an impact of \$79.70 per month to an impact of \$58.87 per month by 2009 which is a reduction of approximately 26% and NUC has presented no evidence that its rates will decrease in the future. Even if one accepts Ms. Swain's opinion that NUC's rates will also decrease in the future as customers are added, it could not happen until the utility exceeds 80% of capacity, the assumption under which its initial rates were calculated. Also, NUC will never have the comparative economies of scale that Intercoastal has in the form of its current customer base west of the Intracoastal Waterway. This customer base will always give Intercoastal more customers than NUC over which to spread its fixed costs, resulting in lower rates than can be achieved by NUC.

Therefore, when a rate impact comparison is performed for the 10,000 gallons per month (the level of water usage that is more like what will occur in the requested service area) the favorable impact of Intercoastal's rates over NUC's rates is very large. <u>NUC's proposed rates result in monthly water and sewer bills that are 6.37 % higher than Intercoastal's using 10,000 gallons per month in 2002, 18.01% higher than Intercoastal's in 2005 and 44.01% higher than Intercoastal's in 2009. Therefore, I believe that the level of rates must be a significant factor in the Commission's decision in these dockets.</u>

Furthermore, if, as Ms. Swain opined, NUC will experience some level of reduction in rates after the 80% of capacity level is reached, I submit that if that were true, she would have prepared an analysis to support her opinion. It seems that the importance of these proceedings to NUC would dictate that if an analysis could support such an opinion, it would be worth doing. Therefore, without a supporting analysis, one must assume that the initial NUC rates will not decrease, otherwise NUC would have substantiated such a claim. Also, it must be considered that the initial NUC rates may in fact increase in the future, which would be further reason for NUC to avoid presenting an analysis of future rate impacts and to rely upon opinions unsupported by an analysis.

Ms. Swain states that Intercoastal's rates simply mirror the rates that are currently in effect under regulation by St. Johns County and that they do not include any pro forma effect of expanding the system to serve west of the Intracoastal Waterway and that they may not include the full rate making effect of water and wastewater plant expansions

A:

No. It is very curious to me that Ms. Swain can make such claims if she read my testimony because the essence of my testimony and Exhibit MB1 (replaced by Exhibit MB2 in my Intervenor's Testimony) was a pro forma ten year analysis of the full rate making effect upon Intercoastal's rates. This pro forma analysis clearly includes projected units west of the Intracoastal Waterway (Figure 2 in Exhibits MB-1, MB-2 and MB-3) and a ten year capital plan (Figure 11 in Exhibits MB-1, MB-2 and MB-3) to provide service to those units. This analysis also clearly includes the recent wastewater system improvements and a projected expansion to the water system east of the Intracoastal Waterway (Figure 11 in Exhibits MB-1, MB-2 and MB-3).

This proforma projection, which presents the full effect of all aspects of rate making in detail in the figures in Exhibits MB-1, MB-2 and MB-3, provides a much more detailed projection of not only the specific costs to serve the requested service area than does NUC's testimony, but also of the effects of those costs through a full rate effects analysis for ten years, which was not provided at all in NUC's testimony to date.

Q:

A:

Ms. Swain states that your projections include an excessive level of CIAC resulting in an artificially low projection of future rates due to the assumption that Intercoastal would only invest in the backbone mains running along CR 210 and that the backbone wastewater mains in Phase I appear to be inadequately sized. Do you agree with her statements?

No. Mr. Forrester and Mr. Miller will address the issue of sizing of backbone wastewater mains and the level of contributed lines to be expected from developers versus the utility's expected investment in lines in their testimony. However, even if one accepted Ms. Swain's contention regarding the level of CIAC, Scenario 2 in Exhibit MB-2 in my Intervenor's Testimony and in Exhibit MB-3 submitted with this Rebuttal Testimony both assume that Intercoastal simply adopts the capital plan proposed by NUC. I must assume that NUC's capital plan includes the level of investment in mains and sizing of mains that NUC feels would be appropriate. Even assuming implementation of NUC's capital plan by Intercoastal, comparison of the results of Scenario 1 (Intercoastal's plan) with Scenario

Q:

A:

A:

2 (Intercostal implementing NUC's plan) in Exhibits MB-2 in my Intervenor's Testimony in Exhibit MB-3 submitted with this testimony shows that all of the advantages that Intercoastal as the utility in the requested service area has over NUC, assuming Intercoastal implemented its proposed capital plan, would exist even if Intercoastal implemented NUC's proposed capital plan.

Ms. Swain also stated that it appeared that developer contributed lines may have been excluded from your projections of future CIAC as a percentage of future plant and that your conclusion that Intercoastal's CIAC will remain within Commission guidelines is suspect and cannot be verified. Do you agree?

No. This statement by Ms. Swain indicates that she either did not examine my projections, does not understand the projections, or is trying to deliberately plant negative seeds of doubt regarding my projections with her unfounded speculative "may have excluded" statements. Developer lines are clearly included in my projections on Figure 7, page 2 of 2, line 1 in Exhibits MB-2, MB-2 and MB-3. Figure 9, line 1 and 17 in Exhibits MB-1, MB-2 and MB-3 shows that CIAC as a percentage of future plant is within Commission guidelines throughout the projection period and this percentage calculation includes total CIAC, including developer contributed lines, from Figure 7 in Exhibits MB-1, MB-2 and MB-3.

Q: Can you summarize the financial implications of your rebuttal testimony?

Yes. Exhibit MB-3 revises Exhibit MB-2 to exclude Walden Chase from the projections. I will summarize the effect of this change and other scenarios of financing evaluated based upon two assumptions. The first assumption is that Intercoastal implements its proposed capital plan. This assumption is embodied in Scenarios 1a and 1b in Exhibit MB-3. The second assumption is that Intercoastal implements NUC's proposed capital plan with wholesale service from the JEA. This assumption is embodied in Scenarios 2a and 2b in Exhibit MB-3. The a and b versions of these scenarios assume that capital projects are funded with a 100%/0% debt/equity ratio or a 60%/40% debt/equity ratio respectively.

Assume that Intercoastal Implements its Proposed Stand Alone Capital Plan

The results of this analysis are that, assuming Intercoastal's proposed capital plan and

100% debt financing, by 2009 the average monthly water and sewer bill of a single family residential customer with 10,000 gallons per month of water usage is projected to be \$58.87, whereas with Walden Chase included in the projections it was \$58.59. This is shown in the chart and graph on page 14.

The results of assuming a plan of financing that includes 60% debt and 40% equity instead of Intercoastal's proposed 100% debt financing are that by 2009 the average monthly water and sewer bill of a single family residential customer with 10,000 gallons per month of water usage is projected to be \$61.42, whereas with Intercoastal's proposed 100% debt financing plan (adjusted to remove Walden Chase) it was \$58.87. This is also shown in the chart and graph on page 14.

Finally, a comparison of Intercoastal's plan with 100% debt financing with NUC's proposed rates shows that by 2005 NUC's rates will be approximately 18% higher than Intercoastal's. Under this financing plan, if NUC's rates remain at the proposed levels through 2009 (NUC has presented no projections of future rate reductions), they will exceed Intercoastal's projected rates by approximately 44%. This is also shown in the chart and graph on page 14.

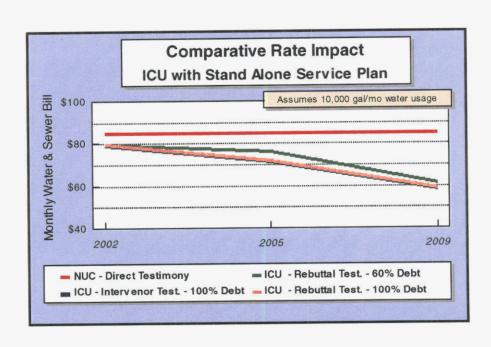
Comparing Intercoastal's plan with 60% debt and 40% equity financing with NUC's proposed rates shows that by 2005 NUC's rates will be approximately 11% higher than Intercoastal's. Under this financing plan, if NUC's rates remain at the proposed levels through 2009 (NUC has presented no projections of future rate reductions), they will exceed Intercoastal's projected rates by approximately 38%. This is also shown in the chart and graph on page 14.

### Assume that Intercoastal Implements its Proposed Stand Alone Capital Plan

						CONTRACTOR DESCRIPTION OF			
	Monthl	y Water an	d Sewer B	ill with 10,000 gal/Mo Usage					
	Intercoas	tal's Financ	ing Plan	Nocatee's Financing Plan					
		Debt, 0% E		60% E	Debt, 40% E	quity			
Description	2002	2005	2009	2002	2005	2009			
Intercoastal - Assumes									
Proposed Stand Alone Service									
Plan:	470.70	A74 74	<b>\$50.50</b>	NIA	NA	NA			
Intervenor Testimony	\$79.70	\$71.71	\$58.59	NA 070.70		\$61.42			
Rebuttal Testimony (1)	\$79.70	\$71.84	\$58.87	\$79.70	\$76.12	\$01.42			
NUC Direct Testimony -		Test to							
Assumed 60% debt financing		****	40470	00470	¢04.70	\$84.78			
(2)	\$84.78	\$84.78	\$84.78	\$84.78	\$84.78	\$04.70			
Amount that NUC rates are			*****	45.00	40.00	000.00			
higher than Intercoastal's	\$5.08	\$12.94	\$25.91	\$5.08	\$8.66	\$23.36			
Percentage that NUC rates are					44.000/	00.000/			
higher than Intercoastal's	6.37%	18.01%	44.01%	6.37%	11.38%	38.03%			

(1) Revised to remove Walden Chase

(2) NUC did not project any adjustments to their initial rates.



## Assume that Intercoastal Implements NUC's Proposed Capital Plan with Wholesale Service from the JEA

The results of this analysis are that, assuming Intercoastal implements NUC's proposed capital plan with wholesale service from the JEA and 100% debt financing, by 2005 (the last year of NUC's projected capital plan) the average monthly water and sewer bill of a single family residential customer with 10,000 gallons per month of water usage is projected to be \$64.31, whereas with Walden Chase included in the projections it was \$62.52. This is shown in the chart and graph on page 16.

The results of assuming a plan of financing that includes 60% debt and 40% equity instead of Intercoastal's proposed 100% debt financing are that by 2005 the average monthly water and sewer bill of a single family residential customer with 10,000 gallons per month of water usage is projected to be \$64.62, whereas with Intercoastal's proposed 100% debt financing plan (adjusted to remove Walden Chase) it was \$64.31. This is also shown in the chart and graph on page 16.

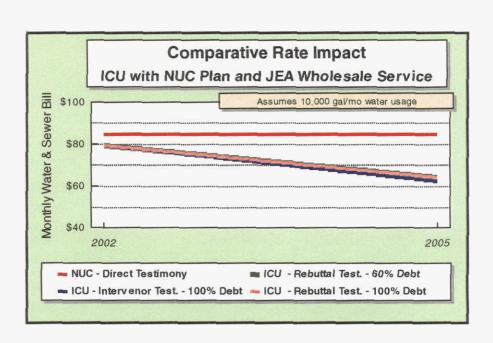
Finally, a comparison of Intercoastal's plan with 100% debt financing with NUC's proposed rates shows that by 2005 NUC's rates will be approximately 32% higher than Intercoastal's. This is also shown in the chart and graph on page 16.

Comparing Intercoastal's plan with 60% debt and 40% equity financing with NUC's proposed rates shows that by 2005 NUC's rates will be approximately 31% higher than Intercoastal's. This is also shown in the chart and graph on page 16.

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	Monthly Water and Sewer Bill with 10,000 gal/Mo Usage								
	Intercoas	tal's Finan	cing Plan	Nocatee's Financing Plan					
	100%	Debt, 0% E	Equity	60% E	Debt, 40% E	Equity			
Description	2002	2005	2009	2002	2005	2009			
Intercoastal - Assumes NUC Proposed Service Plan with JEA Wholesale Service:									
Intervenor Testimony	\$79.70	\$62.52	NA.	NA	NA	NA			
Rebuttal Testimony (1)	\$79.70	\$64.31	NA	\$79.70	\$64.62	NA			
NUC Direct Testimony - Assumed 60% debt financing (2)	\$84.78	\$84.78	NA	\$84.78	\$84.78	NA			
Amount that NUC rates are higher than Intercoastal's	\$5.08	\$20.47	NA	\$5.08	\$20.16	NA			
Percentage that NUC rates are higher than Intercoastal's	6.37%	31.83%	NA	6.37%	31.20%	NA			

- (1) Revised to remove Walden Chase
- (2) NUC did not project any adjustments to their initial rates.



Yes. To compare, it is best to compare "apples to apples" as the saying goes. When you make the adjustments to produce as close to an apples to apples comparison as possible of Intercoastal's and NUC's proposals, you get Scenario 2b in Exhibit MB-3. This scenario assumes that Intercoastal will implement NUC's capital plan with wholesale JEA service and that it will finance the capital plan with 40% equity and 60% debt. This adjusts Intercoastal's proposal in response to the major objections of NUC, that being Intercoastal's capital plan and funding that plan with debt by simply incorporating NUC's preferences as to how to accomplish these items in Intercoastal's plan.

The results of this comparative analysis are profoundly in favor of Intercoastal. The chart on page 16 shows the summary results of this comparative analysis and the detail is presented as Scenario 2b in Exhibit MB-3. These analyses show that, if Intercoastal "stands in NUC's shoes" with regard to its capital plan and debt/equity finding ratio, Intercoastal's rates are projected to be approximately 31% lower than NUC's rates by 2005.

Also, If NUC had provided a ten year capital plan, we could extend this analysis through 2009 and I expect that the difference would get larger. Furthermore, NUC will not reach 80% of capacity (the level at which their proposed rates were calculated) until at least 2005, so no NUC rate reductions would be possible until then. And when NUC gets to that point, more capital will be needed, and always, because of Intercoastal's current and future customers in its existing service area, NUC will have fewer customers than Intercoastal over which to spread its fixed costs causing it to always have proportionately higher rates than Intercoastal would have.

- B: Does this conclude your testimony?
- A: Yes.

A:

## INTERCOASTAL UTILITIES, INC.

# APPLICATION FOR SERVICE AREA EXTENSION

Financial Analysis - 2nd Revision

Presented to

### INTERCOASTAL UTILITIES, INC.

June 2, 2000



Presented by

# Burton & Associates, Inc.

Specialists In Water Resources Economics



June 2, 2000

Mr. M. L. Forrester Vice President Intercoastal Utilities, Inc. 6215 Wilson Blvd. Jacksonville, Florida 32210

Re: Application for Service Area Extension - Financial Analysis - 2<sup>nd</sup> Revision

Dear Mr. Forrester:

Enclosed you will the 2<sup>nd</sup> Revision of the Final Report of the above referenced revised analysis. This report will support my rebuttal testimony to the Florida Public Service Commission (FPSC) in the above referenced Application for Service Area Extension.

This report was prepared based upon financial, engineering, growth and other data and information provided to us by you, your staff, Smoak, Davis & Nixon, your accountants and PBS&J, your consulting engineers. Burton & Associates developed a model which produced the results contained herein. The model was developed to predict as closely as possible the financial performance and rate revenue requirements of Intercoastal over a ten year forecast period. In each year of the forecast period the model determines the allowed return based upon calculated rate base and a weighted cost of capital analysis. In each year of the forecast period, this allowed return is then compared to achieved return before rate adjustments to determine any rate adjustments that will be necessary for Intercoastal to earn its allowed return, without over earning in any year. Subsequent years' revenue projections assume that rate adjustments identified in prior years are implemented.

This report is a revised analysis because it incorporates information from direct and intervenor testimony filed by Nocatee Utility Corporation's (NUC) witnesses that was not available when my intervenor testimony was prepared. This new information does not change the conclusions of the report but this analysis was revised to reflect the most current and accurate data available and to make comparisons between the rate impacts of NUC's plan and Intercoastal's plan to serve the requested service area.

The report includes an analysis of water and sewer rates and a separate analysis of reclaimed water rates. All analyses are based upon annual capital requirements for water, wastewater and reclaimed water identified in PBS&J's Conceptual Master Plan dated December, 1999.

I would like to thank you and your staff for your assistance in providing us the information needed to prepare this report. If you have any questions, please do not hesitate to call me at (904) 247-0787.

Very truly yours,

Michael E. Burton

President

MEB/cs Enclosures

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# Intercoastal Utilities, Inc. Application for Service Area Extension Financial Analysis

Intercoastal Utilities, Inc. (Intercoastal) currently provides water service to approximately 5,500 equivalent residential connections (ERCs) and sewer service to approximately 3,200 ERCs in northeastern St. Johns County east of the Intracoastal Waterway. Intercoastal has applied for an extension of its service area west of the Intracoastal Waterway, including an area in Duval County owned by DDI and planned for development as Nocatee.

#### A. Objective

The objective of this financial analysis is to examine the financial feasibility of Intercoastal extending its service area as described above in terms of the implication to the water and sewer rates of its current and future customers.

#### B. Scope

This analysis includes examination of the expected impact upon water, wastewater and reclaimed water rates of Intercoastal continuing to serve its current service area plus projected development in an extended service area west of the Intracoastal Waterway to include portions of St. Johns County plus the projected development in Nocatee in Duval County. This analysis also compares the impact upon the monthly water and sewer bill of a single family customer with Intercoastal's rates and NUC's rates as proposed in the prefiled testimony of Ms. Swain.

#### C. Information Sources

Information used in this analysis was derived from the following primary sources:

- Intercoastal Utilities 1998 Annual Report filed with the St. Johns County Water and Sewer Authority,
- Intercoastal Utilities staff,
- Intercoastal Utilities Accounting Records,
- Intercoastal Utilities Certified Public Accountant Smoak, Davis & Nixon
- Intercoastal Utilities' consulting Engineer, PBS&J,
- Prefiled direct and intervenor testimony of NUC witnesses

#### D. Study Procedures

In order to conduct this analysis, a comprehensive, predictive model was developed. This model was designed to project the financial performance of any water and sewer utility regulated by the Florida Public Service Commission (FPSC) over a ten year forecast period. The model determines the allowed return in each year of the forecast period, based upon a weighted cost of capital analysis, and determines any rate adjustments required in each year in order for the utility to earn its allowed return.

Allowing the model to calculate required rate adjustments in this way usually results in slight rate adjustments in each year of the forecast period. Therefore, in order to avoid rate adjustments in each year of the forecast period, the model also allows for rate adjustments to be specified in each year. It then calculates the achieved return and compares it with the allowed return to show whether the utility will be under or over earning in each year of the forecast period. In this way a rational plan of rate adjustments can be developed which provides the utility with adequate earnings in each year within its allowed return.

The model then evaluates the impact in terms of the monthly water and sewer bill for a single family customer with average usage. This customer rate impact is the real test of the financial implication of the utility providing service to its current and future customers.

#### E. The Analyses Performed

The analyses presented herein in Scenarios 1a and 1b analyze the impact upon customer's rates of the implementation of Intercoastal's Conceptual Utility Master Plan to meet the water, sewer and reclaimed water demands of the projected growth in the service area for which Intercoastal's service area extension application is filed assuming funding of capital projects with 100% debt and 0% equity in Scenario 1a and with 60% debt and 40% equity in Scenario 1b. The analyses presented herein as Scenarios 2a and 2b analyze the impact upon customer's rates of the implementation by Intercoastal of the capital plan and wholesale water and sewer service agreement with the JEA presented in the NUC prefiled testimony assuming funding of capital projects with 100% debt and 0% equity in Scenario 2a and with 60% debt and 40% equity in Scenario 2b.

The analysis then *compares* to NUC's plan both 1) the impact of implementation of the Intercoastal Conceptual Master Plan and 2) the impact of implementation of the Intercoastal plan where Intercoastal "stands in NUC's shoes" regarding implementation of the same capital and wholesale service plan as proposed by NUC in the requested service area. These comparisons are

INTERCOASTAL UTILITIES

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conducted based upon an assumed water usage for a single family customer. It is reasonable to assume that the development that will occur in Nocatee will likely be similar to the development in the western portion of Intercoastal's service area, which is single family homes with year round occupancy. The homes pictured below are all in the western portion of Intercoastal's current service area, are similar to the homes in Sawmill Lakes and at least one of the homes pictured is in Sawmill Lakes. Therefore, in order to determine a reasonable assumption for water usage in the requested service area, I reviewed an analysis of water usage for the Sawmill Lakes subdivision, which is a subdivision in the western portion of Intercoastal's current service area along CR 210.

## Sample Views of Single Family Homes in the Western Portion of Intercoastal's Current Service Area







This water usage analysis shows that the average monthly water usage for this subdivision for the three months ending 1/31/2000 was 18,590 gallons per month per home. It is important to note that these three months are historically the lowest months of usage throughout the year. Therefore, I believe that this level of water usage is a conservative indicator of what might be expected in the requested service area. However, we choose to use only 10,000 gallons per month in our customer impact analysis to be doubly conservative.

This analysis also includes Scenario 3 which is a comparative analysis of NUC's reclaimed water rate plan to Intercoastal's reclaimed water rate plan.

The results of the analysis are presented in the following section. All supporting analyses, including a description of underlying assumptions, are presented in the schedules which are included in the Appendices at the end of this report.

#### F. Results

NUC set initial rates assuming connections at 80% of capacity and NUC projects that will occur in four years, or 2005. Therefore, it is assumed that NUC's rates will stay at their initial level until 2005. Based upon NUC's initial rates and the assumption that those rates will remain constant

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until 2005, we conducted a comparative analysis of the impact upon the monthly water and sewer bill of a single family customer with both the Intercoastal rates, as projected herein, and the NUC rates, as proposed in the prefiled testimony of Ms. Swain. Assumed monthly water usage of 10,000 gallons per month per single family residential customer were used in accordance with the discussion in the previous section. The subsections on the following pages present the results of this analysis.

#### 1. Scenarios 1a and 1b - Intercoastal as a "Stand Alone Utility"

The revised Conceptual Master Plan prepared by PBS&J for Intercoastal assumes that Intercoastal will continue to provide service to the requested service area as a stand alone utility. That means that the revised Conceptual Master Plan does not include wholesale service but rather includes the capital costs to provide water, wastewater and reclaimed water treatment facilities on site. This section compares this Intercoastal stand alone utility plan to NUC's plan, which includes the purchase of wholesale water and wastewater treatment services from the JEA. Scenario 1a assumes 100% debt and 0% equity financing and Scenario 1b assumes 60% debt and 40% equity financing. Supporting schedules and analyses for this scenario are presented in Scenarios 1a and 1b in the Appendix.

The chart on page 6 shows that, assuming Intercoastal's proposed capital plan and 100% debt financing, by 2009 the average monthly water and sewer bill of a single family residential customer with 10,000 gallons per month of water usage is projected to be \$58.87, whereas with Walden Chase included in the projections in my Intervenor's Testimony, it was \$58.59.

The results of assuming a plan of financing that includes 60% debt and 40% equity instead of Intercoastal's proposed 100% debt financing are that by 2009 the average monthly water and sewer bill of a single family residential customer with 10,000 gallons per month of water usage is projected to be \$61.42, whereas with Intercoastal's proposed 100% debt financing plan (adjusted to remove Walden Chase) it was \$58.87. This is also shown in the chart and graph on page 6.

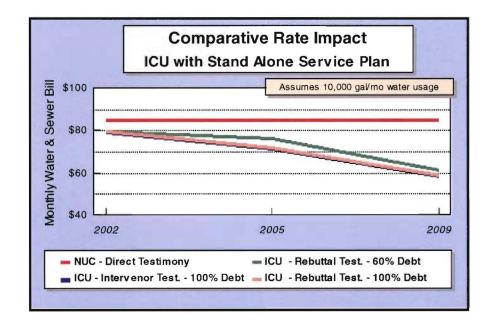
Finally, a comparison of Intercoastal's plan with 100% debt financing with NUC's proposed rates shows that by 2005 NUC's rates will be approximately 18% higher than Intercoastal's. Under this financing plan, if NUC's rates remain at the proposed levels through 2009 (NUC has presented no projections of future rate reductions), they will exceed Intercoastal's projected rates by approximately 44%. This is also shown in the chart and graph on page 6.

Comparing Intercoastal's plan with 60% debt and 40% equity financing with NUC's proposed rates shows that by 2005 NUC's rates will be approximately 11% higher than Intercoastal's. Under this financing plan, if NUC's rates remain at the proposed levels through 2009 (NUC has presented no projections of future rate reductions), they will exceed Intercoastal's projected rates by approximately 38%. This is also shown in the chart and graph on page 6.

	Monthl	y Water ar	d Sewer B	ill with 10,000 gal/Mo Usage				
	Intercoas	tal's Financ	cing Plan	Nocatee's Financing Plan				
b	100%	Debt, 0% E	Equity	60% [	Debt, 40% E	Equity		
Description	2002	2005	2009	2002	2005	2009		
Intercoastal - Assumes Proposed Stand Alone Service Plan:								
Intervenor Testimony Rebuttal Testimony (1)	\$79.70 \$79.70	\$71.71 \$71.84	\$58.59 \$58.87	NA \$79.70	NA \$76.12	NA \$61.42		
NUC Direct Testimony - Assumed 60% debt financing (2)	\$84.78	\$84.78	\$84.78	\$84.78	\$84.78	\$84.78		
Amount that NUC rates are higher than Intercoastal's	\$5.08	\$12.94	\$25.91	\$5.08	\$8.66	\$23.36		
Percentage that NUC rates are higher than Intercoastal's	6.37%	18.01%	44.01%	6.37%	11.38%	38.03%		

- (1) Revised to remove Walden Chase
- (2) NUC did not project any adjustments to their initial rates.

A graphical representation of this chart follows:



INTERCOASTAL UTILITIES BURTON & ASSOCIATES

## 2. Scenarios 2a and 2b - Intercoastal "Standing in NUC's Shoes" with regard to its Capital and Wholesale Service Plan

As stated in the previous section, Intercoastal's revised Conceptual Master Plan assumes that Intercoastal will continue to provide service to the requested service area as a stand alone utility; whereas NUC's plan includes the purchase of wholesale water and wastewater treatment services from the JEA. Therefore in order to have an "apples to apples" comparison, an analysis was conducted that assumed that Intercoastal would "stand in NUC's shoes", that is to assume that Intercoastal were to implement NUC's plan in the requested service area, including the assumption of wholesale water and sewage treatment service from the JEA, while continuing to serve its eastern service area with its existing and planned water and wastewater treatment facilities. Scenario 2a assumes 100% debt and 0% equity financing and Scenario 2b assumes 60% debt and 40% equity financing. Supporting schedules and analyses for this scenario are presented in Scenarios 2a and 2b in the Appendix.

The chart on page 8 shows that, assuming Intercoastal implements NUC's proposed capital plan with wholesale service from the JEA and 100% debt financing, by 2005 (the last year of NUC's projected capital plan) the average monthly water and sewer bill of a single family residential customer with 10,000 gallons per month of water usage is projected to be \$64.31, whereas with Walden Chase included in the projections in my Intervenor's Testimony it was \$62.52. This is shown in the chart and graph on page 8.

The results of assuming a plan of financing that includes 60% debt and 40% equity instead of Intercoastal's proposed 100% debt financing are that by 2005 the average monthly water and sewer bill of a single family residential customer with 10,000 gallons per month of water usage is projected to be \$64.62, whereas with Intercoastal's proposed 100% debt financing plan (adjusted to remove Walden Chase) it was \$64.31. This is also shown in the chart and graph on page 8.

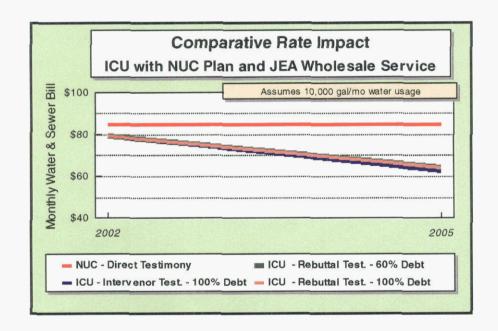
Finally, a comparison of Intercoastal's plan with 100% debt financing with NUC's proposed rates shows that by 2005 NUC's rates will be approximately 32% higher than Intercoastal's. This is also shown in the chart and graph on page 8.

Comparing Intercoastal's plan with 60% debt and 40% equity financing with NUC's proposed rates shows that by 2005 NUC's rates will be approximately 31% higher than Intercoastal's. This is also shown in the chart and graph on page 8.

	Monthly Water and Sewer Bill with 10,000 gal/Mo Usage								
	Intercoas	tal's Financ	ing Plan	Nocatee's Financing Plan					
	100%	Debt, 0% E	quity	60% E	ebt, 40% E	quity			
Description	2002	2005	2009	2002	2005	2009			
Intercoastal - Assumes NUC Proposed Service Plan with JEA Wholesale Service:									
Intervenor Testimony	\$79.70	\$62.52	NA	NA	NA	NA			
Rebuttal Testimony (1)	\$79.70	\$64.31	NA	\$79.70	\$64.62	NA			
NUC Direct Testimony - Assumed 60% debt financing				404 =0	40470				
(2)	\$84.78	\$84.78	NA	\$84.78	\$84.78	NA			
Amount that NUC rates are higher than Intercoastal's	\$5.08	\$20.47	NA	\$5.08	\$20.16	NA			
Percentage that NUC rates are higher than Intercoastal's	6.37%	31.83%	NA	6.37%	31.20%	NA			

- (1) Revised to remove Walden Chase
- (2) NUC did not project any adjustments to their initial rates.

A graphical representation of this chart follows:



NUC did not project past 2005, so capital improvement program numbers for their plan during that period were not available. Therefore, this analysis does not include projections past 2005. However, although NUC does not address what its rates will be after 2005 it is useful to examine why Intercoastal's rates would be lower than NUC in 2005 and to extrapolate the general nature of the comparative impact upon the rates of both NUC and Intercoastal serving the needs of the requested service area into the future.

The reason that the Intercoastal rate impact is less than NUC's in 2005 is primarily due to the fact that Intercoastal is a mature utility with over 5,500 existing water ERCs and 3,200 existing sewer ERCs. One impact of being a mature utility is that when Intercoastal adds capital investment to rate base to serve the requested service area, it has continuing reductions in its existing rate base through depreciation to offset, at least to some extent, the increases in total rate base resulting from expansion in the requested service area. Whereas, NUC's total rate base is the new investment in the requested service area and it has no increasing accumulated depreciation on an existing investment to serve 5,500 and 3,200 existing water and sewer ERCs respectively, as does Intercoastal, to counteract the increases in investment, and thus return, to serve expansion in the requested service area.

Also, Intercoastal is already covering the fixed administrative and operations costs of an ongoing utility in its current rates. Additional administrative and operations costs to serve the requested service area will only be marginal costs. Also, Intercoastal's current administrative and operations costs and other fixed costs will be spread over a larger base of customers as growth occurs in the requested service area causing downward pressure on rates due to these economies of scale.

NUC will enjoy none of these advantages. And even assuming NUC is awarded the service area and matures as a utility over time, a comparative analysis over the same time period assuming that Intercoastal is awarded the territory, and "stands in NUC's shoes" regarding implementation of the same capital and wholesale service plan as proposed by NUC in the requested service area, would show that Intercoastal will always be able to have lower rates than NUC because of the advantages of Intercoastal's greater economies of scale due to its existing base of customers.

#### 3. Scenario 3 - Reclaimed Water Rates

NUC proposed reclaimed water rates based upon a plan to purchase reclaimed water from the JEA. Conversion of NUC's proposed reclaimed water rates results in monthly reclaimed water cost per reclaimed water ERC of \$14.78. This conversion of rates to ERCs assumes that a reclaimed water ERC is equivalent to 261 gallons per day which equates to 7,830 gallons per month.

In Intercoastal's plan to provide reclaimed water under its stand alone plan, assuming 100% debt and 0% equity financing, the cost per ERC for reclaimed water would be \$15.48 in 2002, \$15.48 in 2003, \$14.30 in 2004, \$12.85 in 2005 and \$11.61 by 2009. This shows that Intercoastal can provide reclaimed water under its stand alone plan at a cost that, although initially is slightly more than NUC (approximately 4.7% higher), will decrease through 2009 to the point that it is 21.4% lower than NUC as economies of scale are realized by growth in reclaimed water customers. In fact, Intercoastal would probably implement reclaimed water rates at the level calculated for 2005 (the fourth year of the plan and consistent with NUC's initial rate calculations) which means that Intercoastal will have lower reclaimed water rates than NUC from 2002 onward. Supporting schedules and analyses for this scenario are presented in Scenario 3a in the Appendix.

Assuming 60% debt and 40% equity financing, the cost per ERC for reclaimed water would be \$15.48 in 2002, \$15.48 in 2003, \$15.48 in 2004, \$14.85 in 2005 and \$13.17 by 2009. This shows that Intercoastal can provide reclaimed water under its stand alone plan at a cost that, although initially is slightly more than NUC (approximately 4.7% higher), will decrease through 2009 to the point that it is 10.9% lower than NUC as economies of scale are realized by growth in reclaimed water customers. In fact, as with Scenario3a, Intercoastal would probably implement reclaimed water rates at the level calculated for 2005 (the fourth year of the plan and consistent with NUC's initial rate calculations) which means that Intercoastal will have lower reclaimed water rates than NUC from 2002 onward. Supporting schedules and analyses for this scenario are presented in Scenario 3b in the Appendix.

As with the water and sewer rates evaluated in Scenarios 1 and 2, this analysis also demonstrates that Intercoastal's proposed plan to use 100% debt financing will result in slightly lower reclaimed water rates than will financing with 60% debt and 40% equity.

Also, it is important to realize that NUC will not enjoy the same benefit of economies of scale from growth regarding reclaimed water as will Intercoastal. This is because according Ms. Swain's testimony, NUC will purchase reclaimed water from the JEA for an annual cost, at 80% of capacity, of \$119,988. This is approximately 50% of the \$238,278 annual O&M costs for reclaimed water, at 80% of capacity, as represented in Ms. Swain's testimony. This is important to note, because as reclaimed water customers increase, no economies of scale will be realized relative to this purchased reclaimed water cost. In fact, as reclaimed water customers increase, the cost to NUC of this purchased reclaimed water will increase proportionately.

#### G. Conclusions

This analysis shows that Intercoastal can provide water and sewer service to the service area requested, without requiring an increase in its water and sewer rates. If growth occurs as projected, reduced rate pressure may allow Intercoastal's rates to be decreased by as much as 10% by 2005 and by as much as 26% by 2009 if it implements its proposed plan. Also, it may be possible to reduce rates by as much as 19% by 2005 if Intercoastal were to implement NUC's proposed plan with wholesale service from the JEA. Further reductions may be possible under this plan, however NUC's plan did not project beyond 2005.

Furthermore, this analysis shows that under any set of reasonable assumptions, Intercoastal can provide water, wastewater and reclaimed water service to the requested service area more cost effectively and with lower rates than can NUC. This is possible in great measure because Intercoastal is an existing, mature utility which would immediately derive the benefits of the economies of scale offered by its 5,500 existing water ERCs and 3,200 existing wastewater ERCs in its rates to serve the requested service area. NUC, on the other hand, would be a start-up utility, and would never be able to "make up the difference" relative to the advantages Intercoastal possesses in terms of economies of scale from existing customers.

This advantage in terms of economies of scale will benefit not only the new customers in the requested service area, but also, Intercoastal's existing customers by providing additional growth over which to spread its fixed administrative and operating costs, thus resulting in lower rates than would be possible without the additional service area.

#### **Appendices**

This section presents three (3) Appendices, one for each of the three (3) scenarios discussed in the report. Each Appendices includes eighteen (18) figures, titled Figure 1 through Figure 18. These figures present the detailed results of the financial forecast for each respective scenario.

The figures are ordered so that, as nearly as practical, the earlier figures present the summary results of the analysis and data. Information used in the earlier figures "rolls up" from later figures. The table of figures for Appendices 1 and 2 are the same as those shown below: Appendix 3 is slightly different and its Table of Contents is included at the beginning of the Appendix

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Figure 5	Depreciation Schedule - Water					
Figure 6	Depreciation Schedule - Sewer					
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Figure 17	Graphs of Key Indicators - Water and Sewer System					
Figure 18	Cash Flow Projections - Total Water and Sewer System					

Appendix 1

INTERCOASTAL UTILITIES

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#### Scenario 1a

# Intercoastal as a "Stand Alone" Utility 100% Debt and 0% Equity Financing

This scenario analyzes the impact upon customer's rates of Intercoastal Utilities implementing Intercoastal's plan to meet the water and sewer demands of the projected growth in the area for which Intercoastal's service area extension application is filed assuming that Intercoastal is a "Stand Alone" utility in that it provides all required water and wastewater treatment facilities on site. It assumes that capital projects will be funded with 100% debt and 0% equity financing.

#### **Table of Contents**

Figure Number	Title					
Figure 1	Summary					
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Figure 18	Cash Flow Projections - Total Water and Sewer System					

# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM SUMMARY

Scenario 1a - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 100% Debt / 0% Equity

Average Monthly Cost per ERC assumes 10,000 Gallons per Month Average Water Usage per ERC

	Average Monthly Cost per ENC assumes 10,000 Gallons per Month Average Water Osage per ENC											
1	Water	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
2	Rate Plan	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%
3	Achieved Return	12.47%	4.32%	4.77%	-0.01%	0.35%	1.83%	3.42%	5.17%	3.90%	5.26%	6.62%
4	Allowed Return	12.04%	7.10%	7.10%	6.72%	6.72%	6.72%	6.71%	6.71%	6.63%	6.63%	6.62%
5	Avg Mo.Cost / ERC	\$15.81	\$15.81	\$15.81	\$15.81	\$15.81	\$15.81	\$15.81	\$15.81	\$15.81	\$15.81	\$16.03
6	Achieved Return (Millions)	\$0.116	\$0.064	\$0.070	(\$0.000)	\$0.012	\$0.061	\$0.113	\$0.169	\$0.160	\$0.191	\$0.234
7	Allowed Return (Millions)	\$0.112	\$0.106	\$0.104	\$0.216	\$0.221	\$0.223	\$0.222	\$0.219	\$0.272	\$0.241	\$0.234 \$3.526
8	Rate Base (Millions)	\$0.934	\$1.486	\$1.460	\$3.222	\$3.286	\$3.317	\$3.310	\$3.263	\$4.102	\$3.632	\$3.520
9	Sewer		4 4									
10	Rate Plan	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-12.3%	-12.2%	0.0%	-7.8%	-5.6%
11	Achieved Return	7.13%	2.96%	6.21%	1.50%	3.53%	7.78%	7.89%	7.30%	6.97%	7.09%	6.62%
12	Allowed Return	12.04%	7.10%	7.10%	6.72%	6.72%	6.72%	6.71%	6.71%	6.63%	6.63%	6.62%
13	Avg Mo.Cost / ERC	\$63.89	\$63.89	\$63.89	\$63.89	\$63.89	\$63.89	\$56.03	\$49.20	\$49.20	\$45.36	\$42.84
14	Achieved Return (Millions)	\$0.355	\$0.144	\$0.275	\$0.167	\$0.384	\$0.793	\$0.719	\$0.585	\$0.865	\$0.755	\$0.677
15	Allowed Return (Millions)	\$0.600	\$0.345	\$0.315	\$0.747	\$0.729	\$0.685	\$0.612	\$0.538	\$0.823	\$0.706	\$0.677
16	Rate Base (Millions)	\$4.979	\$4.852	\$4.434	\$11.125	\$10.857	\$10.193	\$9.115	\$8.014	\$12.414	\$10.657	\$10.222
17	Water & Sewer											
18	Rate Effect	NA	0.0%	0.0%	0.0%	0.0%	0.0%	-9.9%	-9.5%	0.0%	-5.9%	-3.8%
19	Achieved Return	7.97%	3.28%	5.85%	1.16%	2.80%	6.32%	6.70%	6.68%	6.20%	6.62%	6.62%
20	Allowed Return	12.04%	7.10%	7.10%	6.72%	6.72%	6.72%	6.71%	6.71%	6.63%	6.63%	6.62%
21	Avg Mo.Cost / ERC	\$79.70	\$79.70	\$79.70	\$79.70	\$79.70	\$79.70	\$71.84	\$65.01	\$65.01	\$61.17	\$58.87
22	Achieved Return (Millions)	\$0.471	\$0.208	\$0.345	\$0.167	\$0.395	\$0.854	\$0.832	\$0.754	\$1.025	\$0.946	\$0.911
23	Allowed Return (Millions)	\$0.712	\$0.450	\$0.419	\$0.964	\$0.950	\$0.907	\$0.834	\$0.757	\$1.095	\$0.947	\$0.911
24	Rate Base (Millions)	\$5.913	\$6.338	\$5.894	\$14.346	\$14.144	\$13.510	\$12.425	\$11.277	\$16.517	\$14.289	\$13.748

SOURCE: BURTON & ASSOCIATES C:\DATA\123\ICU\TESTIM~2\FAMS530C.WK4

06/01/2000

# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM ASSUMPTIONS

### Scenario 1a - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 100% Debt / 0% Equity

		Actual	Projected									
	Assumptions	1900	2000	2001	2002	2003	2004	2004	2004	2007	2008	2000
	Water Considering TROTE			40.004			44.000					****
1	Capacity in ERC's	5,057	5,057	10,571	10,571	16,286	16,266	16,266	16,286	16,286	22,000	22,000
2	Additional Capacity in ERC's	0	5,514	0	5,714	0	0	0	0	5,714	0	0
3	Total Capacity	6,067	10,571	10,571	15,255	16,255	16,256	16,286	16,266	22,000	22,000	22,000
:	GPD = 1 ERC	350	350	360	350	350	350	360	350	350	350	350
2	Connected ERC's	5,506	6,506	5,763	0,043	6,770	7,542	6,335	9,160	10,024	11,143	11,792
9	Additional Connected ERC's	_		_		_	_	_	_	_	_	_
	Walden Chase	0	0	0	. 0	. 0	0	0	0	0	0	0
Š	Marsh Harbour	0	0	0	14	14	14	14	14	14	14	0
10	Nocatee	0	0	. 0	· 416	416	416	416	418	635	635	635
	East Svc Area	0	257	280	306	333	363	306	431	470	0	0
11	Total Additional Connected ERC's	0	257	280	738	763	793	826	863	1,110	649	635
12	Total Connected ERC's	5,506	5,763	6,043	6,779	7,542	8,335	9,160	10,024	11,143	11,792	12,427
13	Percent Growth in Connected ERC's	0.00%	4.67%	4.80%	12.17%	11.20%	10,51%	9.91%	9.42%	11.10%	5.82%	5.39%
14	Percent of Growth Applied to Expenses	25,00%	25.00%	25.00%	25.00%	25.00%	25,00%	25.00%	25.00%	25.00%	25.00%	25.00%
15	Effective Multiplier for Growth	0.00%	1.17%	1.22%	3.04%	2.81%	2.63%	2.48%	2.30%	2.70%	1.45%	1.35%
10	Inflationary Multiplier	1.50%	1.50%	1.50%	1.50%	1.50%	1,50%	1.50%	1.50%	1.50%	1.50%	1.50%
17	Growth and Inflationary Multiplier	1.50%	2.67%	2.72%	4.54%	4,31%	4.13%	3.96%	3,86%	4.29%	2.56%	2.65%
18 19	Sawar Capacity in ERC's	2,857	5,367	5,357	5,357	8,929	8,929	8,929	8,929	8,929	12,500	12,500
20	Additional Capacity in ERC's	2,500	0	. 0	3,571	. 0	0	0	0	3,571	0	0
21 22	Total Capacity ; ; GPO = 1 ERC	5,357	5,357	5,357	8,929	8,929	8,029	8,929	8,929	12,500	12,500	12,500
23	Connected ERC's	280	280	280	280	280	280	280	280	280	280	280
23 24		2,857	2,857	3,114	3,395	4,152	4,937	5,752	6,600	7,486	8,642	9,328
25	Additional Connected ERC's	_	_	_								
28	Walden Chase	Ō	Ō	0	0	0	0	0	0	0	0	0
20 27	Marsh Harbour	0	0	0	14	14	14	14	14	14	14	0
28	Nocatee	0	0	0	438	438	438	438	441	672	672	672
20 29	East Svc Area	0	257	280	306	333	363	396	431	470	0	
30	Total Additional Connected ERC's	0	257	280	758	785	815	848	888	1,158	686	672
	Imputed ERC's from 1998 Rate Case	5,357	5,357	5,357	5,357	5,357	5,357	5,357	5,357	5,357	5,357	5,357
31	Total Used & Useful ERC's	5,357	5,357	5,357	5,800	6,261	6,713	7,165	7,620	8,308	8,992	9,664
32	Percent Growth in Connected ERC's	0.00%	9.00%	9.00%	22.32%	18.91%	10.51%	14.74%	13,43%	15.44%	7.94%	7.20%
33	Percent of Growth Applied to Expenses	25.00%	25,00%	25.00%	25,00%	25.00%	25.00%	25.00%	25,00%	25.00%	25.00%	25.00%
34	Effective Multiplier for Growth	0.00%	2.25%	2.25%	5.58%	4.73%	4,13%	3.68%	3,36%	3.80%	1.98%	1.80%
35	Inflationary Multiplier	1.50%	1.50%	1.50%	1.50%	1.50%	1,50%	1.50%	1.50%	1.50%	1.50%	1.50%
36	Growth and Inflationary Multiplier	1.50%	3.75%	3.75%	7.08%	6.23%	5.63%	5.18%	4.86%	5,38%	3.48%	3.30%
								3		3,000	30.10.10	J. 44 II

#### 37 New Debt Assumptions

38 39 Term 20 40 Issuance Costs 1,50% 41 Interest Rate 8,50%

42	OLM Reserves	_ Months	Percent of Annual O&M
43	Water		
44	Minimum Reserves Level	1.5	12.50%
45	Sewer		
46	Minimum Raserves Level	1,5	12.50%
47	Rates & Charges		
48	Current Service Availability Charge	\$234	\$625

SOURCE: BURTON & ASSOCIATES C:0ATA:123VCUITESTIM-24FAMS530C,WK4

#### INTERCOASTAL UTILITIES **WATER & SEWER SYSTEM** PRO-FORMA INCOME PROJECTIONS - WATER SYSTEM

#### Scenario 1s - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 100% Debt / 0% Equity

Revenue	•	Antuni	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Rate Research   See	Water	1100	2000	3001	2002	2002	2004		2006	<u> 2007</u>	2002	2000
Rate Research   See	Management:											
Control   Proceedings												
Control   Proceedings	Rate Revenue	\$000 E41	BOOK EAS	SI 894 711	21 AGE 854	91 217 004	91 564 002	21 494 476	61 644 713	\$1 700 706	92 000 834	\$2,117,163
### Reviewed Pair Ground ### 0.000   0		NA.					10 51%	9.91%				5,30%
Bellet   St.   S	Rate Revenue from Grouds											114,013
Proceedings Red Services   Bull   St.	Rate Revenue Prior to Rate Administra	200.00										12 231.17
Real Revenue from Rate Againstance											0.00%	1,401
Trial Mart Remotes    State   St. 2007   St.	Rate Revenue from Rate Adjustment	•					4		,	1		21.30
Min. Revenue	Total Role Noveme	<b>3000,54</b> 1	\$1,094,71	\$1,085,095	\$1,217,086	\$1,364,082	\$1,436,470	81,844,713	\$1,700,700	\$2,000,816	\$2,117,165	\$2,262,4
Cheir Revenus 8 1,205 11,205 11,205 11,205 11,205 11,205 11,205 11,205 11,205 11,205 11,205 11,205 11,205 11,205 11,205 11,205 11,205,205 11,20												
Cher Revenue		81,238	\$1,286	21,350	21.524	\$1,606	\$1,874	92 040	22.254	\$2,506	\$2,051	\$2,71
Section   Sect		0	4	V.,,,,,,	4,,,,,,		*****				6	
Part	Total Other Revenue	31.24	31.294	21 350	81 674	27 654	31 174	12 000	27.75	27.00	32.61	\$2,7
Additional CASA - Western Sun Area  Coparative Expenses - Labora Sun Area  Coparative Expenses - Labora Sun Area  Rate Casa Expenses - HAI NA	Total Revenues											82,286,Z
Coperating Expenses	Expenses:											
Coperating Expenses	<b>-</b>											
Rate Case Espense		\$0	90	90								\$444,13
Real Class Exponence   NA		\$748,136	\$770,560	\$794,005	\$830,158					\$1,015,510	\$1,045,530	\$1,075,2
Depresident (f. & U. Art. Chry) 142,265 131,167 148,246 173,222 223,319 245,746 277,007 262,244 283,446 224,446 244,447 (M. Art. Chr) (M. Art.	Rate Case Expense	NA.	NA.	NA	NA.	NA.			NA.	NA.	NA.	
Ament of CAPC (14 L Jues Cinity)		•										101,8
Apart of Joseph Age   4,863   4,083	Depreciation (U & U Ant Only)							271,007	294,214			200,1
Year   Section	Amort of CVAC (U.E.U.Art.Colly)	(143,313)	(80,503)	(87,734)		(97,638)	(106,863)	(116,661)	(127,150)		(99,299)	(103,34
Toping   T			4,683		4,683					4,683	4,683	4,60
Non Operating Income (Expenses):   Non Operating Income (Income (Expenses):   Non Operating Income (Income (Expenses):   Non Operating Income (Income (Income (Income (Income (Income (Income				\$909,321				\$1,347,112		\$1,603,348		\$1,791,70
Mon Ciper Rev   10	· · · · · · · · · · · · · · · · · · ·	\$187,868	\$172,666	\$177,073	\$178,813	\$102,760	\$244,528	\$290,661	\$366,572	\$366,793	\$430,866	\$473,51
Tusse Other Than Income:	Non Operating Income (Expenses):											
httangible Tast		\$0	\$0	\$0	80	30	50	\$0	\$7	\$0	\$0	
Cher Turse & Licensee  (78) (100) (1			•	0	•		0	0	0		0	
Control State Control				(956)	(1,003)	(1,100)	(1,122)	(1,130)	(1,180)	(1,463)	(1,485)	(1,4
Yella   Non Operating   Expenses   (281,236)   (2100,481)   (200,403)   (2100,403	Color I Sint E Criticità	(76)	(100)	(80)	(165)	(167)	(170)	(172)	(176)	(221)	(221)	(2
Net Aftern   Strict	Property Texes:	(80,864)	(107,000)	(106,848)	(177,747)	(179,823)	(102,434)	(185,310)	(188,807)	(237,844)	(238,187)	(238,25
### ### ##############################			(3108,451)	(\$107,403)	(3179,000)	(\$181,197)	(5)(43,726)	(3186,522)	G189,9420	6249.52	(12239.1664)	(\$239.90
Taxable income (See surfished for taxable income below)  80 80 80 80 80 80 80 80 80 80 80 80 80 8		\$118,434	\$61,237	\$45,870	(\$192)					\$100,100		\$233 K
State   Stat	Tausble Income (See worksheet for tausble Income below)	30	\$0			\$0	80	\$0	30	\$0		V
Foderel 34.00% Total Society T					_	_	_	_	_	_	_	
Total Income Euros 90 90 90 90 90 90 90 90 90 90 90 90 90		ž.	•	•		•	7		•	•	9	
Met After Tax Income		, N	\$0	- BO		80	30	20	30	- B	- V	
Rate of Return Achieved 12.47% 4.32% 4.77% -0.01% 0.05% 1.23% 8.72% 8.71% 3.00% 8.22% 8.32	Net After Tax Income	\$116,434	\$64,237	\$66,670		\$11,602			\$164,630		\$191,002	\$233,63
Aboued Rature 1.20% 7.10% 6.72% 6.72% 6.72% 6.72% 6.71% 6.33	Rate Bose	\$833,843	\$1,486,332	\$1,480,225	\$3,221,617	\$3,294,107	\$3,316,622	\$3,300,748	\$3,263,413	\$4,102,465	\$3,632,456	\$3,525,8
Aboued Rature 1.20% 7.10% 6.72% 6.72% 6.72% 6.72% 6.71% 6.33	Rate of Return Achieved	49 492					*******				***************************************	• • • • • • • • • • • • • • • • • • • •
Allowed Rature Amount 7.100 \$1.204 \$100,866 \$100,868 \$216,464 \$220,767 \$222,728 \$222,163 \$218,972 \$272,101 \$240,775 \$223  Workshaper for Yazable Income;  Interest Exposise - Yotal Aboustion Percentage to Water (1) 45,005 45,00												6.02
## Stocksheet for Tarable Income:  ### Worksheet for Tarable Income:  ### Worksheet for Tarable Income:  #### Worksheet for Tarable Income:  ###################################												6.62
Interest Expense - Total SAGS,065 804,064 864,089 \$1,408,868 \$1,304,851 \$1,279,468 \$1,200,960 \$1,777,878 \$1,707,110 \$1,831 Abocation Percentage to Water (1) 45,00%		4114,441	\$100,204	\$103,000	\$216,464	\$220,767	\$223,728	\$222,163	\$218,972	\$272,101	\$240,775	\$233,\$
Aboution Percentage to Water (1) 45.00% 45.0	Morisheet for Yavehie Income:											
Abocation Percentage to Water (1) 45.00% 45.		\$403.046	2004.004	2604 000	21 400 040	81 340 341	61 334 814	81 270 /40	£1 930 040	64 777	94 307 440	
Aborated Interest Expense - Violar 181,378 272,198 287,236 133,091 818,168 506,174 875,756 853,238 800,091 768,200 753  Restatement of Not Income Sefere Income Tax: \$118,434 564,237 566,679 (5182) \$11,802 \$60,803 \$113,038 \$168,839 \$160,166 \$191,002 \$233  LESS: Interest Expense - Violar 181,078 272,168 267,238 633,001 616,168 566,174 875,756 853,928 800,001 768,200 754	Allocation Percentage to Weter (1)	45.00%										\$1,631,4 45,00
Restatement of Not Income Before Income Tax \$114,634 564,237 566,670 (5162) \$11,002 \$60,003 \$113,036 \$166,639 \$160,166 \$191,002 8233 UESS: Interest Expense - Vision	Allocated Interest Expense - Water											734.1
LESS: Interest Expense - Water 518,278 272,168 267,238 (53,001 616,168 504,174 575,756 653,528 800,001 798,000 734	Restatement of Not Income Refere Income Tay	e446 444		***			·					
Tamble bears, 100-100 900,100 903,5000				300,670								\$233,5
	Taxable Roome - Water (2)	101,370	474,199	201,331	633,991	616,168 30	\$08,174 30	575,754	663,828	100,000	768,200	734,1

<sup>(1)</sup> Allocation percentage based upon surrent water rate base on a percentage of total rate base.

SOURCE: BURTON & ASSOCIATES

C:DATALIZBUCUATESTIM-2FAMSSICC.WK4

For simplicity, texable income is exiculated separately for water and wastewater, however, the tex return would be filed on a consolidated basis. Furthermore, texable income is allowed to go expands in this model for water or vestowater. Negative texable income is either system could affect texable income in the other system and a not negative texable income would result in tex eradic that could potentially be certical forward or back.

## INTERCOASTAL UTILITIES WATER & SEWER SYSTEM PRO-FORMA INCOME PROJECTIONS - SEWER SYSTEM

Scenario 1s - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 100% Debt / 0% Equity

	Actual	Projected	Projected	Projected	Projected	Projected	Frejected	Projected	Projected	Projected	Projected
Sewer	1889	2000	2001	2012	2002	2004	2005	2004	2007	2002	2000
America											
Rajo Reversat									4 - 444 - 475	\$4,852,901	\$4,630,510
Rate Revenue	\$1,897,770	\$1,997,770	\$2,177,570	\$2,373,861	\$2,903,218	\$3,462,110	84,021,969	\$4,047,048	\$4,036,470 16,44%	7.94%	7,20%
Growth Percentage	NA.	9.00%	9.00%	22.32%	18.91%	16.51%	14.74%	13.43% 643.466	822,430	300,345	333,586
Rate Revenue from Growth		179,799	196,961	\$20,867	548,893	509,849 54,021,956	602,691 84,814,660	\$4,590,513	84 882 901	14 022 248	\$4,084,008
Rais Revenue Prior to Rais Adjustment	\$1,907,770	\$2,177,570	\$2,373,361	\$2,803,218	\$3,462,110 0,00%	94,021,360	-12.20%	-12,20%	0.00%	-7.80%	4.55%
Percentage Rate Increase	0.00%	0.00%	0.00%	0.00%	4770	4797.90	(867.802)	(56C,043)		(301,736)	(276,680
Rate Revenue from Rate Adjustment Yotal Rate Revenue	\$1,907,770	\$2,177,670	\$2,373,361	12300218	\$3,482,110	\$4,021,960	84,047,048	\$4,030,470	\$4,862,901	\$4,830,510	\$4,668,40
(12,12,13,13)	41,001,174	42,111,010	42,070,00	42,000,210	407.444,114	V-1,12-1,12-2	V-1,0-1. (D-1.)	V.,,	* .,		
Other Revenue:					_					••	
Mac. Revenue	\$0	80	\$0	30	\$0	10	10	80	<b>\$0</b>	<b>\$0</b>	•
Other Reverue		0_	<u>•</u> _		. 0	00	- 0_	0_	<u> </u>		
Total Other Revenue	\$0	160	\$0	\$0	10	\$0	\$0_	\$0	\$0_		\$4,688,40
Total Neverses	\$1,997,770	\$2,177,570	\$2,373,561	\$2,903,218	\$3,462,110	\$4,021,050	\$4,047,048	\$4,090,470	\$4,862,901	\$4,630,510	\$4,000,40
bronner											
<del></del>											
Additional O2M - Western Svs Area	\$0	\$0	\$0	\$278,671	\$301,828	\$323,921	\$345,886	\$368,037	\$403,576	\$424,508	\$445,40
Operating Expenses- Eastern Sve Area	\$1,105,110	\$1,402,462	\$1,551,016	\$1,660,810	\$1,764,221	\$1,863,491	\$1,000,000	\$2,056,301	82,105,461	\$2,240,937	82,314,9
Raio Case Expense	84,000	\$4,906	86,906	\$4,000	52,247	NA	NA	NA	NA.	NA.	!
Franchise Fee- PSC	•	87,991	106,810	130,645	155,346	180,988	182,117	181,371	208,341	208,373	210,0
Depreciation (U & U Ant Only)	436,254	619,270	\$27,514	846,840	846,051	878,258	880,042	882,151	969,727	806,427	945,0
Amort of CIAC (U & U Amt Only)	(202,148)	(271,850)	(243,294)	(240,021)	(310,134)	(323,644)	(326,109)	(329,023)	(329,100)	(277,802)	(292,3
Amort of Acq Act	6,263	6,263	6,263	6,253	0,253	6,253	6,253	0,253	6,263	6,253_	6,2
Tale Expenses	\$1,432,471	\$1,901,128	\$1,665,291	\$2,491,963	82,815,908	\$2,929,266	\$3,048,284	\$3,184,000	\$3,415,317	\$3,497,996	\$3,630,37
Operating Income	\$565,290	6276,442	8404,280	8411,226	\$636,204	\$1,002,663	\$508,764	\$366,380	\$1,237,543	\$1,132,515	\$1,058,03
Non Operating Income (Expenses):											
Non Oper Rev	80	\$0	\$0	\$0	80	\$0	50	50	- 80	80	
Taxes Other Then Income:	•••	•••	***		•••	~		•	•••	**	•
Intercible Tex	6		0			0	•		ħ		
Other Taxes & Licenses	(76)	ന്	ന്	(141)	(146)	(151)	(166)	(162)	(215)	(218)	(2
	(10)	(,,,	("")	(141)	(144)	(101)	(100)	(1144)	<b>—</b> ,	<b>()</b>	
Property Taxes:	(129,726)	(132,686)	(132,906)	(244,264)	(262,344)	(281,117)	(270,632)	(281,025)	(372,719)	(376,904)	(360,77
Total Non Operating Expenses	(\$129,800)	(3132,662)	(\$133,042)	(3244.365)	(\$252,490)	(\$261,268)	(\$270,789)	(3281,188)	(\$372,935)	(\$377,121)	(\$380,9
Het income	\$435,499	\$143,780	\$275,217	\$106,830	\$383,714	3831,426	\$727,974	\$585,103	\$864,649	\$755,393	\$677,0
Taxable Income (See worksheet for taxable Income below)	\$213,813	\$0	\$0	\$0	80	\$102,766	\$24,274	\$0	\$0	\$0	:
Income Texas:		*-	*-	• • •		• • • • • • • • • • • • • • • • • • • •	-				
8.50%	11,760	0	0	0	0	5,052	1,335	Ō	Ō	Ō	
34.00%	68,694	0	0_	0	0	33,010	7,790	0	0	0	
Total Income Yaxee Net After Tax Income	\$80,458	80	80	\$0	\$0	\$38,672	\$0,134	\$0	\$0	\$0	\$677,03
Mar Wres 1 at Michael	\$355,041	\$143,780	\$275,217	\$166,830	\$383,714	\$702,763	\$718,841	\$505,193	\$164,649	\$755,393	*****
Rate Base	\$4,979,232	\$4,852,112	\$4,433,843	\$11,124,550	\$10,857,351	\$10,193,192	\$9,115,290	\$4,013,870	\$12,414,100	\$10,666,524	\$10,221,7
Rate of Return Achieved	7.13%	2,00%		4 800			7.80%	7.30%	6.97%	7,00%	0.6
Alound Return	12.04%	7,10%	6.21% 7.10%	1.50% 6.72%	3.53% 6.72%	7.78% 0.72%	0.71%	6,71%	8.43%	9.63%	6.63
Allowed Return Amount	\$500,600	\$344,579	7.10% 8314,842	8747.405	8729.364	\$684,829	8611,906	8537.724	1423.341	\$706,362	\$677.0
Morksheet for Yearble Incorne											
Interest Expense - Total Allocation Percentage to Sewer (1)	\$403,066	\$604,884	8594,080	\$1,408,866	\$1,300,363	81,324,831	\$1,279,458	\$1,230,960	\$1,777,979	\$1,707,110	\$1,631,
Alocated Interest Expense - Sewer	55.00%	\$5.00%	86.00%	56.00%	65.00%	55.00%	55.D0%	55.00%	55.00%	55,00%	86.0
Carrenge sames Chains . bissii	221,085	332,686	328,744	774,877	753,095	728,667	703,702	677,023	977,848	938,911	197,
Registement of Net Income Before Income Tax	\$435,490	\$143,740	8276,217	\$166,830	8343,714	\$831,425	8727,976	8585,183	\$864,649	\$755,303	\$677.0
LESS: Interest Expense - Sewer	221,686	332,646	326,744	774,877	753,096	728.657	703,702	677,023	977.880	938,911	897.2

<sup>(1)</sup> Allocation percentage based upon surrent water rate base as a percentage of total rate base.

<sup>(2)</sup> For simplicity, taxable income is calculated separately for water and wastewater, however, the tax return would be filed on a consolidated basis. Purthermore, taxable income is not aboved to go negative in this model for water or wastewater. Negative taxable income in either system could offset taxable income in the other system and a not negative taxable income would result in tax eredits that could potentially be carried forward or back.

# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM DEPRECIATION SCHEDULE - WATER

### Scenario 1a - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 100% Debt / 0% Equity

Water

Existing Asset Depreciation

Eda	iting Assets	Year	Estimated Original Cost \$34,630	Life (Years)								
1	Franchises	1980	\$34,630	NA.								
2	Structures	1982	12,748	33								
3	Wells & Springs	1985	50,533	30								
4	Other Pumping	1987	4.095	20								
5	Pumping Equip	1990	13,536	20								
6	Other Water Source Plant	1985	536	25								
7	Structures & Improvements	1003	35,424	20 25 33 22 37								
8	Trestment	1986	992,638	22								
9	Dist Reservoirs	1992	310,310	37								
10	Mains	1989	3,310,401	45								
11	Services	1991	745,443	40								
12	Meters	1992	344,873	20								
13	Hydrants	1992	403,951	45								
14	Other T&D	1988	33,635	25								
15	Supply Mains	1991	1,392	35								
16	General 4 :	1980	2,190	20 45 25 35 33								
17	Furniture	1994	3,668	15								
18	Power Equip	1987	732	10								
19	Misc Equip	1992	3,720	15								
20	Acqueition	1983	187,303	40								
	el Estimated Original Cost		\$8,491,776									
22 Adju	ustment to 1998 Annual Report Utility Plant in Service		(29,167)									
23 Tota	I Utility Plant In Service		\$8,482,600									
	recistion Schedule - Existing Assets	1999	2000	2001	2002	2003	2004	2006	2008	2007	2008	2009
24	Franchises	•	•	•		•	•	-	-		•	•
25	Structures	\$386	\$386	\$386	\$386	\$386	\$386	\$386	\$386	\$386	\$386	\$366
26	Wells & Springs	1,684	1,684	1,684	1,684	1,684	1,684	1,684	1,684	1,684	1,684	1,684
27	Other Pumping	205	205	205	205	205	205	205	205		•	
28	Pumping Equip	677	677	677	677	677	677	677	677	677	677	677
29	Other Water Source Plant	21	21	21	21	21	21	21	21	21	21	21
30	Structures & Improvements	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073
31	Treatment	45,120	45,120	45,120	45,120	45,120	45,120	45,120	45,120	45,120	•	•
32 33	Dist Reservoirs	8,387	8,387	8,387	8,387	8,387	8,387	8,387	8,387	8,387	6,387	5,387
33 34	Mains Services	73,564	73,564	73,564	73,584	73,564	73,564	73,564	73,564	73,564	73,564	73,564
35 35	Meters	18,636	18,636	18,636	18,636	18,636	18,636	18,636	18,636	18,636	18,636	18,636
38	Hydrants	17,244	17,244	17,244	17,244	17,244	17,244	17,244	17,244	17,244	17,244	17,244
37	Other T&D	8,077	8,977	8,977	8,977	8,977	8,977	8,977	8,977	8,977	8,977	8,977
37 38	Supply Mains	1,345	1,345	1,345	1,345	1,345	1,345	1,345	1,345	1,345	1,345	1,345
39	General	40	40	40	40	40	40	40	40	40	40	40
40	Furniture	.66	65	66	66	66	66	66	66	66	66	66
41	Power Equip	246	246	246	246	246	246	246	246	246	246	
42		•		•		•		-				
42 43	Misc Equip Acqueltion	248	248	245	248	248	248	248	248	•		
	Acquisiting Depreciation	4,683	4,683	4,683	4,683	4,683	4,683	4,683	4,663	4,683	4,683	4,683
45 441	u Externing Coprocision	\$182,603	\$182,603	\$182,603	\$182,603	\$182,603	\$182,603	\$182,803	\$182,603	\$182,150	\$137,030	4,683 \$136,784
46 T	stment to Reconcile to Accounting Records	3,831	3,831	3,831	3,831	3,831	3,831	3,831	3,531	3,831	3,831	3,831
<b>→</b> 0 100	I Existing Depreciation	\$186,434	\$186,434	\$188,434	\$188,434	\$188,434	\$185,434	\$188,434	\$186,434	\$185,981	\$140,881	\$140,615

SOURCE: BURTON & ASSOCIATES
CADATA112910LATESTIM-24FAMS530C.WK4



### INTERCOASTAL UTILITIES WATER & SEWER SYSTEM **DEPRECIATION SCHEDULE - WATER**

### Scenario 1a - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 100% Debt / 0% Equity

#### Water

#### **New Asset Depreciation**

			Estimated	
	New Assets	Year	Original Cost	Life (Years)
1 -	Water Plant- East Svc Area	2000	\$1,500,000	28
2	8" PVC Well Header	2002	24,000	45
3	16" PVC Water Main	2002	380,000	45
4	750 GPM Supply Wells	2002	225,000	30
5	12" PVC Well Header	2002	30,000	45
6	2.0 MG Reservoir w/ Aerator	2002	700,000	40
7	Pumping Station #1 Complete	2002	1,400,000	25
8	12" PVC Water Main	2002	360,000	45
9	Engineering & Contingency	2002	804,750	30
10	2.0 MG Reservoir w. Aerator	2007	700,000	40
11	Expand Pump Station #1	2007	800,000	20
12	750 GPM Supply Wells	2007	225,000	30
13	12" PVC Well Header	2007	30,000	45
14	16" PVC Well Header	2007	38,000	45
15	Engineering & Contingency	2007	505,500	30
16	8" PVC Well Header	2007	24,000	45
17	24" PVC Water Main	2007	405,000	45
18_	Land	2000	100,000	

	preciation Schedule - New Assets	1998	1909	2000	2001	2002	2003	2004	2005	2006	2007	2008	200
•	Water Plant- East Svc Area		•	\$28,848	\$57,692	\$57,692	\$57,692	\$57,692	\$57,692	\$57,692	\$57,692	\$57,692	\$57,60
)	8" PVC Well Header			•		267	533	533	533	533	533	533	53
	16" PVC Water Main			•		4,222	8,444	8,444	8,444	8,444	8,444	8,444	8,4
?	750 GPM Supply Wells					3,750	7,500	7,500	7,500	7,500	7,500	7,500	7,5
	12" PVC Well Header					333	667	667	667	667	667	667	6
	2.0 MG Reservoir w/ Aerator					8,750	17,500	17,500	17,500	17,500	17,500	17,500	17,5
	Pumping Station #1 Complete				_	28,000	56,000	66,000	56,000	56,000	56,000	56,000	56,0
	12" PVC Water Main		_	_	·	4,000	8,000	8,000	8,000	8,000	8,000	8,000	8,0
	Engineering & Contingency		_		•	13,413	26,825	26,825					
	2.0 MG Reservoir w. Aerator		•	•	•	13,413	20,020	20,023	26,825	26,825	26,825	26,825	26,
	Expand Pump Station #1		•	•	•	•	•	•	•	•	8,750	17,500	17,
	750 GPM Supply Wells		•	•	•	•	•	•	•	•	15,000	30,000	30,
	12" PVC Well Header		•	•	•	•	•	•	•	•	3,750	7,500	7,
	16" PVC Well Header		•	•	•	•	•	•	•	•	333	667	
	Engineering & Contingency		•	•	•	-	•	•	•	•	422	844	
	6" PVC Well Header		•	•	•	•	•	•	•	•	8,425	16,850	16,
			•	•	•	•	•	•	•	•	267	533	
	24" PVC Water Main		•	•	•	•	•		•		4,500	9,000	9,
	Land		•	•	•	•	•	•	•				
_	CIAC Plant		•	2,102	4,582	12,023	12,473	12,963	13,497	14,111	18,293	10,609	10,
IO	al New Depreciation			\$30,948	\$62,274	\$132,450	\$195,635	\$198,124	\$198,858	\$197,273	\$242,902	\$276,665	\$276.

#### Total Depreciation - Water

49 Total Existing Depreciation 50 Total New Depreciation	\$182,603	\$182,603 30,948	\$182,603 62,274	\$182,603 132,450	\$182,603 195,635	\$182,803 196,124	\$182,603 196,658	\$182,603 197,273	\$182,150 242,902	\$137,030 276,665	\$136,784 276,436
51 Total Depreciation	\$182,503	\$213,551	\$244,877	\$315,063	\$378,237	\$376,727	\$379,261	\$379,876	\$425,052	\$413,695	\$413,221
52 Accumulated Depreciation	\$1,\$35,149 \$1,817,762	\$2,031,302	\$2,276,179	\$2,591,232	\$2,969,469	\$3,348,196	83,727,457	84,107,333	\$4,532,365	\$4,946,000	\$5,359,301

**SOURCE: BURTON & ASSOCIATES** 

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05/31/2000



# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM DEPRECIATION SCHEDULE - SEWER

### Scenario 1a - Intercoastal Utilities Water and Sewer Rates w/Intercoastal Capital Plan - 100% Debt / 0% Equity

#### SEWER:

#### **Existing Asset Depreciation**

	<b></b>		Estimated	
	Existing Assets	Year	Original Cost	Life (Years)
1	Franchises	1980	\$34,630	NX.
2	Sewers-Force	1991	1,209,416	30
3	Sewers-Gravity	1989	4,843,762	45
- 4	Other	1985	75,209	40
5	Services	1991	737,204	38
6	Receiving Well	1901	459,021	30
7	Pumping Equip	1902	996,960	18
8	Structures	1986	78,871	32
9	Treat Equip	1990	1,840,940	18
10	Outfall Sewer	1987	4,941	30
11	Other Treatment	1901	13,265	18
12	Structures	1994	90,237	32
13	General	1981	6,241	32
14	Furniture 4.	1986	711	15
15	Laboratory	1995	7,747	15
16	Power Equip	1983	732	12
17	Misc Equip	1989	1,589	15
18	Acquisition	1983	243,854	39
19	Total Estimated Original Cost		\$10,645,330	
20	Adjustment to 1998 Annual Report Utility Plant in Service		306,909	
21	Total Utility Plant In Service		\$10,954,239	

Depreciation Schedule - Existing Assets	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
2 Franchises	•			•							
3 Sewers-Force	\$40,314	\$40,314	\$40,314	\$40,314	\$40,314	\$40,314	\$40,314	\$40,314	\$40,314	\$40,314	\$40,314
4 Sewers-Gravity	107,639	107,639	107,639	107,639	107,639	107,639	107,639	107,639	107,639	107,639	107,639
5 Other	1,880	1,880	1,860	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880
Services	19,400	19,400	19,400	19,400	19,400	19,400	19,400	19,400	19,400	19,400	19,400
7 Receiving Welt	15,301	15,301	15,301	15,301	15,301	15,301	15,301	15,301	15,301	15,301	15,301
B Pumping Equip	55,387	55,387	55,367	55,387	55,387	55,387	55,387	55,387	55,387	55,387	55,387
9 Structures	2,465	2,465	2,465	2.465	2,465	2,465	2.485	2,465	2,485	2,465	2,465
0 Treat Equip	102,274	102,274	102,274	102.274	102,274	102,274	102.274	102,274	102,274	2,400	2,400
Outfall Sewer	165	165	165	165	165	165	185	102,274	102,274	165	166
2 Other Treatment	737	737	737	737	737	737	737	737	737	737	100
3 Structures	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820
4 General	195	195	195	195	195	195	195	195	195	195	195
5 Furniture	47	47	100	180	180	190	180	180	190	190	180
5 Laboratory	516	516	516	516	516	516	516	516	516		-46
7 Power Equip	0.0	519	010	910	510	919	510		010	516	516
Miso Equip	106	106	106	106	108	•	•	•	•	•	
9 Acquisition	6,253	6,253	6,253	6,253	6,253	6,253	6,253	6.253	6,253	4 252	
Total Existing Depreciation	\$355,499	\$355,499	\$355,452	\$355,452	\$355,452	\$355,348	8355,346	8355,348		6,253	6,253
Adjustment to Reconcile to Accounting Records	4,758	4,758	4,756	4,756					\$355,346	\$253,071	\$252,334
2 Total Existing Depreciation	\$360,255	\$360,255			4,758	4,756	4,758	4,756	4,758	4,758	4,756
	\$300,233	+30U,Z33	\$360,208	\$360,208	\$380,208	\$360,102	\$360,102	\$360,102	\$360,102	\$257,827	\$257,090

SOURCE: BURTON & ASSOCIATES
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# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM DEPRECIATION SCHEDULE - SEWER

### Scenario 1a - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 100% Debt / 0% Equity

#### SEWER:

#### New Asset Depreciation

			Estimated	
	New Assets	Year	Original Cost	Life (Years)
1	WWTP Improvement East Svc Area	1990	\$3,343,962	
2	Master Lift Station # 1	2002	200,000	21
3	16° PVC Force Main	2002	456,000	
4	8" PVC Force Main	2002	408,000	30
5	1.0 MGD WWTP	2002	5,500,000	26
6	16" PVC Outfall/Xfer (50% Cost)	2002	360,000	30
Ž	Engineering & Contingency			
Ř	1.0 MGD WWTP Expansion	2002	1,793,500	30
Š	12" PVC Force Main	2007	5,000,000	26
10		2007	240,000	30
	Engineering & Contingency	2007	1,310,000	30
11	Land	2000	250,000	

	Depreciation Schedule - New Assets	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
12	2 WWTP Improvement East Svc Area		\$75,999	\$151,998	\$151,998	\$151,998	\$151,998	\$151,998	\$151,998	\$151,998	\$151,998	\$151,998	\$151,998
13			•	•		4,762	9,524	9.524	9.524	9,524	9,524	9,524	9,524
14			•		•	7,600	15,200	15,200	15,200	15,200	15,200	15,200	15,200
1:						6,800	13,600	13,600	13,600	13,600	13,600	13,600	13,600
10						105,769	211,538	211.538	211,538	211.538	211,538	211,538	211,538
17						6,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
11					_	29,892	59,783	59,783	59,783	59,783	59,783	59.783	59,783
19					-	20,002	00,100	00,700	JU, 103	30,703	96,154	192,308	192,308
2(				_	-	-		_	-	•	4,000	8,000	8.000
2			-		-	-		_		•	21,833	43,667	43,667
2:				_		_	•	•	•	•	21,033	43,007	43,007
2:	3 CIAC Plant		-	7,022	15,309	41,374	42,875	44,512	46.297	40 405	<b>63</b> 443	97.400	90 700
24	1 Total New Depreciation		\$75,999	\$159.021	\$167,307	\$354,195	\$516,519	\$518,158		48,405	63,142	37,468	36,703
	·		4. 4,444	# 100,02 i	9101,301	3337, ISS	9010,019	9010,100	\$519,941	\$522,049	\$658,773	\$755,086	\$754,321
	Total Depreciation - Sewer												
20	E Total Middles December												
2	5 Total Editing Depreciation		\$360,255	\$360,255	\$360,208	\$360,208	\$360,208	\$360,102	\$360,102	\$360,102	\$360,102	\$257,827	\$257,090
21	3 Total New Depreciation		75,999	159,021	167,307	354,195	516,519	518,156	519,941	522,049	658,773	755,086	754,321
21	Total Depreciation		\$438,254	\$519,276	\$527,514	\$714,402	\$876,727	\$878,258	\$880,042	\$882,151	\$1,018,875	\$1,012,913	\$1,011,412
							•					, <b></b>	,,

28 Accumulated Depreciation

\$2,768,561 \$3,204,815 \$3,724,091 \$4,251,605 \$4,966,008 \$5,842,735 \$8,720,992 \$7,801,035 \$8,483,186 \$9,502,060 \$10,514,974 \$11,526,385

SOURCE: BURTON & ASSOCIATES C'OATANIZWOUNTESTIM-ZFAMESSOC,WK4

## INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - WATER

## Scenario 1a - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 100% Debt / 0% Equity

### Water - Existing CIAC

### **Existing CIAC**

	Existing CIAC- Plant		Estimated	
_		Year	Original Cost	Life (Years)
1	Other	1959	\$29,688	30
2	Dist Reservoirs & Standpipes	1992	24,490	37
3	Transmission & Dist Mains	1988	2,585,764	45
4	Services .	1990	559,129	40
5	Motors & Motor Installs	1992	181,201	20
6	Hydrants	1990	307.505	20 45
7	Total Existing CIAC - Plant	1990		40
•	I AME CHARLA LIMIT		\$3,687,777	

	Existing CIAC - Cosh		Year	Estimated Original Cost Life (Years)
•	Cash		1991	\$1,318,650 30
¥	Total Existing CIAC - Cash			\$1,318,650
10 11	Total Existing CIAC Adjustment to 1998 Annual Report	•		\$5,008,427 130,062
12	Total Existing CIAC			\$8,138,480

Amortization of Existing CIAC		<b></b>									
Amortization Schodule - Existing Plant CIAC	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
13 Other 14 Dist Reservoirs & Standpipes 15 Transmission & Dist Mains 16 Services 17 Meters & Meter Installs 18 Hydrants 19 Total Plant Amortzation	\$990 662 57,461 13,978 9,060 6,833 \$88,986	\$990 662 57,461 13,978 9,060 6,833 \$85,985	\$990 662 67,451 13,978 9,060 6,833 \$88,985	\$990 662 57,461 13,976 9,060 6,833 \$85,985	\$990 652 57,461 13,978 9,060 6,833 \$88,985	\$990 682 57,461 13,978 9,060 6,833	\$990 662 67,461 13,978 9,060 6,833 \$88,985	\$990 862 57,461 13,978 9,060 6,833 \$88,985	\$990 662 57,481 13,978 9,060 6,833 \$88,985	\$990 662 57,461 13,978 9,060 6,833 \$88,985	\$990 662 57,461 13,978 9,060 6,833 \$88,985
Amortization Schedule - Existing Cash CIAC  Cash	E/A DOA	E/1 6KA	**************************************	E/4 5/4							<del></del>

FARMINE TO THE PARTY OF THE PAR											
20 Cash 21 Total Cash CAC Americation	\$43,968	\$43,966	\$43,955	\$43,966	\$43,965	\$43,965	\$43,966	\$43,955	\$43,966	\$43,965	\$43,955
	\$43,965	¥43,955	\$43,955	\$43,965	\$43,965	\$43,966	\$43,965	\$43,966	\$43,965	\$43,965	\$43,955
22 Total Existing CIAC Amortization 23 Adjustment to Reconcile to Accounting Records 24 Total Existing CIAC Amortization	\$132,940 \$10,373										
	\$143,313	\$143,313	8143,313	\$143,313	\$143,313	\$143,313	\$143,313	\$143,313	\$143,313	\$143,313	********

SOURCE: BURTON & ASSOCIATES C:OATA123VCIATESTM-2YFAMSS30C:MK4

#### INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - WATER

### Scenario 1a - Intercoastel Utilides Water and Sewer Rates w/ Intercoastel Capital Plan - 100% Debt / 0% Equity

#### New CIAC

			1999	2000	2001	2002	2003	2004	2005	2006	2007	2006	2009
	New CIAC- Plant:	CIAC PER Life ERC											
1	Trensmission & Dist Mains	43 \$489.83	•	\$120,761	\$131,630	\$345,416	\$358,328	\$372,403	\$387,746	\$406,407	\$525,544	\$304,788	\$298,213
2	Services	40 \$101.55	•	826,113	\$28,463	\$74,600	\$77,483	\$80,526	\$83,844	\$87,663	\$113,640	\$65,905	\$64,484
3	Motors & Motor Installs	20 \$32.91	•	\$8,463	\$9,224	\$24,205	\$25,110	\$26,007	\$27,172	\$26,409	\$35,828	\$21,358	\$20,896
: T	Hydrants Xel New CIAC - Plant	45 \$55.85		\$14,361	\$15,654	\$41,077	\$42,613	\$44,287	846,111	\$48,212	\$62,499	\$36,246	\$35,464
0 10	NA NOW COAC - PIER		•	\$160,697	\$184,970	\$485,389	\$503,835	\$523,313	\$544,872	\$560,601	\$738,511	\$425,297	\$419,058
6 N	rw CIAC - Ceeh:												
7 8	New CIAC - Cash Life	30	•	\$60,287	385,713	\$172,441	\$178,887	\$185,914	\$193,573	\$202,390	\$262,365	\$152,158	\$148,876
9 To	New CIAC - Cash	<del></del>		\$50,287	\$65,713	8172,441	\$178,587	\$185,914	\$193,573	\$202,390	\$262,365	\$152,165	\$148,878
10 Te	otal New CIAC		•	\$228,864	\$250,663	8457,830	\$662,422	8700,227	8738,445	\$772,081	\$1,000,876	\$580,455	1567,834
A	mortization of New CIAC												
A	mortization Schedule - New CIAC Assets		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
11 N	ew CIAC - Plant Amortization	<b>A</b> ,					_		-		_		
	ensmission & Dist Mains			\$1,404	\$3,061	\$8.033	\$8,333	\$8,661	89.017	\$9,428	\$12.222	\$7,088	\$6,935
	rvices		-	\$326	\$712	\$1.867	\$1,937	\$2,013	\$2,096	\$2,192	\$2,841	\$1,648	\$1,612
	elers & Meter Installs			\$212	\$461	\$1,210	\$1,256	\$1,305	\$1,350	\$1,420	\$1,841	\$1,068	\$1,045
	rdrants		-	\$160	\$348	\$913	\$947	\$984	\$1,025	\$1,071	\$1,389	\$805	\$788
18 To	New CIAC - Plant Amortization		•	\$2,102	\$4,582	\$12,023	\$12,473	¥12,963	\$13,497	\$14,511	\$18,293	\$10,609	\$10,380
	ew CIAC - Cash Amoritzation			\$1,005	\$2,190	\$5,748	\$5,963	\$6,197	\$6,452	\$6,746	\$8,746	\$5.072	\$4,963
17 To	otal New CIAC - Cash Amortization		•	\$1,005	\$2,190	\$5,748	\$5,963	\$6,197	\$6,452	\$6,748	\$8,748	\$5,072	\$4,963
18 Te	otal New CIAC Amortization		•	\$3,107	\$6,772	817,771	\$18,436	\$18,160	819,940	\$20,858	827,030	\$15,681	\$16,343
	ummary of CIAC & CIAC Amortization	on - Water	· · · · · · · · · · · · · · · · · · ·					<u></u>	<u> </u>		·	· · · · · · · · · · · · · · · · · · ·	
19 1	OAD gritate like	Existing 1996	1990	2000	2001	2002	2003	2004	2005	2006	2007	2006	2000
20 To	otal New CIAC	\$5,136,489		*****	****								
	otal Accumulated CVAC - Water	\$5,136,489	\$5,135,489	\$229,984 \$5,366,473	\$250,683 \$5,617,157	\$657,830 \$6,274,986	\$682,422 \$5,957,408	\$709,227 \$7,666,636	\$738,445 \$8,405,080		\$1,000,876 \$10,178,037	\$580,456 \$10,758,492	\$567,934 \$11,326,428
<u>\$</u>	IAC Amortization												
	Mai Edising CIAC Annual Amortization otal New CIAC Annual Amortization		\$143,313	\$143,313 3,107	\$143,313 6,772	\$143,313 17,771	\$143,313	\$143,313	\$143,313	\$143,313	\$143,313	\$143,313	\$143,313
	Stal CIAC Annual Amortzation - Water		\$143,313	\$145,419	\$150,085	\$161,084	18,436 \$181,748	19,160 \$152,473	19,949 \$163,262	20,868 \$184,171	27,039 \$170,352	15,681 \$158,994	15,343 \$158,666
25 A	ocumulated CIAC Amortization	\$1,078,706	\$1,222,018	81,368,437	\$1,518,522	\$1,678,606	\$1,841,366	\$2,003,827	\$2,167,000	\$2,331,260	\$2,501,611	\$2,860,605	\$2,810,261
	CE: BURTON & ASSOCIATES												

C:CATAII23VCLATESTM-TFAMSESOCJAKA

## INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - SEWER

## Scenario 1a - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 100% Debt / 0% Equity

#### Sewer - Existing CIAC

#### **Existing CIAC**

			Estmoled	
	Existing CIAC - Plant	Year .	Orlginal Cost	Life (Years)
1	Oher	1992	\$73,594	30
2	Sewers - Force	1989	860,755	30
3	Sewers - Gravity	1988	3,717,766	46
4	Other - Collecting	1965	62,148	40
5	Services	1990	561,347	38
6	Structures	1907	5,500	32
7	Receiving Well			
ė	Purroing Equipment	1901	247,738	30
•		1990	501,274	18
	Total Existing CIAC - Plant		36.030.111	

40	Existing CIAC - Cash	Year	Estimated Original Cost	Life (Years)
10		1992	\$2,386,734	30
	Total Existing CIAC - Cash		\$2,388,734	
	Total Existing CIAC		\$8,416,846	
12			185,922	
13	Total Existing CIAC		\$30 R02 7R7	

Amortization of Existing C	AC
----------------------------	----

	007 2008 2009
	153 82,453 82,453
16 Bours Crash	592 28,692 28,692
1/ Charte Colomb	
18 SANGES ALTERNATION AND ALTE	564 1,564 1,564
19 5700196	772 14,772 14,772
20 Receiving West 8.256 8.256 8.256 8.256 8.256 8.256 8.256	172 172 172
27 849 27 840 27	258 8,258 8,258 849
22 Total Plant Amortization \$166,366 \$1	

Amortization Schedule - Existing Cash CIAC  23 Cash											
24 Total Cash CIAC Amortzation	\$79,558	\$79,558	879,558	\$79,558	\$79,558	\$79,568	\$79,558	\$79,558	\$79,558	\$79,558	\$79,558
ar is control and the control	\$79,558	\$79,558	879,558	\$79,558	\$79,558	\$79,555	\$79,568	\$79,558	\$79,558	\$79,568	\$79,558
25 Total Existing CIAC Amortization 25 Adjustment to Recorde to Accounting Records 27 Total Existing CIAC Amortization	\$245,924 \$16,224	\$245,924 \$16,224	\$245,924 \$16,224	\$245,924 \$16,224	\$245,924 \$15,224	\$245,924 \$16,224	\$245,924 \$16,224	\$245,924 \$15,224	\$245,924 \$16,224	\$218,075 \$44,072	\$218,076 \$44,072
	\$262,148	\$262,148	\$262,148	\$262,148	\$262,148	\$262,148	\$202,540	\$262,148	\$242,148	\$242,148	3262,148

SOURCE: BURTON & ASSOCIATES CHOATANIZMICIATESTIN-ZIFAMSENOCIMICA

## INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - SEWER

## Scenario 1a - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 100% Debt / 0% Equity

#### New CIAC

		<b></b>	1999	2000	2001	2002	2003	2004	2005	2006	2007	2006	2008
	levr CIAC - Plant: Structures & Improvements	CIAC per U/e ERC 32 \$25.66		84,040	96,837	817,836	818,587	\$19,297	\$20,071	\$20,965	827,373	\$16,243	\$15,912 \$202,450
ż	Sewers - Force	30 \$301.28	•	877 AT2	884,444	\$224,222	\$236,506	\$245,536	\$255,378	\$287,010	\$348,296 \$1,504,386	\$206,677 \$692,677	\$874,450
3	Sewers - Gravity	45 \$1,301.28	•	8334,615	8384,730	\$985,734	\$1,021,514	\$1,080,514 \$160,128	\$1,103,024 \$166,547	\$1,153,264 \$174,132	8227,146	\$134,786	\$132,036
4	Services	36 \$106.48 18 \$175.45	•	\$50,524 \$45,117	\$55,071 \$49,177	\$148,837 \$132,900	\$154,230 \$137,733	\$142,902	\$148,723	8155,497	\$202,837	\$120,362	\$117,906
•	Pumping Equip Life	30 \$1/3.49	•	<b>\$42,</b> 117	940,111	\$132,5VE	4131,103	7.4,244	** **				***
7 7	Old New CIAC - Plant			\$513,816	\$560,050	81,512,838	¥1,58£,580	\$1,525,466	\$1,803,743	\$1,770,888	2,310,021	\$1,370,748	\$1,342,771
	low CIAC - Cash:								****		\$722,773	\$428,867	\$420,134
•	New CIAC-Cash			\$100,766	\$176,236	8473,506	\$490,787	\$509,524	\$529,948	8554,086	\$122,113	**29,901	4120,101
10 T	Life Total New CIAC - Cash	30	<del></del>	\$180,766	\$175,235	\$473,596	\$400,787	\$509,524	\$625,546	\$564,044	\$722,713	\$428,867	\$420,134
11 T	Fotal New CIAC		•	\$874,501	\$735,284	\$1,887,234	\$2,860,366	82,137,901	<b>\$2,223,89</b> 1	\$2,334,876	\$3,032,784	\$1,788,833	\$1,762,906
1	Amortization of New CIAC												
1	Amortization Schedule - New CIAC Assets		1999	2000	2001	2002	2003	2004	2005	2006	2007	2006	2009
12 2	New CIAC - Plant Amortization	ă ;											\$497
13	Structures & Improvements		•	\$95	\$207	\$561	\$581	\$603	\$827	\$656 \$8,900	\$855 \$11,610	8028 988,82	\$497 \$6,749
14	Sewers - Force			\$1,291	\$2,815	\$7,807	\$7,884 \$22,700	\$8,185 \$23,567	\$8,513 \$24,512	\$5,900 \$25,628	\$33,430	\$19,837	\$19,432
15 18	Sewers - Gravity Services		•	\$3,718 \$665	\$8,105 \$1,449	\$21,905 \$3,917	84,059	\$4,214	\$4,363	84.582	85,978	\$3,547	83,475
10 17	Pumping Equip		:	\$1,253	\$2,732	87,384	\$7,652	87,944	\$8,262	\$8,639	\$11,269	\$6,687	\$6,550
	Total New CIAC - Plant Amortization		•	\$7,022	\$15,309	\$41,374	\$42,875	\$44,512	\$46,297	\$48,405	\$63,142	\$37,468	\$36,763
18 -	New CIAC- Cash Amortization	١,		\$2,679	\$5,841	\$15,787	\$16,360_	\$16,984	\$17,665	\$18,470	\$24,092	\$14,296	\$14,004 \$14,004
18 `	Total Cash Americation		•	\$2,679	\$5,841	\$15,787	\$16,360	\$16,564	\$17,565	\$18,470	\$24,062	\$14,296	*17,007
20 '	Total New CIAC Amerization		•	\$9,762	\$21,158	\$57,160	\$58,226	\$61,487	\$63,962	\$65,876	\$87,234	\$51,764	\$50,706
	Summary of CIAC & CIAC Amort	ization - Sewer											
											2007	2006	
	CIAC	Existing 1994	1990	2000	2001	2002	2003	2004	2005	2006	2001	2004	2009
21 1	Total Existing CIAC	Existing 1998 \$8,802,767	1900								3,032,794	1,799,633	1,762,906
21 3			1900 \$6,802,767	874,581 88,277,348	735,294	1,987,234 \$11,990,876	2,059,366 \$14,059,243	2,137,991 \$18,197,233	2,223,691 518,420,824	2,324,975 \$20,745,466			
21 1 22 23 1	Total Existing CIAC Total New CIAC Total Accumulated CIAC - Sewer CIAC Amortization	\$8,802,767	\$4,802,767	674,581 \$9,277,348	735,294 \$10,012,642	1,987,234 \$11,860,878	2,059,366	2,137,991	2,223,691 \$18,420,824 \$282,148	2,324,975 \$20,745,860 \$262,148	3,032,794 \$23,778,663 \$282,148	1,799,633 \$25,578,328 \$262,148	1,762,906 \$27,341,232 \$262,148
21 22 23 24 25	Total Existing CIAC Total New CIAC Total New CIAC Total Accumulated CIAC - Sewer  CIAC Ameritzation Total Existing CIAC Arrusi Ameritzation Total New CIAC Arrusi Ameritzation	\$8,802,767	\$6,802,767 \$262,144	674,561 58,277,348 \$262,148 9,702	735,294 \$10,012,642 \$262,148 21,150	1,987,234 \$11,990,878 \$262,148 \$7,160	2,059,366 \$14,059,243 \$262,148 69,235	2,137,901 \$16,197,233 \$262,148 \$1,497	2,223,691 \$18,420,824 \$282,148 \$3,962	2,324,975 \$20,745,849 \$262,148 \$6,875	\$,032,794 \$23,778,663 \$262,146 87,234	1,799,633 \$25,578,328 \$262,148 51,764	1,762,806 \$27,341,232 \$262,148 50,708
21 22 23 24 25	Total Existing CIAC Total New CIAC Total New CIAC Total Accumulated CIAC - Sewer  CIAC Amortization Total Existing CIAC Annual Amortization	\$8,802,767	\$4,802,767	674,561 89,277,348 \$262,148	735,294 810,012,642 \$262,148	1,987,234 \$11,990,878 \$262,148	2,059,366 \$14,059,243 \$262,148	2,137,901 \$16,197,233 \$262,148	2,223,691 \$18,420,824 \$282,148	2,324,975 \$20,745,860 \$262,148	3,032,794 \$23,778,663 \$282,148	1,799,633 \$25,578,328 \$262,148	1,762,906 \$27,341,232 \$262,148
21 22 23 24 25 26 26	Total Existing CIAC Total New CIAC Total New CIAC Total Accumulated CIAC - Sewer  CIAC Ameritzation Total Existing CIAC Arrusi Ameritzation Total New CIAC Arrusi Ameritzation	\$8,802,767	\$6,802,767 \$262,144	674,561 58,277,348 \$262,148 9,702	735,294 \$10,012,642 \$262,148 21,150	1,987,234 \$11,990,878 \$262,148 \$7,160	2,059,366 \$14,059,243 \$262,148 69,235	2,137,901 \$16,197,233 \$262,148 \$1,497	2,223,691 \$18,420,824 \$282,148 \$3,962	2,324,975 \$20,745,849 \$262,148 \$6,875	\$,032,794 \$23,778,663 \$262,146 87,234	1,799,633 \$25,578,328 \$262,148 51,764	1,762,806 \$27,341,232 \$262,148 50,708
21 22 23 24 25 26 27	Total Esteling CIAC Total New CIAC Total New CIAC Total Accumulated CIAC - Sewer  CIAC Amortization Total Esteling CIAC Annual Amortization Total New CIAC Annual Amortization Total CIAC Annual Amortization - Sewer  Accumulated CIAC Amortization  Total Water & Sewer	\$8,802,767 \$8,802,767 \$1,836,237	\$6,802,767 \$262,144 \$262,146 \$2,186,365	674,561 58,277,348 5262,148 8,702 8271,850 52,476,234	735,294 \$10,012,642 \$262,148 21,150 \$283,286 \$2,763,632	1,967,234 \$11,966,876 \$262,148 \$7,160 \$319,306 \$3,972,848	2,059,366 \$14,059,243 \$262,146 69,235 \$321,343 \$3,384,223	2,137,801 \$16,197,233 \$262,146 \$1,407 \$3,21,644 \$3,717,867	2,223,691 \$18,420,824 \$282,146 \$3,962 \$3,863,109 \$4,843,877	2,324,975 \$20,745,666 \$262,146 \$65,875 \$329,023 \$4,372,866	\$,032,784 \$23,778,663 \$282,148 \$7,234 \$349,362 \$4,722,362	1,799,633 \$25,578,328 \$262,148 \$1,764 \$313,812 \$5,834,294	1,762,906 527,341,232 \$262,148 50,708 \$312,838 \$5,348,148
21 22 23 24 25 26 27 28	Total New CIAC Total New CIAC Total Accumulated CIAC - Sewer CIAC Amortization Total Existing CIAC Annual Amortization Total New CIAC Annual Amortization Total New CIAC Annual Amortization - Sewer Accumulated CIAC Amortization	\$8,802,767 \$8,802,767 \$1,836,237 or & Sower	\$6,802,767 \$262,144 \$262,146	874,581 \$8,277,348 \$282,148 \$,702 \$271,850	735,294 \$10,012,642 \$262,148 21,150 \$283,288	1,987,234 \$11,866,876 \$282,148 \$7,160 \$319,306	2,059,366 \$14,059,243 \$282,148 69,235 \$321,343	2,137,901 \$16,197,233 \$262,148 \$1,497 \$321,644	2,223,691 \$18,420,824 \$282,148 63,962 \$328,109	2,324,975 \$20,745,860 \$262,148 \$65,875 \$329,023	\$,032,794 \$23,778,863 \$282,148 87,234 \$349,362	1,799,833 \$25,578,328 \$252,148 \$1,764 \$313,812	1,762,906 \$27,341,232 \$262,148 \$0,708 \$312,856

SOURCE: BURTON & ASSOCIATES C:DATA:12NCLATESTB-2FAMSSIC:MKA

## INTERCOASTAL UTILITIES WATER & SEWER SYSTEM RATE BASE

## Scenario 1a - Intercoastal Utilities Water and Sewer Rates w/Intercoastal Capital Plan - 100% Debt / 0% Equity

		1888	2000	2001	2002	2001	2004	2005	2008	2007	2008	2000
1	Winter Percent Contributed Utility Plant in Service	84%	64%	67%	46%	49%	54%	58%	63%	56%	80%	62%
•		\$6,462,609	\$8,232,306	\$8,417,276	\$12,826,415	\$13,329,950	\$13,863,263	\$14,398,135	\$14,967,826	\$18,233,837	\$18,662,134	\$19,061,192
4		0	0	Q	0	0	0	0	0	0	0	0
:	Less: Accumulated Depreciation	(1,817,762)	(2,031,302)	(2,276,179)	(2,591,232)	(2,969,489)	(3,348,196)	(3,727,457)	(4, 107, 333)	(4,532,385)	(4,946,080)	(5,359,301)
2	Utility Plant in Service less Accum Depr.	\$4,644,857	\$8,201,004	\$8,141,008	\$10,235,184	\$10,360,481	\$10,505,067	\$10,570,578	\$10,860,493	813,701,462	\$13,716,064	\$13,721,891
•	Lees: Accumulated CIAC	(5,136,489)	(5,366,473)	(5,617,167)	(6,274,986)	(6,957,406)	(7,666,635)	(8,405,060)	(9,177,161)	(10,178,037)	(10,758,492)	(11,326,426)
′	Plus: Accumulated Amortization of CIAC	1,222,018	1,368,437	1,518,522	1,679,606	1,841,355	2,003,827	2,167,089	2,331,260	2,501,611	2,660,605	2,819,261
	Net Utility Plant in Service	8730,388	\$2,202,968	\$2,042,463	\$5,639,804	\$5,244,428	\$4,842,260	\$4,432,888	\$4,014,592	\$6,025,027	\$5,618,167	\$5,214,728
9	Plus or Minus:					0-,0, 1.00	V .	0.1.004000	4 -101000	441-441-4	4014.01.01	
10	Acquisition Adjustments	\$187,303	\$187,303	\$187,303	\$187,303	\$187,303	\$187,303	\$187,303	\$187,303	\$187,303	\$187,303	\$187,303
11	Accumulated Amort of Acq Adjustments	(77,263)	(81,945)	(86,629)	(91,312)	(96,965)						
12	Working Capital Allowance 12.50% of O&M	83,517	96,322	99,261			(100,678)	(105,361)	(110,044)	(114,727)	(119,410)	(124,093)
13	Other	-0,017	90,022	<b>24,20</b> 1	103,770	108,246	112,716	117,196	121,717	125,940	130,692	134,412
14	Net Utility Plant in Service			U U	0	0	0	0	0		0	0
	her amy rient si dei 194	\$933,543	\$2,404,647	\$2,342,398	34,339,561	10'ttints.	\$4,041,600	34,431,427	\$4,273,548	34,234,642	\$4,814,782	\$5,472,345
15	U&U Percentage	100,00%	04 040									
			61.81%	65.12%	55.17%	60,36%	65.79%	71.46%	T7.45%	65.91%	82,45%	65.14%
16	Rate Base	\$933,943	\$1,486,332	\$1,460,225	\$3,221,817	\$3,286,197	\$3,316,622	\$3,300,748	\$3,263,413	\$4,102,485	\$3,632,458	\$3,525,802

17	Council											
	Sowar: Percent Contributed	68%	60%	54%	43%	49%	56%	62%	68%	60%	64%	68%
18	Utility Plant in Service	\$14,298,201	\$15,062,017	\$15,622,076	\$25,853,214	\$27,421,793	\$29,050,260	\$30,744,003	\$32,514,891	\$41,374,912	\$42,745,658	\$44,088,429
19	Include Construction Work in Progress?	0	0	0.010		4011401140	400,000,000	*********	432,014,001	441,314,812	942,740,000	944,U00,928
20	Less: Accumulated Depreciation	(3,204,815)	(3,724,091)	(4,251,605)	14 000 000	45 446 546	40 500 000				0	D
21	Utility Plant in Service less Accum Depr.	\$11,063,386	\$11,337,926		(4,966,008)	(5,842,735)	(6,720,992)	(7,801,035)	(8,483,186)	(9,502,060)	(10,514,974)	(11,526,385)
22	Less: Accumulated CIAC			\$11,370,470	\$20,887,208	\$21,579,059	\$22,329,267	***************************************	\$24,031,705	\$31,872,852	\$32,230,684	\$32,562,044
22	Plus: Amortization of CIAC	(8,602,767)	(9,277,348)	(10,012,642)	(11,999,876)	(14,050,243)	(16,197,233)	(18,420,924)	(20,745,899)	(23,778,693)	(25,578,326)	(27,341,232)
24		2,198,365	2,470,234	2,753,532	3,072,840	3,394,223	3,717,867	4,043,977	4,372,999	4,722,382	5,036,294	5,349,149
24	Net Utility Plant in Service	\$4,689,004	\$4,530,812	\$4,111,360	\$11,960,170	\$10,914,039	100,048,02	\$4,766,020	\$7,658,806	\$12,816,540	\$11,688,651	\$10,569,961
25	Plus or Minus:			•	***********	0.0,0.0,000			41,000,000	412,010,040	* 11,000,00 I	\$ 10,000,00 t
26	Acquisition Adjustments	\$243,854	\$243,854	\$243,854	\$243,854	\$243,864	\$243,854	****	****	****	****	
27	Accumulated Amort of Acq Adjustments	(103,015)	(109,112)	(115,209)				\$243,854	\$243,854	\$243,854	\$243,854	\$243,854
28	Working Capital Allowance 12.50% of O&M	149,389	186,558		(121,306)	(127,403)	(133,490)	(139,596)	(145,693)	(151,790)	(157,887)	(163,984)
29	Other	140,000	100,000	193,877	207,601	220,528	232,936	245,012	256,913	270,685	280,117	289,364
30	Het Utility Plant in Service	47.444.444	0	0	0	0	0	0	0	0	. 0	â
11	Lat court Lieux at des 1904	\$4,979,232	\$4,852,112	\$4,433,383	\$12,200,318	811,251,018	\$10,191,192	\$4,114,290	\$4,013,876	\$13,179,289	\$12.084.735	\$10,839,198
91							*********	,	**********	4 1 of 11 of 200	4.00001.00	410,000,100
32	U&U Percentage	100.00%	100,00%	100,00%	90.51%	96.50%	100,00%	100,00%	400.000	04 400		*****
33	Rate Base	\$4,979,232	\$4,852,112						100.00%	\$4,19%	88,40%	93,44%
		7-1-1-4-242	<del>ه ا ا يكده وه ه</del>	<b>\$4,433,883</b>	\$11,124,556	\$10,857,351	\$10,193,192	\$9,115,290	\$8,013,879	\$12,414,199	\$10,656,524	\$10,221,709

SOURCE: BURTON & ASSOCIATES C:0ATA1123VCUTESTIM-2FAMSS30C.WK4

#### **INTERCOASTAL UTILITIES** WATER & SEWER SYSTEM UTILITY PLANT IN SERVICE - WATER & SEWER

#### Weter

Number Seal Service   \$1,800,000   2000   \$1,800,000   \$20,000	## PPC Well Header 34,000 2002 \$340,000 107 PPC Well Header 36,000 2002 \$26,000 107 PPC Well Header 700,000 2002 \$26,000 107 PPC Well Header 700,000 2002 \$700,000 107 PPC Well Header 700,000 2007 \$700,000 107 PPC Well Header 700,000 2007 \$64,780 2002 \$360,000 107 PPC Well Header 700,000 2007 \$64,780 2002 \$360,000 107 PPC Well Header 800,000 2007 \$64,780 2007 \$64,780 2007 \$64,780 2007 \$64,000 2007 \$100,000 107 PPC Well Header 800,000 107 PPC Well Header 800,000 2007 \$100,000 107 PPC Well Header 800,000														
## PACE Value Labor   \$20,000   \$200   \$20,000   \$200   \$20,000	New Assets per CIP; Water Plant- East Size Area of New World Newson					\$1,500,000				<del></del>	_				and.
Total Date Plant Assets per CEP:    Prof. Visit Service   1,00,000   2007   1,00,000   1			2002			•									
## PROF Note Name of Company ## PROF Note Name ## PROF	750 GPM Supply Wells														
2.0 feel Asserting or Charge  1. Fin Club State Halls  1. Fin Club Halls  1. Fin Clu	12" PVC Well Hinder		2002												
## PRO Water Name  ## Assess per CPT    Market Assess per CPT   Market Assess	2.0 MG Reservoir of Aeroter		2002												
September   Schriebung   Schright   Schriebung   Schrie	Pumping Station #1 Complete		2002					1,400,000							
2.5 MS Reserved vs. Available 100,000 2007 100,000 100 100 100 100 100 100 100 100			2002												
Bestimate   Best	2.0 M3 Receiver w. Aerotor		3007					804,750							
Total Marker Utility Plant in Service   20,000   2007   2007   20,000   2007   20,000   20,	Expend Pump Station #1		2007												
## PWC Wall Header \$4,000 2007 ## PWC Wall Header \$4,000 2007 ## PWC Wall Header \$2,000 2007 ## PWC Pers Main \$4,000 2007 ## PWC		225,000	2007												
Equinated & Certification   \$0.00   \$0															
## PVC Verial National Conference   \$0,000   \$0,															
24,000 207 320,000 207 310,000 310,000			2007												
Land 100,000 2000															
Total Dalley Pearl in Service (sock including CALC)   \$4,442,600   \$4,042,600   \$4,042,600   \$4,042,600   \$4,042,600   \$4,042,600   \$11,044,200   \$11,044,200   \$11,044,200   \$11,044,200   \$11,044,200   \$14,042,600   \$10,044,200   \$10,044,		100.000	2000			\$100,000							405,000		
New Pent Assests per CIAC:   New Pent Assests (CIAC)   10   \$160.067   \$164.070   \$445.360   \$803.535   \$823.313   \$244.072   \$500.061   \$734.511   \$425.267   \$746.067   \$164.070   \$445.360   \$803.535   \$823.313   \$244.072   \$800.061   \$734.511   \$425.267   \$746.067   \$746	Total Utility Plant in Service (not Include	ling CULC)		\$8,442,609	\$4,442,609		11.667.608	111.614.544	E11 E44 504	111 BH 105	E11 834 128				
New Peerl Assessed CUACH   10   100 Meter   164,070   6446,040   8503,030   8503,030   8503,031   8644,072   8566,061   8748,511   3428,297   7028/Water Littlity Plant in Service   34,442,000   34,442,000   34,442,000   84,222,000   84,417,270   812,236,416   813,329,800   \$13,863,263   \$14,964,105   \$14,967,025   \$18,233,837   \$14,662,104   318,66								* ,	*	4	411/200/200	411,000,000	914,014,650	\$14,013,800	\$14,013,
New Perit Assess (CUCC)	New Plant Assets per CIAC:									•					
Total Water Utility Plant in Service 98,442,000 \$8,442,	New Plant Assets (CIAC)					2140.002									
Total Water Utility Plant in Service	Yotal New Plant Assols (CIAC)		<del>"</del>	10	10										
Estimated Criginal   Cost In Sve Date   1888   2002   2001   2002   2002   2004   2006   2006   2007   2008   2007   2008   2007   2008   2007   2008   2007   2008   2007   2008   20					<b>,,</b>	0.00,007	********	*******	*1,342,891	91,000,004	\$2,411,774	\$2,961,467	83,719,978	84,148,278	84,507,
SRWOF:    Setimated Criginal	I case water utility Plant in Service			\$6,462,600	\$6,462,609	\$4,232,306	88,417,276	\$12,826,416	\$13,329,950	\$13,663,263	\$14 SOE 15E	\$14 DET 200	*** *** ***	*** *** ***	*** ***
New Assets per CIP;	Sewer:														
WWITP inprovement East She Area \$3,343,962 1999 \$3,343,962 2 200000 10*PC Fore Islain \$40,000 2002 4850000 5*PVC Fore Main \$40,000 2002 4850000 5*PVC Fore Main \$40,000 2002 4850000 10*PC Fore Main \$40,000 2002 \$8500000 10*PC Code Main \$40,000 2007 \$8500000 10*PC Code Main \$40,000 2007 \$85,00	New Assets and PIDs		Sve Date	1968	1882	2000	2001	2002	2003	2054	2005	7004	2007	2000	***
Mester LR Station # 1 200,000 2002 20000 10 WCF PVC Force Main 456,000 2002 468000 1.0 McD WWTP 5,500,000 2002 468000 1.0 McD WWTP 5,500,000 2002 4680000 10 PVC Cutals/for (50% Cost) 380,000 2002 380,000 2002 10 McD WWTP 5,500,000 2007 10 McD WWTP 5,500,000 2007 10 McD WWTP 5,500,000 2007 12 PVC Force Main 240,000 2007 240,000 2007 12 PVC Force Main 240,000 2007 240,000 2007 12 PVC Force Main 240,000 2007 12 PVC Force Main 240,000 2007 13 McD WWTP 5,500,000 2000 2000 2000 2000 2000 2000	WWITP Improvement East Sup Area	\$3343,002	1000		63 5 43 666							ALC: Y	ELEVI,	<u>ana</u>	2009
F PVC Force Main 465,000 2002 450000 1.0 Mg0 WVTP 5,500,000 2002 5600000 1.0 Mg0 WVTP 5,500,000 2007 1.0 Mg0 W	Mester UK Station # 1		2002		+3,343,402			******							
1.0 MGD VWVTP			2002												
19" PVC Cutabilities (50% Cost) 360,000 2002 360000 1783600 2002 360000 1783600 2002 1783600 2002 1783600 2002 1783600 2007 1783600 2000 2000 2000 17836000 2000 17836000 2000 17836000 2000 17836000 2000 17836000 2000 17836000 2000 17836000 2000 17836000 2000 17836000 2000 17836000 2000 1783600 2000 2000 1783600 2000 2000 2000 2000 2000 2000 2000															
Engineering & Contingency 1,763,500 2002 1763500 1.0 MoZO WWYTP Expansion 5,000,000 2007 355,000,000 2007 355,000,000 2007 355,000,000 2007 355,000,000 2007 355,000 2000 2000 255,000 2000 2000 5250,000 2000 5250,000 2000 5250,000 2000 5250,000 52			2002												
1.0 MOD WWYP Expansion 5,000,000 2007 12° PVC Force Minish 240,000 2007 Explaneting & Contingency 1,310,000 2007 Land 250,000 2000 \$250,000 \$250,000  Total Usiny Plant in Service (not including CIAC) \$10,864,236 \$14,248,261 \$14,548,261 \$14,548,261 \$23,286,76															
127-VCF force Mails 24.0,000 2007 Engineering & Contingency 1,310,000 2007 Engineering & Contingency 1,310,000 2007  Total Utility Plant in Service (First Including CIAC) \$10,064,236 \$14,264,201 \$14,644,201 \$14,644,201 \$23,266,701 \$23								1793500							
Second   S			2007												
Total Utility Plant in Service (not including CIAC) \$10,864,236 \$14,268,201 \$14,648,201 \$14,648,201 \$23,266,701 \$22,266,701 \$22,266,701 \$23,266,701 \$2															
Now Plant Assets per CIAC: New Plant Assets (CIAC) Now Plant Assets (CIAC) S0 8513.818 \$500.058 \$1,513.838 \$1,666.560 \$1,828.408 \$1,803.743 \$1,770.848 \$2,310.021 \$1,370.746 \$1 Total Now Plant Assets (CIAC) \$0 8513.818 \$1,072,878 \$2,887,613 \$4,166.092 \$87,878,302 \$9,240,160 \$11,552,211 \$12,729,557 \$16  Total Sewer Utility Plant in Service \$10,964.238 \$14,296.201 \$18,082,017 \$16,622,076 \$26,863,214 \$27,421,783 \$28,080,280 \$30,744,003 \$32,514,881 \$41,374,812 \$42,745,658 \$44,		250,000	2000										1,310,000		
New Part Assets (CIAC) 90 \$513,818 \$560,056 \$1,813,836 \$1,868,580 \$1,828,468 \$1,803,743 \$1,770,888 \$2,310,021 \$1,370,746 \$1 Total New Plant Assets (CIAC) 90 \$613,818 \$1,073,878 \$2,887,613 \$4,756,062 \$8,784,369 \$7,478,302 \$9,240,160 \$11,550,211 \$12,929,957 \$14,  Total Sewer Utility Plant in Service \$10,964,230 \$14,298,201 \$18,082,017 \$16,822,076 \$25,863,214 \$27,421,793 \$29,080,280 \$30,744,003 \$32,514,801 \$41,374,812 \$42,745,658 \$44,  JRTON & ASSOCIATES		- y corc,		\$10,954,230	\$14,298,201	814,648,201	\$14,548,201	\$23,286,701	\$23,266,701	\$23,265,701	\$23,285,701	\$23,266,701	\$29,815,701	\$29,815,701	\$29,816,
Total New Plant Associa (CUC) 50 2013,816 \$1,923,626 \$1,823,636 \$1,823,646 \$1,823,743 \$1,923,846 \$2,100,021 \$1,370,746 \$1  \$0 \$613,816 \$1,072,876 \$2,847,613 \$4,160,002 \$6,764,509 \$7,476,302 \$9,249,100 \$11,550,211 \$12,929,957 \$14,  Total Sewer Utility Plant in Service \$10,964,239 \$14,296,201 \$16,062,017 \$16,622,076 \$26,863,214 \$27,421,783 \$26,060,260 \$30,744,003 \$32,514,861 \$41,374,812 \$42,745,656 \$44,  URITON & ASSOCIATES	New Plant Assets per CIAC:														
\$0 \$0 \$613,616 \$1,073,676 \$2,667,613 \$4,156,092 \$4,764,003 \$7,478,302 \$6,240,160 \$11,569,211 \$12,929,957 \$14,  Total Sewer Utility Plant in Service \$10,964,236 \$14,296,201 \$15,062,017 \$16,622,076 \$25,653,214 \$27,421,793 \$26,050,260 \$30,744,003 \$32,514,861 \$41,374,812 \$42,745,656 \$44,  URITON & ASSOCIATES					80	2513.616	\$560.056	51 513 614	91 642 540	84 800 400	** *** ***				
Total Sewer Utility Plant in Service \$10,964,230 \$14,296,201 \$15,062,017 \$15,622,076 \$25,853,214 \$27,421,793 \$20,050,260 \$30,744,003 \$32,514,801 \$41,374,812 \$42,745,658 \$44,	THE NEW PIECE ASSAULT (CLAC)			\$0											\$1,342, \$14,272,
IRTON & ASSOCIATES	Total Sewer Utility Plant in Service			840.054.000										·	* 1 * 1 ± 1 ± 1
IRTON & ASSOCIATES				+ 10,004,230	÷14,298,201	¥15,052,017	\$15,622,07¢	\$25,863,214	\$27,421,793	\$20,050,260	\$30,744,003	\$32,514,891	841,374,812	\$42,745,658	\$44,048.4
ATESTIN-3F AMERICO, WAG	IRTON & ASSOCIATES														,
	ATESTM-2FAMSSICC.WIG														

SOURC C:DATAL

#### INTERCOASTAL UTLITIES WATER & SEWER SYSTEM CAPITAL MAPROVEMENTS PROGRAM

#### Scanario 1s - Intercoastal Utilities Water and Sewer Rates w/Intercoastal Capital Plan - 100% Debt / 8% Equity

	Associat	164 4444				MICHEANE M											
	BEST	WOL	TO 0004	% Beart	MARK	BAPAGITY											_
PROJECT TOTAL	FUNDER PROJECT NAME	BATE	STRUCT	PUNDER	URL	(1480)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Water							-	_									
\$1,500,000	\$1,500,000 Weter Plent-East Svc Area	2000	24	100%	26	1,93		1,500,000									
2 24,000	34,000 8" PVC Well Header	2002		100%	45					24,000							
380,000	360,000 16" PVC Weler Main	2002		100%	45					380,000							
4 225,000	225,000 750 GPM Supply Wells	2002		100%	30					225,000							
10,000	30,000 12" PVC Well Header	2002	24	100%	45					30,000							
700,000	700,000 2.0 M3 Reservoir w Aerator	2002		100%	40	2.00				700,000							
1,400,000	1,400,000 Pumping Station #1 Complete	2002		100%	25					1,400,000							
340,000	340,000 12" PVC Water Main	2002		100%	45					360,000							
804,780	604,760 Engineering & Contingency	2002		100%	- 30					804,750							
700,000	700,000 2.0 MG Reservoir w. Aerator	2007		100%	40	2.00									700,000		
H 600,000	600,000 Expand Pump Station #1	2007		100%	20										800,000		
12 225,000	225,000 750 GPM Supply Wells	2007		100%	30										225,000		
u 30,000	30,000 12" PVC Well Header	2007		100%	45										30,000		
u 38,000	30,000 16" PVC Well Header	2007		100%	45										38,000		
* 505,500	606,500 Engineering & Contingency	2007		100%	30										505,500		
<b>4 24,000</b>	34,000 8" PVC Well Header	2007		100%	45					<del>' '</del>					24,000		
v 405,000	405,000 24" PVC Water Main	2007		100%	45							· · · · · · · · · · · · · · · · · · ·			405,000		***************************************
<b>4</b> 100,000	100,000 Land	2000	)	100%				100,000									
*										_							
> "88,081,250"	18,001,250						20 -	\$1,800,000	\$4	\$3,923,780	\$0	\$0	\$0		\$2,527,500	\$40	\$0.

•	BEWER														<del></del>		
21	\$3,343,942		Are 1999	12	100%	22	0.70	3,343,962									
22	200,000		2002	24	100%	21		·			200,000						
2	454,000		2002	24	100%	30			······································		456,000						
*	408,000		2002	24	100%	30					408,000						
×	8,500,000		2002		100%	26	1.00				5,500,000						
-	260,000				100%	30					360,000						
7	1,793,500		2002		100%	30					1,793,500						
*	\$,000,000		2007		100%	26	1.00								5,000,000		
*	240,000		2007	24	100%	30									240,000		
*	1,310,000		2007	24	100%	30									1,310,000	******	
Ж	250,000		2000		100%				250,000								
	\$18,881,282							\$3,343,342	\$250,060	80	\$4,717,500	\$0	\$0	\$0	\$0 \$4,850,000	\$0	
•	TOTAL WATE	<u>K A BENERU</u>															
2	824,612,712	\$26,912,712 TOTAL WATER AND SEWER						83,343,862	\$1,850,000	\$0	\$12,841,250	50	80	\$0	\$0 \$8,077,500	80	

SOUNCE BURTON & ASSOCIATES / POSAJ

M/1 V7000

# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM USED AND USEFUL

## Scenario 1a - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 100% Debt / 0% Equity

		1222	2000	2001	2002	2003	2004	2005	2006	2007	2008	2002
1	Water	_										
2	Capacity											
3	Capacity in ERC's	5,057	5,057	10,571	10,571	16,286	16,288	16,286	16,286	16,286	22,000	22,000
4	Additional Capacity in ERC's	Ö	5,514	0	5,714	0	0	0	0	5,714	0	0
5	Total Capacity	5,057	10,571	10,571	16,286	15,285	16,286	16,286	16,286	22,000	22,000	22,000
6	Connection / Growth					_						
7	Connections in ERC's	5,506	5,506	5,763	6,043	6,779	7,542	8,335	9,160	10,024	11,143	11,792
8	Annual Growth Percent	0.00%	4.67%	4.86%	12.17%	11.26%_	10.51%	9.91%	9.42%	11.16%	6.82%	5.39%
9	Additional Units	0	257	280	736	763	793	826	863	1,119	649	635
10	Total Connections	5,506	5,763	6,043	6,779	7,542	8,335	9,160	10,024	11,143	11,792	12,427
11	Raw U & U Percent	108.87%	54.51%	57.16%	41.62%	46,31%	61.18%	56,25%	61.55%	50.65%	53.60%	56,48%
12	PLUS: Margin Reserve @ 36 Mos.		771	841_	2,207	2,289	2,379	2,477	2,590	3,357	1,947	1,905
13	Total Connections plus Margin Reserve	5,506	6,534	6,884	8,985	9,831	10,714	11,637	12,613	14,500	13,739	14,332
14	U & U Percent	100,00%	61.81%	<b>65.12%</b>	55.17%	60.36%	65.79%	71.46%	77.45%	65.91%	62,45%	65.14%
15	SEWER:											
16	Capacity											
17	Capacity in ERC's	2,857	5,357	5,357	5,357	8,929	8,929	8,929	8,929	8,929	12,500	12,500
18	Additional Capacity in ERC's	2,500	0	0	3,571	0	. 0	0	0	3,571	0	0
19 20	Total Capacity	5,357	5,357	5,357	8,929	8,929	8,929.	8,929	8,929	12,500	12,500	12,500
21	Connection / Growth											
22 23	Connections in ERC's	2,857	2,857	3,114	3,395	4,152	4,937	5,752	5,600	7,486	8,642	9,328
23	Annual Growth Percent	0.00%	9.00%	9.00%	22.32%	18.91%	16.51%	14.74%	13.43%	15,44%	7.94%	7.20%
24	Additional Units - Eastern Service Area	0	257	280	306	333	353	395	431	470		
25	Additional Units - Western Service Area	0	Ó	0	452	452	452	452	455	686	686	672
26	Additional Units - Total	0	257	280	758	785	815	848	886	1,158	686	672
27	Impuled ERC's from 1998 Rale Case											
28	Eastern Service Area Only	5,357	5,357	5,357	5,357	5,357	5.357	5,357	5,357	5,357	5,357	5,357
29	Total Connections	5,357	5,357	5,357	5,809	6.261	6,713	7.165	7,620	8,306	8,992	9,664
30		·						.,	.,	-•		
31	Raw U & U Percent	100.00%	100.00%	100.00%	65.06%	70.12%	75.19%	80.25%	85.35%	66,45%	71.94%	77.31%
32	PLUS: Margin Reserve @ 36 Mos.	0	771	841	2,273	2,355	2,445	2,543	2,659	3,468	2.058	2.016
33	Total Connections plus Margin Reserve	5,357	5,357	5,357	8,082	8,516	8,929	8,929	8,929	11,774	11,050	11,680
34	U & U Percent	100.00%	100.00%	100.00%	90.51%	94.50%	100.00%	100.00%	100.00%	94.19%	88,40%	93,44%

SOURCE: BURTON & ASSOCIATES

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## INTERCOASTAL UTILITIES WATER & SEWER SYSTEM Weighted Average Cost of Capital Analysis

#### Scanario 1a - Intercoastal Utilities Water and Source Rates w/Intercoastal Capital Plan - 100% Debt / 6% Equity

				_		PYY					PY20	M		
Lender	Orig Lean	Orio Less Data	Terre	Interest Rate	Beginning Belonge \$1,838,446	Principal	interest	Balance	est of Capital Cale \$2/11,837	Beginning Belence	Principal and	Interest \$323,027	Balance	out of Capital Calc \$272,128
1 First Union Busic 2 Plantation Developers - WTP 3 Plantation Developers - WTP 4 Crossmade Land Life Secolds U. 2 5 Crossmade Land Life Secolds U. 2 6 TAW Narrany, ins. 7 BAY of Polon Valley - Tom Weet 8 Odoms Mill Life. 9 March Dunes 10 Arvide Second Laises (Office #1) 11 Arvide-Second Laises (Office #2) 12 Arvide-Second Laises U. 1 13 Arvide-Second Laises U. 1 14 Arvide-Second Laises U. 1 15 Arvide-Second Laises U. 2	\$883,486 84,861 100,538 122,860 112,847 46,147 329,512 86,517 50,000 60,000 444,818 180,036	91/01/05 12/23/04 12/23/04 93/28/05 12/23/04 96/30/05 96/30/05 96/12/06 92/17/07 96/13/07 96/13/07	20 20 20 20 20 20 20 20 20 20 20 20 20 2	7.27% 7.84% 7.84% 7.84% 7.84% 7.80% 6.33% 6.33% 6.80% 6.80%	\$3,235,446 \$4,650 \$4,650 \$100,002 \$21,143 \$110,661 \$36,007 \$234,530 \$6,517 \$6,000 \$60,000 \$60,000 \$60,792 \$66,792	30 10,365 6 2,667 3,267 2,460 1,053 4,466 0 0 0 11,601 4,722	140741 540,464 7,443 7,463 0,331 6,236 2,702 22,733 6,110 3,405 3,226 31,226 12,244	81,016,748 847,479 94,860 97,146 117,966 108,201 36,954 320,466 96,517 90,000 60,000 439,131 101,063	46,045 7,816 7,713 6,030 6,861 2,813 22,433 6,110 3,406 3,200 30,256 12,258	\$1,835,446 \$47,476 \$47,646 \$7,146 \$17,986 \$106,201 \$30,466 \$30,466 \$6,817 \$6,000 \$4,000 \$4,000 \$1,000 \$1,000 \$1,000 \$1,000	302.284 30,945 2,916 3,176 3,485 1,125 8,051 0 0 12,418 - 5,024	\$221,927 46,454 7,743 7,796 8,965 8,941 2,932 22,364 6,110 3,406 3,200 30,467 12,342	\$3,743,182 \$46,036 82,035 83,066 114,366 35,831 312,417 86,517 \$0,000 \$0,000 428,712 178,036	43,403 7,366 7,461 8,762 8,362 2,533 21,800 6,119 3,405 3,200 28,400 11,618
14 Equity 15 Herr Debt- in Service: 18	1,877,750 12,830,860 8 8,213,863		20 20 20 20 20 20 20 20 20	18.00% 6.50% 6.50% 6.50% 6.50% 6.50% 6.50% 6.50% 6.50% 6.50%		0 0 0 0 0 0	000000000000000000000000000000000000000	9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	8 9 9 9 0 0 0 0	1,877,750	48.34	122,084	1,020,306	118,010 0 0 0 0 0 0 0
28 New Cots- Construction Work in Progress: 29 Include CWAP in WACCY 30 New Eguby 31 32 Weighted Average Cost of Capital	0		20	7.50%	\$8,044,794	\$48,358	\$403,088	0 55,864,940	0 8437,108 7.29%	. 0	\$1 <b>10</b> (,451	8664,964	0 \$7,673,279	0 5544,528 7.10%

SOURCE: BURTON & ASSOCIATES C'OATAITEMOLITESTIN-SFAMESICCHIA



## WITERCOASTAL UTILITIES WATER & SEWER SYSTEM Weighted Average Coat of Capital Analysis

## Segnatio 1g - Interpossial Utilities Water and Sewar Rates w/ Interpossial Capital Plan - 100% Date / 6% Equity

Conserved Law Life Sensition 12	1 Prof Union Bank Photosic Bank Photosic Developers - WTP	Orig Leen Amount	Oric Loop Onto	7		Beginning Belance	<u></u>	<b>**</b> **				PY	Wet		
\$0.URCE: BURTON & ASSOCIATES	Crosense Junel List Senside Ut 2 Crosense Land List Senside Ut 3 Crosense Land List Senside Ut 3 TAW Narray, Inc. BAT of Pain Valley - Tom West Octons Mit List Marin Dunes Arvice Senmil Lakes (Office 92) Arvice Senmil Lakes (Office 92) Arvice Senmil Lakes Ut 2 Equity New Debt- in Service:  1808 7 2009 2001 2002 2004 2006 2006 2006 2006 2006 2006	9643,489 94,481 105,556 120,650 112,847 40,147 323,822 84,617 80,000 80,000 44,918 180,030 9 1,977,750 9 12,830,888	91/01/05 12/23/94 12/23/94 93/26/95 12/23/94 98/25/95 94/25/96 94/26/96 92/12/96 92/12/97 94/13/97	200 200 200 200 200 200 200 200 200 200	7.275 7.845 7.845 7.845 7.845 7.845 7.845 7.875 7.076 8.375 8.315 8.315 8.305 8.305 8.505 8.505 8.506	83,743,182 646,636 82,636 83,696 114,393 106,596 36,831 312,417 90,517 80,000 436,712 176,030 6	22,860 2,161 3,770 3,862 1,265 0,633 2,461 1,216 13,302 5,375	43,736 7,277 7,504 8,425 8,425 2,550 21,774 6,036 3,266 3,253 28,564 11,801 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	31,839,630 524,976 60,464 60,825 110,822 102,714 34,826 303,784 84,784 48,784 48,784 41,7410 1770,844 0 1,777,878 0 0 0 0	Cale	Balence \$3,818,830 \$34,078 \$0,484 \$0,326 110,622 102,714 34,628 303,784 \$4,784 44,784 41,744 613,410 170,844 0 1,777,878	24,418 2,361 3,734 4,070 1,290 6,266 2,643 1,302 1,334 6,346 5,750 6	41,801 7,007 7,221 8,519 8,190 8,190 8,190 5,877 3,282 3,108 28,638 11,816 0	400,866 88,004 100,563 100,553 204,520 91,320 91,320 47,482 47,417 306,181 184,814 8	Cale 3294,299 38,87: 6,904 6,982 6,982 7,981 22,987 20,817 8,785 3,224 3,120 27,502 11,105 6 0 111,000 0 0 0

05/31/2000

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## INTERCOASTAL UTILITIES WATER & SEWER SYSTEM Weighted Average Cost of Capital Analysis

## Scanario 1a - Intercoastel Utilities Water and Sever Rates will interposate Capital Plan - 100% Date / 8% Emily

				-		PY	167					104		
1 Pirut Union Band: 2 Pinutation Developers - WTP 3 Pinutation Developers - WTP 3 Pinutation Developers - WTP 3 Pinutation Developers - WTP 4 Crossroads Land Lide - Seaside Lit 2 5 Crossroads Land Lide - Seaside Lit 3 6 TAW Nursery, Inc. 7 BAT of Pains Valley - Tens West Coloms Mill Lide 8 Narrai Dunes 18 Arvide - Seasrail Lakes (Offiske 61) 11 Arvide - Seasrail Lakes (Offiske 62) 12 Arvide - Seasrail Lakes (Offiske 62) 13 Arvide - Seasrail Lakes Lit 2 14 Equity 15 New Debi- in Service: 1806 17 2000 18 2000 19 2002 20 2003 21 2004 22 2006 23 2006 24 2007 25 2008 27	Crig Less Armagi 8443,48 101,33 121,66 112,84 40,14 24,13 160,00 444,51 160,00 11,877,78 12,830,86 9,213,61	1 12/23/64 1 12/23/64 0 12/23/64 1 12/23/64 1 12/23/64 1 12/23/64 2 86/25/65 2 86/25/65 0 64/12/66 0 64/12/66 0 64/12/66 0 64/12/66 0 64/12/66 0 64/12/66 0 64/12/66 0 64/12/66 0 64/12/66	Term 22 22 22 22 22 22 22 22 22 22 22 22 22	7.27% 7.84% 7.84% 7.84% 7.86% 7.86% 7.86% 7.87% 7.00% 8.33%	Beginning (140,000 pt.)  1,120,425  1,120,425  1,000,600 pt.,001  100,543  00,527  21,332  20,520  11,723,822  1,723,822  11,723,822  11,723,822  12,500,362	P73 Principal \$122,774 \$1,429 \$3,441 4,392 \$3,341 1,398 8,927 2,816 5,1363 1,434 16,262 6,182 6,182 6 84,421 8 84,421 8 86,421 86,822 86,823 86,824 86,825 86,826 86,826 86,826 86,826 86,826 86,827		8:inno 31,472,786 473,230 62,770 102,190 94,287 31,944 284,900 80,577 46,080 45,983 331,800 1164,762 0 1,844,601 0 0 0 0 0 0	Cast of Caphal Cale 247,373 27,574 8,972 7,825 7,846 2,258 18,822 8,030 3,130 3,030 3,030 10,746 0 0 108,100 0 708,640 0 0 0 0 0 0 0 0 0 0 0 0 0	Beginning Belance 23,407,856 473,230 62,779 102,190 90,287 31,944 40,000 45,900 91,9742 9 1,864,801 8 1,864,801 8 1,864,801 8 1,864,801	Principal \$134,235 28,605 2,765 4,363 4,741 3,816 1,466 1,466 1,521 16,347 6,361 6,3	1290,560 37,860 6,863 6,863 6,863 7,860 2,266 19,763 8,527 7,860 2,266 10,765 10,765 10,766 100,166 6	\$1,203,746 444,825 444,825 62,774 78,406 87,418 82,671 30,456 273,955 65,570 44,500 44,472 367,553 182,180 9	Cost of Copinal Calc SUT 277 36,305 6,375 7,462 7,462 2,163 19,177 3,007 2,234 35,334 10,303 0 104,184 0 765,284 0 0
28 New Debt- Construction Work in Progress: 28 Include CHVIP in WACCY NO	•	)	20	7,50%			0	0	٩			•	•	C
22 Weighted Average Cost of Capital SOURCE: SURTON & ASSOCIATES CDATMIZECUITESTN-97 AMESSOCIAMA	•			13.00	· <u>-</u>	\$412,281	81,369,263	\$10,005,540	81,382,780 8.72%		\$661,158	\$1,328,851	6 818,434,386	81,237,970 6.72%

05/31/2000

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## WTERCOASTAL UTILITIES WATER & SEWER SYSTEM Weighted Average Cost of Capital Analysis

## Scenario 1s - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 100% Date / 8% Equity

				-		PYZ	145					106		
Pird Union Bank   Crossroads Land Lid-Seaside Ut 2   TAM Narvary, Inc.   Pird Pird Vallary - Tone West   Odores Mill Ltd.   March Dame   Arvides Bank   Pird Union Bank   Pird Union Bank   Pird Pird Vallary - Tone West   Pird Union Bank   Pird Pird Pird Pird Pird Pird Pird Pird	Orig Leon Amount. 3433,4461 100,534 120,646 112,547 40,147 326,527 80,000 80,000 444,918 180,000 1,877,750 0 12,830,860 8,213,633 9	12/23/64 12/23/64 12/23/64 12/23/64 12/23/64 06/25/65 06/25/65 06/12/66 06/12/66 02/17/67 06/16/67	20 20 20 20 20 20 20 20 20 20 20 20 20 2	7.27% 7.84% 7.84% 7.84% 7.84% 7.84% 7.84% 7.87% 7.87% 7.97% 8.87% 8.87% 8.87% 8.87% 8.80% 8.50% 8.50% 8.50% 8.50% 8.50% 8.50% 8.50% 8.50% 8.50% 8.50%	Beginning 8-1900 8-1	Principal 8149_823 30,861 2,962 4,722 6,117 3,914 1,506 11,414 3,164 1,504 1,5	\$279,118 \$279,118 \$3,336 \$4465 \$,223 7,471 7,363 2,156 18,563 \$,322 2,946 2,877 10,325 0 104,165 0 766,284	\$2,147,333 413,844 71,781 71,864 82,302 80,757 282,541 82,364 43,003 42,848 360,043 144,130 0 11,374,308	Cost of Cophair  238,412  238,45  8,265  6,861  7,970  7,947  2,940  19,370  8,216  2,810  24,110  9,225  90  91  90  91  90  90  90  90  90  90	Beginning Batheres 33,114,333 413,044 79,781 82,362 80,767 30,867 32,543 42,543 350,543 148,139 11,374,360 0 0 0 0	Principal \$180,813 \$180,813 \$3,811 \$3,340 \$1,111 \$5,823 \$4,236 \$1,716 \$12,216 \$12,726 \$12,726 \$12,726 \$12,726 \$12,726 \$12,726 \$12,726 \$12,726 \$12,726 \$12,726 \$12,726 \$12,726 \$12,726 \$12,726 \$12,726 \$12,726 \$12,726 \$12,726 \$13,727 \$13,727 \$13,727 \$14,727 \$15,727	10 creat 227,000 c.218 c.218 c.218 c.218 c.218 c.218 c.218 c.218 c.204 c	Balance 32,533,723 380,163 79,541 96,572 97,543 280,302 27,543 280,302 41,114 231,286 137,606 1,445,544 0 0 0 0	Cost of Caphai Calc 22 (4,736 20,194 6,077 6,751 1,919 17,521 5,000 2,812 2,706 22,823 9,316 9,316 9 711,701 0 85,261
20 Include CVAP In WACCT NO Now Equity			20	7.50%			0		•			0	•	٥
32 Weighted Average Cost of Capital SOURCE: BURTON & ASSOCIATES CONTRIBUCUTERIN-3/AMSSOCIAM						\$706,528	81,278,458	\$17,727,856	\$1,190,088 6.71%	<u>.                                    </u>	\$766,037	\$1,230,860	814,872,818	\$1,136,861 6.71%

05/31/2000

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## INTERCOASTAL UTILITIES WATER & SEWER SYSTEM Weighted Average Cost of Capital Analysis

### Scenario 1a - Intercoastal Utilities Water and Sever Rates wi intercoastal Capital Plan - 100% Debt / 8% Reulty

			m	967	PY3000	
Lender  Prof. Union Basic  Prof. Union Basic  Pennistion Developers - W/TP  Pennistion Developers - Unit 9  Croseroade Land Lid- Secolde Ut 2  Croseroade Land Lid- Secolde Ut 3  TAW Narrany, Inc.  TAW Palm Valley - Tem West  Coderns Hill Lid.  March Dunos  Avide- Several Laines (Offsite 81)  Avide- Several Laines (Offsite 82)  Avide- Several Laines (Offsite II)  Avide- Several Laines Ut 1  Avide- Several Laines Ut 2  Avide- Several Laines Ut 1  Avide- Several Laines Ut 2  Equity	Orig Lean Amount Oris Lean Date \$803,466 01,071,466 94,461 1223,44 109,536 1223,44 128,560 03/26,76 112,647 06/30,63 324,532 06/26,76 84,547 06/30,63 85,000 02/17,97 464,518 06/10,90 100,030 08/00/07	20 7.54% 20 7.54% 20 7.54% 20 7.54% 20 7.54% 20 7.54% 20 7.50% 20 7.50% 20 6.50% 20 6.50% 20 6.50% 20 6.50%	Beginning Belance 24,503,728 380,185 380,185 380,185 38,270 98,573 88,521 88,521 48,522 48,524 48,522 48,524 48,522 48,524 48,522 48,524 48,522 48,524 48,522 48,524 48,522 48,524 48,522 48,524 48,522 48,524 48,52	Cost of Cupital   Cost of Cu	Beginning   Principal   Intervet   Salence   Cost of	F Capital Sec. 1381,083 34,187 8,408 4,830 6,608 6,863 1,640 15,617 4,528 2,554 2,553 18,850 8,187
15 New Debt- In Service: 16 2001 17 2001 18 2001 19 2002 20 2003 21 2004 22 2005 23 2006 24 2007 25 2009 26 2009 27 New Debt- Construction Work in Progress: 10 include CN/IP in WACCY 28 Include CN/IP in WACCY 29 include CN/IP in WACCY	1,977,750 12,830,860 8,213,663	20 6.50% 20 7.60%	1,445,548 75,157 10,949,262 452,782 9,213,963 237,311	96.281 1,380,382 80,375 711,701 10,486,479 882,271 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	18,486,470 482,213 882,271 19,014,287 6	0 0,173 0 050,827 0 0 0 0 547,638
31 32 Weighted Average Cost of Capital SOURCE: BURTON & ASSOCIATES		10.00%	\$1,644,206	0 0 196,777,778 875,237,622 976,777,78 2/69.9		0 ,027,629 6,63%

SOURCE: BURTON & ASSOCIATES C'OATA129ICLITESTIM-2FAIGSEICCHIA



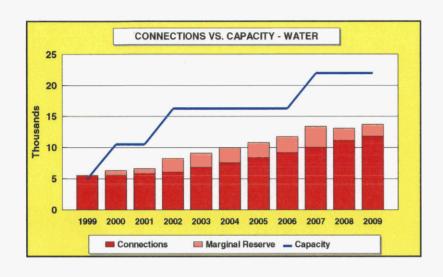
Figure 14 Page 6 of 6 INTERCOASTAL UTILITIES WATER & SEWER SYSTEM Weighted Average Cost of Capital Analysis

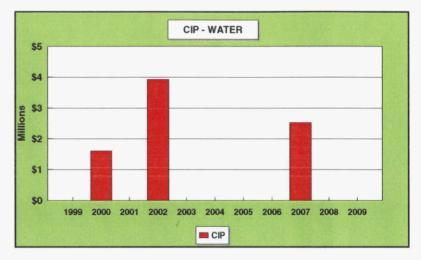
### Scenario 1a - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 100% Debt / 6% Resity

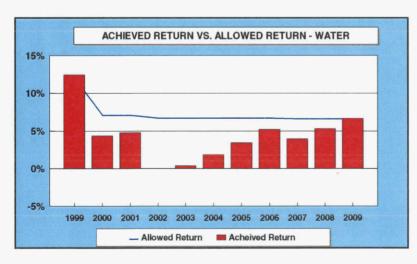
				-			***		
Lender Print Union Bank	Orig Loon Amount	Oria Laga Data	Term )	starant Rute	Belance	Principal	Interest	\$48000 2,300,742	Cost of Country Cale \$174,170
Plantation Developers - WTP	\$663,486	81/01/05	20	7.27%	\$2,595,366	\$100,025	1228,074	82,306,742	\$174,170
Plantation Developers- Link 8	94,461	12/23/94	20	7.84%	301,626 60,240	42,480 4,108	23,800 5,360	262,136	20,814
Crosereads Land Ltd. Seeside Ut 2	109,636	12/23/94		7.04	67,063	8,481	4,484	66,132 60,572	5,171
Croseroads Land Ltd. Sesside Ut 3	128,650	03/24/06	20	7.00%	74,343	8,946	1.643	67,438	4,81: 5,10
TAW Nursery, Inc.	112,847	12/23/94	26	7.54%	74,973	8,371	8,906	69,602	5,52
SAT of Pain Valley - Tem West	40,147	06/30/95	20	7.07%	23,329	2,116	1,637	21,211	1,50
Odoms Mil Ltd.	326,832	09/25/96	20 20 20 20 20 20	-7.00%	223,100	15,000	18,217	200,017	14,50
Marsh Curse	94,517	840808	20	6.33%	71,487	4,112	4,400	67,386	4,26
Anids-Severil Lakes (Office #1)	\$0,000	09/12/06	20	6.81%	37,511	2.004	2,490	35,417	2,41
Arvide- Savmil Lakee (Offsite 82) Arvide- Savmil Lakee LE 1	50,000	<b>02/17/07</b>	20	6,50%	37,206	2,111	2,300	36,174	231
	464,018	06/19/07	20	6.80%	200,003	23,040	10,030	200,036	18,37
Avide- Several Lakes Ut 2	190,030	08/08/07	20	6.77%	120,826	8.224	8,142	111,701	7,54
Equity Now Debt- in Service:				10,00%		-, <u>i</u>	.,	,	.,
1908	_					-	_	•	
2000			20 20 20 20 20 20 20 20	6.50%	•	•	•		
2001	1,877,760		20	6.50%	1,210,360	86,246	06,173	1,226,105	70,63
2002			20	8.50%		•	0	0	
2003	12,830,860		20	8.50%	10,014,257	\$13,567	650,827	8,500,700	617,54
2004	2		30	8.50%	•	•	0	0	
2005			20	8.50%	•	•	0	0	
2006			20	8.50%	•	•	•	0	
2003 2004 2006 2006 2007 2007 2009	2012.00		20	8.50%			•	0	
2006	0,213,663		20	0.80%	8,723,816	200,164	\$67,038	8,464,462	\$49,83
2009	*		20 20	6.50% 6.50%	•	•	9	•	
	•		20	0,30%	•	•	0	•	
New Debt- Construction Work in Progress: Include CMP in WACCT NO			20	7.50%			•	0	
New Equity				10.00%					
Weighted Average Cost of Capital			(		<u> </u>	\$1,100,762	\$1,831,854	\$22,836,410	81,512,56 8.62%
SOURCE: BURTON & ASSOCIATES									

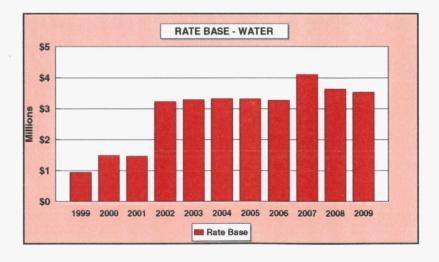
# INTERCOASTAL UTILITIES WATER SYSTEM GRAPHS OF KEY INDICATORS

Scenario 1a - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 100% Debt / 0% Equity









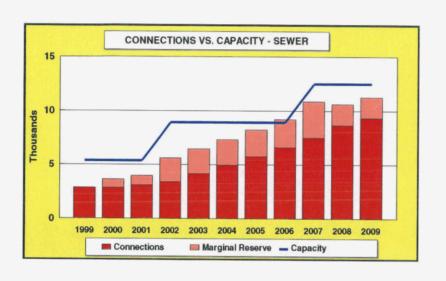
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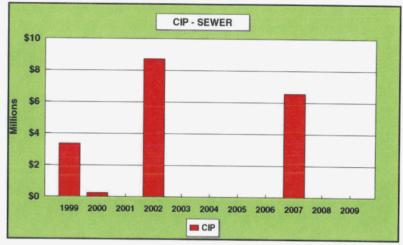
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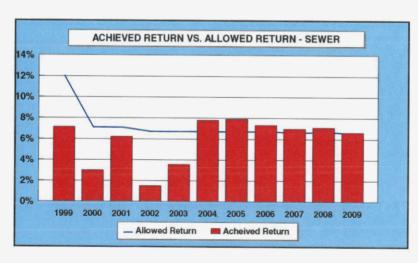


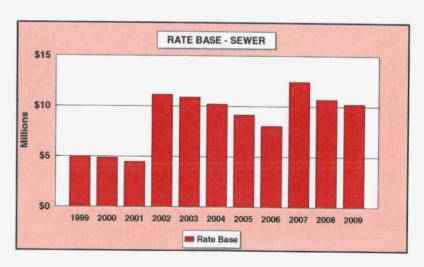
### INTERCOASTAL UTILITIES SEWER SYSTEM GRAPHS OF KEY INDICATORS

Scenario 1a - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 100% Debt / 0% Equity







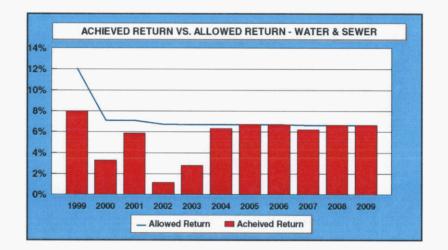


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### INTERCOASTAL UTILITIES WATER AND SEWER SYSTEM GRAPHS OF KEY INDICATORS

Scenario 1a - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 100% Debt / 0% Equity



## INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CASH FLOW PROJECTIONS - TOTAL WATER AND SEWER SYSTEM

#### Scenario 1a - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 100% Debt / 0% Equity

		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	Sources of Funds											
1	Beginning Year Balance	85,284	385,167	366,794	509,099	311,371	328,774	345,652	362,210	478,512	475,709	410,809
2	Net Income	471,475	208,017	344,887	166,638	395,316	853,556	831,880	753,823	1,024,814	946,395	910,564
3	Add:											
4	Depreciation	618,857	651,273	686,976	820,461	1,074,369	1,127,404	1,151,049	1,176,365	1,239,871	1,153,772	1,214,262
5	Amort of Utility Plant Acq Adj	10,935	10,935	10,935	10,935	10,935	10,935	10,935	10,935	10,935	10,935	10,935
6	Amort of Rate Case Expense	56,996	56,996	56,996	56,996	52,247	0	0	0	0	0	O
7	Less:											
8	Amort of CIAC	(405,461)	(362,353)	(381,031)	(377,895)	(407,775)	(430,527)	(442,771)	(456,173)	(441,375)	(376,791)	(395,690)
9	Net Income adjusted for non-cash items	752,803	564,869	718,763	677,136	1,125,092	1,561,368	1,551,094	1,484,950	1,834,245	1,734,312	1,740,071
10	Additional Cash		·	•	•		• •					
11	CIAC Cash	0	221,053	240,948	646,037	669,674	695,438	723,521	756,476	965,139	581,045	569,010
12	Total additional Cash	0	221,053	240,948	646,037	669,674	695,438	723,521	756,476	965,139	581,045	569,010
13				·	·	•	•	•	•	•	•	·
14	Total Sources of Funds	838,087	1,171,088	1,326,504	1,832,272	2,106,136	2,585,580	2,620,267	2,603,636	3,297,895	2,791,066	2,719,891
15		·			• •		• • •			• • • • • • • • • • • • • • • • • • • •		
16	Uses of Funds											
17	Loss:											
18	Principal	(49,855)	(199,411)	(223,325)	(573,020)	(612,261)	(661,156)	(706,529)	(755,037)	(1,044,206)	(1,115,075)	(1,190,782)
19	Interest	(403,065)	(604,884)	(594,080)	(1,408,868)	(1,369,263)	(1,324,831)	(1,279,458)	(1,230,950)	(1,777,979)	(1,707,110)	(1,631,404)
20	Working Capital Reserve	(242,907)	(282,880)	(293,138)	(311,371)	(326,774)	(345,652)	(362,210)	(378,629)	(397,625)	(410,809)	(423,776)
21	Equity Investment	` oʻ	` ' o'	O O	, ,	` 0	) O	0	O O	0	0	,, o
22	Total Uses of Funds	(695,827)	(1,087,175)	(1,110,543)	(2,293,259)	(2,310,299)	(2,331,639)	(2,348,197)	(2,364,616)	(3,219,811)	(3,232,995)	(3,245,962)
23	i	(,,	(1,100-1,110)	(1) / (0)	(-,,,	(4,0,0,200)	(400,1000)	(40.0,.0.)	(a) or its is	(0,210,011)	(0,200,000)	(-1210-00)
24	Excess (Deficit)	142,260	83,914	215,962	(460,987)	(204,162)	253,941	272,070	239,020	78,084	(441,929)	(526,071)
25	• •	• •			· · · · · · · · · · · · · · · · · · ·	<b>,,</b>					(***,020)	(000)01.17
26	Annual subsidy required from stockholders	0	0	0	460,987	204,162	(253,941)	(272,070)	(139,138)	0	441,929	526,071
27	Net Cash Flow	142,260	83,914	215,962	0	0	0	0	99,882	78.084	. 0	0
28	Add Back: Working Capital Reserve	242,907	282,880	293,138	311,371	328,774	345,652	362,210	378,629	397.625	410,809	423,776
29	Ending Balance	385,167	366,794	509,099	311,371	328,774	345,652	362,210	478,512	475,709	410,809	423,776
30		•	•	•	•		,			,		,
31	Cumulative subsidy required from stockholders	0	0	0	460,987	665,149	411,208	139,138	0	0	441,929	968,000
	• •			_	,		,		•	•	,	
	SOURCE: BURTON & ASSOCIATES											

SOURCE: BURTON & ASSOCIATES CADATANIZANCIATESTIM-SYFAMINISE MICE

06/01/2000

### Scenario 1b

# Intercoastal as a "Stand Alone" Utility 60% Debt and 40% Equity Financing

This scenario analyzes the impact upon customer's rates of Intercoastal Utilities implementing Intercoastal's plan to meet the water and sewer demands of the projected growth in the area for which Intercoastal's service area extension application is filed assuming that Intercoastal is a "Stand Alone" utility in that it provides all required water and wastewater treatment facilities on site. It assumes that capital projects will be funded with 60% debt and 40% equity financing.

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### INTERCOASTAL UTILITIES WATER & SEWER SYSTEM SUMMARY

Scenario 1b - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 60% Debt / 40% Equity

Average Monthly Cost per ERC assumes 10,000 Gallons per Month Average Water Usage per ERC

	Average Monthly Cost per End assumes 10,000 Gamons per Month Average water Usage per ENC												
1	Water	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
2	Rate Plan	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.5%	
3	Achieved Return	12.47%	4.32%	4.77%	-0.01%	0.35%	1.83%	3.42%	5.17%	3.90%	5.26%	7.86%	
4	Allowed Return	12.04%	7.10%	7.10%	7.61%	7.63%	7.65%	7.68%	7.70%	7.80%	7.83%	7.86%	
5	Avg Mo.Cost / ERC	\$15.81	\$15.81	\$15.81	\$15.81	\$15.81	\$15.81	\$15.81	\$15.81	\$15.81	\$15.81	\$16.36	
6	Achieved Return (Millions)	\$0.116	\$0.064	\$0.070	(\$0.000)	\$0.012	\$0.061	\$0.113	\$0.169	\$0.160	\$0.191	\$0.277	
7	Allowed Return (Millions)	\$0.112	\$0.106	\$0.104	\$0.245	\$0.251	\$0.254	\$0.254	\$0.251	\$0.320	\$0.284	\$0.277	
8	Rate Base (Millions)	\$0.934	\$1.486	\$1.460	\$3.222	\$3.286	\$3.317	\$3.310	\$3.263	\$4.102	\$3.632	\$3.526	
9	Sewer												
10	Rate Plan	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-5.6%	-13.7%	0.0%	-6.3%	-7.6%	
11	Achieved Return	7.13%	2.96%	6.21%	1.50%	3.53%	7.14%	9.21%	8.71%	7.73%	8.70%	7.86%	
12	Allowed Return	12.04%	7.10%	7.10%	7.61%	7.63%	7.65%	7.68%	7.70%	7.80%	7.83%	7.86%	
13	Avg Mo.Cost / ERC	\$63.89	\$63.89	\$63.89	\$63.89	\$63.89	\$63.89	\$60.31	\$52.05	\$52.05	\$48.77	\$45.06	
14	Achieved Return (Millions)	\$0.355	\$0.144	\$0.275	\$0.167	\$0.384	\$0.727	\$0.840	\$0.698	\$0.960	\$0.927	\$0.804	
15	Allowed Return (Millions)	\$0.600	\$0.345	\$0.315	\$0.847	\$0.829	\$0.780	\$0.700	\$0.617	\$0.968	\$0.834	\$0.804	
16	Rate Base (Millions)	\$4.979	\$4.852	\$4.434	\$11.125	\$10.857	\$10.193	\$9.115	\$8.014	\$12.414	\$10.657	\$10.222	
17	Water & Sewer												
18	Rate Effect	NA	0.0%	0.0%	0.0%	0.0%	0.0%	-4.5%	-10.9%	0.0%	-4.8%	-4.9%	
19	Achieved Return	7.97%	3.28%	5.85%	1.16%	2.80%	5.83%	7.67%	7.68%	6.78%	7.83%	7.86%	
20	Allowed Return	12.04%	7.10%	7.10%	7.61%	7.63%	7.65%	7.68%	7.70%	7.80%	7.83%	7.86%	
21	Avg Mo.Cost / ERC	\$79.70	\$79.70	\$79.70	\$79.70	\$79.70	\$79.70	\$76.12	\$67.86	\$67.86	\$64.58	\$61.42	
22	Achieved Return (Millions)	\$0.471	\$0.208	\$0.345	\$0.167	\$0.395	\$0.788	\$0.953	\$0.866	\$1.120	\$1.118	\$1.081	
23	Allowed Return (Millions)	\$0.712	\$0.450	\$0.419	\$1.092	\$1.080	\$1.034	\$0.954	\$0.869	\$1.288	\$1.119	\$1.081	
24	Rate Base (Millions)	\$5.913	\$6.338	\$5.894	\$14.346	\$14.144	\$13.510	\$12.425	\$11.277	\$16.517	\$14.289	\$13.748	
										The second secon		The second second	

SOURCE: BURTON & ASSOCIATES
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06/01/2000

# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM ASSUMPTIONS

### Scenario 1b - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 60% Debt / 40% Equity

	¥	Actual	Projected									
	Assumptions	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	Water		2022									11.11.
1	Capacity in ERC's	5,057	5,057	10,571	10,571	16,286	16,286	16,286	16,286	16,286	22,000	22,000
2	Additional Capacity in ERC's	0	5,514	0	5,714	0	0	0	0	5,714	0	0
3	Total Capacity	5,057	10,571	10,571	16,286	16,286	16,286	16,286	16,286	22,000	22,000	22,000
- :	GPD = 1 ERC	350	350	350	350	350	350	350	350	350	350	350
0	Connected ERC's	5,506	5,506	5,763	6,043	6,779	7,542	8,335	9,160	10,024	11,143	11,792
9	Additional Connected ERC's	_		_		1	25		1.22	-	2	
,	Walden Chase	0	0	0	0	0	0	0	0	0	0	0
0	Marsh Harbour	0	0	0	14	14	14	14	14	14	14	0
10	Nocatee	0	0	0	416	416	416	416	418	635	635	635
	East Svc Area	0	257	280	306	333	363	396	431	470	0	0
11	Total Additional Connected ERC's	0	257	280	736	763	793	828	863	1,119	649	635
12	Total Connected ERC's	5,508	5,763	6,043	6,779	7,542	8,335	9,160	10,024	11,143	11,792	12,427
13	Percent Growth in Connected ERC's	0.00%	4.67%	4.86%	12.17%	11.26%	10.51%	9.91%	9.42%	11.10%	5.82%	5.39%
14	Percent of Growth Applied to Expenses	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
15	Effective Multiplier for Growth	0.00%	1.17%	1.22%	3.04%	2.81%	2.63%	2.48%	2.36%	2.79%	1.48%	1.35%
16	Inflationary Multiplier	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
17	Growth and Inflationary Multiplier	1.50%	2.67%	2.72%	4.54%	4.31%	4.13%	3.98%	3.86%	4.29%	2.96%	2.85%
18	Sewer	10.1 1100										
19	Capacity in ERC's	2,857	5,357	5,357	5,357	8,929	8,929	8,929	8,929	8,929	12,500	12,500
20	Additional Capacity in ERC's	2,500	0	0	3,571	0	0	0	0	3,571	0	0
21	Total Capacity	5,357	5,357	5,357	8,929	8,929	8,929	8,929	8,929	12,500	12,500	12,500
22	GPD = 1 ERC	280	280	280	280	280	280	280	280	280	280	280
23	Connected ERC's	2,857	2,857	3,114	3,395	4,152	4,937	5,752	6,600	7,486	8,642	9,328
24	Additional Connected ERC's											
25	Walden Chase	0	0	0	0	0	0	0	0	0	0	0
26	Marsh Harbour	0	0	0	14	14	14	14	14	14	14	
27	Nocatee	0	0	0	438	438	438	438	441	672	672	672
28	East Svc Area	0	257	280	306	333	363	396	431	470	0	0
29	Total Additional Connected ERC's	0	257	280	758	785	815	848	886	1,158	686	672
30	Imputed ERC's from 1998 Rate Case	5,357	5,357	5,357	5,357	5,357	5,357	5,357	5,357	5,357	5,357	5,357
31	Total Used & Useful ERC's	5,357	5,357	5,357	5,809	6,261	6,713	7,165	7,620	8,306	8,992	
32	Percent Growth in Connected ERC's	0.00%	9.00%	9.00%	22,32%	18.91%	16.51%	14.74%	13,43%	15.44%	7.94%	7.20%
33	Percent of Growth Applied to Expenses	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
34	Effective Multiplier for Growth	0.00%	2.25%	2.25%	5.58%	4.73%	4.13%	3.68%	3.36%	3.86%	1,98%	1.80%
35	Inflationary Multiplier	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1,50%	1.50%	1.50%	1.50%
36	Growth and Inflationary Multiplier	1.50%	3.75%	3.75%	7.08%	6.23%	5.63%	5.18%	4.86%	5.38%	3.48%	3.30%
	ne timete. Not a utatitis en pak atuta estruzen erust ♥ 1800 Not \$ €000 Dit.		211070			J.25 M	J.05 %	3.10%	4.00%	0.30%	3.40%	3.30%

#### 37 New Debt Assumptions

38 39 Term 20 40 Issuance Costs 1.50% 41 Interest Rate 6.50%

42	OSM Reserves	Months	Percent of Annual O&M
43	Water		
44	Minimum Reserves Level	1.5	12.50%
45	Sewer		
46	Minimum Reserves Level	1.5	12.50%
47	Rates & Charges		
48	Current Service Availability Charge	\$234	\$625

SOURCE: BURTON & ASSOCIATES
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## INTERCOASTAL UTILITIES WATER & SEWER SYSTEM PRO-FORMA INCOME PROJECTIONS - WATER SYSTEM

Scenario 1b - Intercoastal Utilities Water and Sewer Rates W Intercoastal Capital Plan - 80% Debt / 40% Equity

	Betref	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Water	<u> 1244</u>			,and	2002	2004	<b>2006</b> ,	2005		2000	2000
Aevenuez:											
Rate Revenue;				*							
Rate Revenue	\$008,541	\$000,541	\$1,034,711	\$1,005,036	\$1,217,006	\$1,364,002	\$1,486,470	81,844,713	\$1,786,706	\$2,000,636	\$2,117,10
Growth Percentage	NA.	4.67%	4.80%	12.17%	11,20%	10.61%	0.01%	0.42%	11.10%	6.82%	8.301
Rate Revenue trans Growth		44,170	50,326	132,000	136,007	142,376	140,243	154,000	200,827	116,527	114,01
Rale Revenue Prigr le Rale Adjustment Personiage Rale learnese	1001,541	\$1,834,711	\$1,000,000	\$1,217,096	81,364,082	\$1,456,470	\$1,544,713	\$1,762,708	\$2,000,836	82,117,163	\$2,231,17
	8.00%	8.00%	8.00%	8.00%	0.00%	8.00%	0.00%	0,00%	8.00%	0.00%	3.441
Rate Revenue from Rate Adjustment Tatal Rate Revenue	300,141	\$1,000,711	\$1306325	81,217,086	S1,364,082	9 20 20 20	\$1344,71 <del>3</del>	81,788,708	12,000,000		77,14 82,308,3
	<del>,</del>	01/000/111	91,000,000	01,217,000	41,000,000	\$1,486,470	817000119	\$1,100,100	42,000,000	\$2,117,163	********
Other Revenue:											
Mine, Revenue	\$1,230	\$1,294	\$1,364	81,524	\$1,404	\$1,874	\$2,000	92,264	\$2,506	\$2,651	\$2,71
Other Revenue	• •			Ö	0	V.,	,	-			
Total Other Revenue	\$1,238	\$1,296	\$1,350	\$1,524	\$1,654	\$1,874	\$2,000	12,254	17,505	12.651	\$4,7
Your Revenue	\$460,779	\$1,036,007	\$1,006,306	\$1,218,020	\$1,365,788	\$1,498,344	\$1,544,773	\$1,801,943	\$2,003,141	12,111,314	\$2,311,1
								*			
Expenses:											
Additional OLM - Western But Area	90	90	20	\$45,248	\$100,720	\$137,804	\$170,400	9216.923	\$325,250	8384,376	\$444,1
Operating Expenses- Eastern Svs Area	2744.138	\$770,560	\$794,005	\$830,158	\$865,871	\$901,724	\$637,562	2073,736	\$1,015,519	\$1,045,530	\$1,075,2
Rete Case Expense	NA.	NA	NA.	, IM	NA.	~"	MA.	NA.	MA.	NA.	\$1,078,2
Franchise Fee-PSC	•	44.542	48.827	54,700	60,834	47,341	74,012	80.967	80,028	96,272	103.6
Depreciation (U & U Ant Only)	182,803	131,907	180,461	173,822	220,310	249,146	271.007	204,214	280,144	258.345	260.1
Amost of CIAC (U.E.U.Ant Only)	(143,313)	(90,503)	(87,734)	(86,874)	(97,638)	(106,863)	(110,001)	(127,150)	(112,270)	(98,280)	(103,3
Arrort of Acq Ad	4,663	4,083	4,683	4,683	4,683	4,683	4,000	4,663	4,003	4,683	4.4
Yold Expenses	\$792,110	\$563,318	\$909,321	\$1,039,808	\$1,162,565	\$1,253,816	\$1,347,112	\$1,443,301	\$1,003,348	\$1,688,926	\$1,793,8
Operating Impants	\$197,640	\$172,600	\$177,023	\$178,813	\$102,700	\$244,526	\$250,861	\$368,872	\$300,783	\$430,886	\$517,2
Non Operating Income (Exponent):											
Nos Oper Rev	90	30	\$0	20	80	10	20	80	90	\$0	
Taxes Other Than prosme:		Õ	ï	ï	ĩ	7	7	7	7	~~	
Intendible Tex	(496)	(662)	(858)	(1,003)	(1,106)	(1,122)	(1,130)	(1,100)	(1,463)	(1,465)	(1,4
Other Taxes & Licenses	(76)	(100)	(99)	(185)	(167)	(170)	(172)	(176)	(221)	(221)	(2
Property Taxes:	(80,864)	(107,600)	(106,648)	(177,747)	(176,823)	(182,434)	(186,310)	(186,807)	(237,944)	(238,197)	(234,2)
Yold Non Operating Expenses	(\$81,236)	(\$100,451)	(\$107,403)	(\$179,008)	6101.1973	(\$143,726)	(5(05,022)	(5188,842)	(\$236,628)	(\$239,884)	(3235,9
Net Income	\$116,434	\$64,237	\$45,870	(\$192)	\$11,802	380,803	2117.00	\$18E,630	\$180.185	\$101,002	\$277.3
Taxable income (See worksheet for taxable income below)	\$0	\$0	30	\$0	20	90	90	20	\$0	\$0	46114
Income Taxoss				•••		-	-	•	-		
State 5,60% Federal 34,00%	9	•	•	0	0	•	8	•		0	
Total Income Taxes	<u> </u>			. 0		•_	•	•	i	ō	
Net After Tax Income	\$0 \$11 <b>6,</b> 434	864,237	\$80,670	(\$102)	\$11,402	244 244	80	50	\$0	\$0	
Rata Sees	•		• •	•	411,002	\$60,003	\$112,030	\$164,630	\$160,166	\$191,002	\$277,30
CES 2000	\$933,843	\$1,4 <b>86</b> ,332	\$1,440,225	\$3,221,817	\$3,206,107	\$3,316,622	\$3,308,748	\$3,243,413	\$4,102,486	\$2,632,454	\$3,525,0
Rate of Return Achieved	12,47%	4,32%	4.77%	-0.01%	0.36%	1.83%	3.42%	£17%	3,90%	5.20%	7.84
Allowed Return	12,04%	7.10%	7.10%	7.61%	7.43%	7.44%	7.40%	7,70%	7.80%	7.83%	7.84
Allowed Return Amount	\$112,447	\$106,554	\$103,000	8345,314	\$250,629	\$253,850	\$254,110	\$251,433	\$318,818	\$204,250	\$277,3
Worksheet for Taxable Income:											
<del></del>	9,000 004	Bass eco	<b>480.00</b>	44 000 0	****						
Interest Expense - Total Allocation Percentage to Water (1)	\$403,006 45,00%	\$604,864 45,00%	\$504,000	61,075,206	\$1,044,263	\$1,000,072	8073,344	\$836,216	81,263,744	\$1,200,817	
<del></del>	\$403,046 48,00% 141,378	46.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45,00%	45.00%	45.00%	45.0
Interest Espense - Total Allosation Percentage to Weter (1) Allocated Interest Expense - Water	45,00% 181,378	45.00% 272,198	45.00% 267,338		\$1,044,283 45,00% 488,514						45.0
Interest Expense - Total Allosation Percentage to Wester (1) Allocated Interest Expense - Water Restatement of Net Income Before Income Tax	46,00% 181,378 8116,434	45.00% 272,196 864,237	45.00% 267,336 \$60,670	45,00% 483,870 (\$192)	45,00% 460,914 \$11,602	45.00% 454,037 860,803	45.00% 438,008 8113,030	45,00%	45.00%	45.00%	45.00 514,8
Internet Expense - Yotal Allosation Persentage to Weter (1) Allocated Internet Expense - Water	45,00% 181,378	45.00% 272,198	45.00% 267,338	45,00% 483,870	45,00%	454,037 454,037	45.00% 438,006	45,00% 430,847	45.00% 864,186	45.00% 840,388	\$1,144,2 45,00 \$14,8 \$277,3 \$14,8

<sup>(1)</sup> Allocation percentage based upon surrest water rate base as a percentage of total rate base.

SOURCE: BURTON & ASSOCIATES

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<sup>2)</sup> For simplicity, taxable income is calculated separately for water and wastawater, however, the tax return would be filed on a consolidated basis. Furthermore, taxable income is not allowed to go negative in this model for water or westawater. Negative taxable income is either system could effect taxable income in the other system and a net negative taxable income would result in tax credits that could potentially be sarried forward or back.

## INTERCOASTAL UTILITIES WATER & SEWER SYSTEM PRO-FORMA INCOME PROJECTIONS - SEWER SYSTEM

Scenario 1b - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 80% Debt / 40% Equity

	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Sewer	1888	2002	2000	2000	2002	2004	2006	2006	2007	2008	2000
American											
Rate Revenues											
Rate Revenue	\$1,997,770	\$1,997,770	\$2,177,670	\$2,373,461	\$2,903,218	\$3,452,110	\$4,021,860	\$4,354,230	\$4,264,267	\$4,822,803	\$4,978,818
Growth Percentage	NA.	8.00%	8.00%	22,32%	18.01%	16.51%	14.74%	13.43%	15.44%	7.04%	7.20%
Rate Revenue from Growth	0	179,700	195,961	<u> 629,867</u>	648,803	500,840	592,691	584,984	658,536	390,769	358,678
Rate Revenue Prior to Rate Adjustment Percentage Rate Increase	\$1,907,770	82,177,570	12,373,861	\$2,003,218	\$3,462,110	\$4,021,960	\$4,814,850	\$4,541,217	\$4,622,603	\$6,313,573	\$5,337,496
Rate Revenue from Rate Advetment	0.00%	0.00%	0.00%	0.00%	9.00%	0.00%	-6.80%	-13.70%	0.00%	-0.30%	-7.80%
Total Rate Revenue	\$1,907,770						(268,420)	(678,946)	0	(334,766)	(405,891
	81,997,770	82,177,570	\$2,373,551	\$2,903,218	\$3,462,110	\$4,021,060	\$4,356,230	\$4,264,267	\$4,922,803	\$4,070,610	\$4,527,608
Other Revenue:											
Mag. Revenue	20	10	50	\$0	80	\$0	\$0	50	80	50	\$0
Other Revenue	ĩ	76	70	7	70	~	₩	~~	•		*
Total Other Reverse	3.0	<u>sŏ</u> _	50	10	80	SO.	eň.	- 50	10		3
Total Severage	\$1,907,770	\$2,177,870	\$2,373,551	\$2,903,218	\$3,452,110	\$4,027,000	\$4,368,230	\$4,284,287	\$4,022,000	\$4,978,818	**************************************
Energy		,		V-4	00,100,110	**	**,,	41,001, <u>0</u> 0.	V-1,0-2,0-00	\$4,50 QC 15	841001100
_ <del>-</del>											
Additional OSM - Western Bvs Area	10	\$0	90	\$270,071	\$301,926	\$323,921	\$345,845	8364,037	\$403,576	8424,508	\$445,49
Operating Expenses- Eastern Svs Area	\$1,195,116	\$1,402,482	\$1,551,016	\$1,960,810	\$1,764,221	\$1,863,401	\$1,060,096	\$2,055,301	\$2,165,481	\$2,240,937	\$2,314,91
Rate Case Expense	\$6,006	64,000	\$6,000	56,998	\$2,247	NA	NA.	NA	NA	NA.	N.
Franchise Fee-PSC Depreciation (U.E.U.Amt Only)	0	97,001	105,810	130,645	156,345	180,988	198,030	101,892	221,526	224,047	221,92
Depreciation (U.E. U. Ant. Crity) Amort of CIAC (U.E. U. Ant. Only)	436,254	519,270	627,514	846,643	846,061	674,258	840,042	882,151	959,727	895,427	945,07
Amort of Acq Adj	(262,148)	(271,850)	(283,298)	(289,021)	(310,138)	(323,644)	(326,109)	(329,023)	(329,100)	(277,502)	(292,33
Total Expenses	0,253	6,253	6,253	6,253	0,253	6,263	4,263	6,253	6,253	6,253	6,25
Operating Income	\$1,432,471	\$1,901,128	11,965,291	82,491,903	\$2,815,908	\$2,929,268	83,052,197	\$3,174,611	\$3,427,463	\$3,513,670	\$3,641,32
observed services	\$565,290	\$276,442	\$408,280	\$411,228	\$636,204	\$1,002,503	81,294,033	\$1,080,656	\$1,496,340	\$1,486,148	\$1,290,24
Non Operating Income (Expenses):											
Non Oper Rev	\$0	50									
Taxes Other Than Income:	90	\$U	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1
Intencible Tax		a	0		_	_	_				
Other Taxes & Licenses	(76)	ന്	ന്		. 0	0	0	0	0	0	
	(10)	(**)	(17)	(141)	(146)	(161)	(156)	(162)	(216)	(218)	(22
Property Texes:	(129,726)	(132,545)	(132,966)	(244,254)	(252,344)	(261,117)	(270,832)	(281,025)	(372,719)	(376,904)	(380,77
Yold Non Operating Expenses					`				(0, 4, 10)	(0.0,001)	(000,17
Net Income	(\$129,800)	(3132,662)	(\$133,042)	(5244,395)	(\$252,490)	(\$261,268)	(\$270,749)	(3281,188)	(\$372,935)	(\$377,121)	(\$380,99
Taxable income (See worksheet for taxable income below)	\$213,813	\$143,780 \$0	\$275,217 \$0	\$166,830 \$0	\$383,714 \$0	\$831,425 \$276,460	\$1,023,244 \$487,905	\$808,460	\$1,122,406	\$1,088,027	\$909,28
Program Taxang:		~	•	•	***	32/6,460	\$467,000	\$294,100	\$432,847	\$427,577	\$279,98
8.50%	11,760	0	0		0	16,207	26,436	16,176	23,607	23,617	15,30
34.00%	68,006	0	0	0	Ō	44,436	156,764	84,494	139,074	137,381	89.95
Yotal Income Taxes	\$80,456	\$0	\$0	\$0	10	\$104,043	\$183,500	\$110,670	\$162,880	1160,607	\$105,35
Net After Tex Income	\$346,041	\$143,780	8276,217	\$144,830	\$383,714	\$727,382	\$830,648	\$607,700	\$969,626	\$927,128	\$803,034
Rate Base				•			******	,,	******	***********	*****
	\$4,979,232	\$4,852,112	\$4,433,843	811,124,566	\$10,867,361	\$10,183,182	89,116,290	\$8,013,870	812,414,199	\$10,866,524	\$10,221,70
Rate of Raturn Achieved	7.13%	2.06%	6.21%	1,50%							
Allowed Return	12.04%	7,10%	7.10%	7.61%	3.53% 7.63%	7.14% 7.66%	9.21%	8.71%	7.73%	8.70%	7,801
Allowed Return Amount	\$500,500	\$344,570	\$314,842	\$847,040	\$828,720	7,00% 8780,173	7.88% \$66,838	7.70%	7.80%	7.43%	7.869
		4077,010	4017,074	4017,010	9925,720	8/80,1/3	\$660,638	\$817,436	\$907,768	\$834,196	\$403,93
Morksheet for Taxable Income:											
Interest Expense - Total	\$403,066	\$404,884	2504,080	\$1,076,206	\$1,044,263	\$1,006,972	\$973,344	\$935,218	\$1,253,744		** ***
Allocation Percentage to Sewer (1)	\$5.00%	66.00%	55.00%	66.00%	55,00%	66.00%	55.00%	55,00%	81,293,744 86,00%	\$1,200,817	\$1,144,21
Alocaled Interest Expense - Sewer	221,848	332,646	326,744	551,358	874,338	554,834	E36,330	514,360	640,550	55.00%	55.001
	-		,		44.7444	******	*********	017,000	944,300	680,448	629,33
Restatement of Net Income Before Income Text	\$435,499	\$143,780	\$275,217	\$106,830	\$383,714	\$831,426	\$1,023,244	3405.460	81,122,408	\$1,088,027	2000 00
LESS: Interest Expense - Sewar	221,866	332,666	326,744	591,396	574.330	554,934	535,330	514,360	889,550	81,068,027 860,449	\$909,284
Taxable Income - Sewer (2)	8213,613	80	80	\$40	27. 1/2-00	\$276,400	\$447,906	\$294,700	\$432,847	\$427,577	629,320
				**		40° 0,700	0.401 1000	+457,199	9734,64/	114,157	\$279,966

<sup>(1)</sup> Allocation percentage based upon current water rate base as a percentage of total rate base.

<sup>(2)</sup> For simplicity, taxable income is calculated separately for water and westewater, however, the tax return would be filed on a consolidated basis. Furthermore, issuable income is not allowed to go negative in this model for water or westewater. Negative issuable income in either system could offset taxable income in the other system and a not negative taxable income would result in tax credits that could potentially be carried forward or back.

# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM DEPRECIATION SCHEDULE - WATER

## Scenario 1b - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 60% Debt / 40% Equity

Water

Existing Asset Depreciation

Existing Assets	Year	Estimated Original Cost \$34,630	I No Moore								
1 Franchises	1980	234,630	NA (Teals)								
2 Structures	1982	12,748	33								
3 Wells & Springs	1985	50,533	30								
4 Other Pumping	1967	4,095									
5 Pumping Equip	1990	13,536	20 20 25 33 22 37								
6 Other Water Source Plant	1985	536	26								
7 Structures & Improvements	1993	35,424	33								
8 Treatment	1986	992,638	22								
9 Dist Reservoirs	1992	310,310	37								
10 Mains	1080	3,310,401	45								
11 Services	1991	745,443	40								
12 Meters	1992	344,873	20								
13 Hydrants	1992	403,951									
14 Other T&D	1986	33,635	**								
15 Supply Mains	1991	1,302	20								
16 General 4;	1980	2,190	45 25 35 33 15								
17 Funiture	1994		33								
18 Power Equip	1987	3,688	10								
19 Misc Equip	1907	732	10								
20 Acqueition	1902	3,720	15								
21 Total Estimated Original Cost	1903	187,303	40								
22 Adjustment to 1998 Annual Report Utility Plant In Service		\$8,491,778									
23 Total Utility Plant In Service		(29,167)									
		\$5,452,600									
Depreciation Schedule - Existing Assets	1900	2000	2001	2002	2003	2004	2005	2006	2007	****	
24 Franchises						200-		2000	2007	2008	2009
25 Structures	\$388	\$386	\$386	\$386	\$386	\$386	\$386	\$386	***	****	
28 Wells & Springs	1,684	1,684	1,684	1,684	1,684	1,684	1.884	1,684	\$386	\$386	\$386
27 Other Pumping	205	205	205	205	205	205			1,684	1,684	1,684
28 Pumping Equip	677	677	877	677	677	877	205 677	205	:		•
29 Other Water Source Plant	21	21	21	21				677	677	677	677
30 Structures & Improvements	1,073	1.073	1,073	1.073	21	21	21	21	21	21	21
31 Treatment	45,120	45,120	45,120	45,120	1,073 45,120	1,073	1,073	1,073	1,073	1,073	1,073
32 Dist Reservoirs	8,387	6,387	8,387	8,387	8.387	45,120	45,120	45,120	45,120	•	-
33 Mains	73,564	73,564	73,564	73,564	73.564	8,387	8,387	8,387	8,387	8,387	8,387
34 Services	18,636	18,636	18,636	18,636	18,636	73,564	73,564	73,564	73,564	73,564	73,564
35 Meters	17,244	17,244	17,244	17,244		18,636	18,636	18,636	18,636	18,636	18,636
36 Hydrants	8,977	8,977	8,977	8,977	17,244 8,977	17,244	17,244	17,244	17,244	17,244	17,244
37 Other T&D	1,345	1,345	1,345	1,345	1,345	8,977	8,977	8,977	8,977	8,977	8,977
38 Supply Mains	40	40	1,0-0	40	1,345	1,345	1,345	1,345	1,345	1,345	1,345
39 General	66	66	66	66		40	40	40	40	40	40
40 Furniture	246	246	246	246	66	66	66	66	65	66	66
41 Power Equip		240	240	240	246	246	246	246	246	246	÷
42 Misc Equip	248	248	248		•						
43 Acqueition	4.683	4,683		248	248	248	248	248	•		
44 Total Existing Depreciation	\$182,803	\$182,603	4,683	4,683	4,683	4,683	4,683	4,683	4,683	4,683	4,683
45 Adjustment to Reconcile to Accounting Records	3,831	3.831	\$182,603 3,831	\$182,803	\$182,603	\$182,603	\$182,603	\$182,603	\$182,150	\$137,030	\$135,784
46 Total Existing Depreciation	\$188,434	\$186,434	\$188,434	3,831 \$186,434	3,831 \$186,434	3,831 \$188,434	3,831 \$188,434	3,831 \$186,434	3,831 \$185,981	3,831 \$140,881	3,831

SOURCE: BURTON & ASSOCIATES C:DATA(12)NCUTESTIM-2/FAMSSOCWK4

# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM DEPRECIATION SCHEDULE - WATER

## Scenario 1b - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 60% Debt / 40% Equity

#### Water

#### New Asset Depreciation

	ew Assets		Estimated	
		Year	Original Cost	Life (Years)
1	Water Plant- East Svc Area	2000	\$1,500,000	26
2	8" PVC Well Header	2002	24,000	45
3	16" PVC Water Main	2002	380,000	45
4	750 GPM Supply Wells	2002	225,000	30
5	12" PVC Well Header	2002	30,000	
ă	2.0 MG Reservoir w/ Aerator			45
÷	Pumping Station #1 Complete	2002	700,000	40
	runping dullan in Complete	2002	1,400,000	25
	12" PVC Water Main	2002	360,000	45
	Engineering & Contingency	2002	804,750	30
10	2.0 MG Reservoir w. Aerator	2007	700,000	40
11	Expend Pump Station #1	2007	600,000	20
12	750 GPM Supply Wells	2007	225,000	30
13	12" PVC Well Header	2007	30,000	
14	16" PVC Well Header	2007		45
15	Engineering & Contingency		38,000	45
16	8" PVC Well Header	2007	505,500	30
17		2007	24,000	45
	24" PVC Water Main	2007	405,000	45
18_	Land	2000	100,000	

	Depreciation Schedule - New Assets	1998	1999	2000	2001	****							
19 ~	Water Plant- East Svc Area	1000		\$28,846		2002	2003		2005		2007	2008	2009
20	8" PVC Well Header		•	820,040	\$57,692	\$57,692	\$57,692		\$57,692	\$57,692	\$57,692	\$57,692	\$57,692
21	16" PVC Water Main		•	•	•	267	533	533	533	533	533	533	533
22	750 GPM Supply Wells		•	•	•	4,222	8,444	8,444	8,444	8,444	8,444	8,444	8,444
23	12" PVC Weil Header		•	•	•	3,750	7,500		7,500	7,500	7,500	7,500	7,500
24	2.0 MG Reservoir w/ Aerator		•	•	•	333	667	667	667	667	667	667	667
25	Pumping Station #1 Complete		•	•	•	8,750	17,500		17,500	17,500	17,500	17,500	17,500
26	12" PVC Water Main		•	•	•	28,000	56,000		56,000	56,000	56,000	56,000	56,000
27	Engineering & Contingency		•	•	•	4,000	8,000		8,000	8,000	8,000	8,000	8,000
28	2.0 MG Reservoir w. Aerator		•	•	•	13,413	26,825	26,825	26,825	26,825	26,825	26,825	26,825
29	Expand Pump Station #1		• ,	•	•	•		•			8,750	17,500	17,500
30	750 GPM Supply Wells		•	•	•	•	•	•			15,000	30,000	30,000
31	12" PVC Well Header		•	•	•	•			•		3,750	7,500	7,500
32	16" PVC Well Header		•	•	•	•	•		•		333	667	667
33	Engineering & Contingency		•	•	•		•			-	422	844	844
34	8" PVC Well Header		•	•	•	•	•			•	8,425	16,850	16,850
35	24" PVC Water Main		•	•	•	•				•	267	533	633
36	Land		•	•	-				•		4,500	9,000	9,000
47	CIAC Plant		•			•	•	•		•		-,	-,
48 T	otal New Depreciation	<del> </del>		2,102	4,582	12,023	12,473	12,963	13,497	14,111	18,293	10,609	10,380
	The first of the control of the cont		•	\$30,948	\$62,274	\$132,450	\$195,635	\$196,124	\$198,658	\$107,273	\$242,002	\$276,665	\$276,436
1	Total Depreciation - Water								-	•			V2.14.00
49 T	otal Existing Depreciation		\$182,603	\$182,803	\$182,603	****	****			_			
50 T	otal New Depreciation		7,000	30,948	62,274	\$182,603	\$182,603	\$182,603	\$182,603	\$182,603	\$182,150	\$137,030	\$136,784
51 T	otal Depreciation		\$182,603	\$213,551		132,450	195,635	196,124	196,658	197,273	242,902	276,665	276,436
			7174,500	4414,001	\$244,877	\$315,053	\$378,237	\$376,727	\$379,261	\$379,876	\$425,052	\$413,695	\$413,221
52 A	ecumulated Depreciation	\$1,635,149	\$1,817,762	\$2,031,302	\$2,276,179	\$2,591,232	\$2,969,469	\$3,348,196	\$3,727,457	\$4,107,333	\$4,632,385	\$4,946,090	\$5,359,301

SOURCE: BURTON & ASSOCIATES CADATANIZANCIATESTIM-ZUPAMASSOC.WK4

# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM DEPRECIATION SCHEDULE - SEWER

## Scenario 1b - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 60% Debt / 40% Equity

#### SEWER:

#### Existing Asset Depreciation

	Calada a Associa		Estimated	
_	Existing Assets	Year	Original Cost	Life (Years)
	Franchises	1980	\$34,630	NA.
7		1991	1,209,416	30
3	Sewers-Gravity	1969	4,843,762	45
4	Other	1965	75,209	40
5	Services	1991	737,204	
	Receiving Well	1991		38
7	Pumping Equip		459,021	30
8	Structures	1992	996,960	18
9		1986	78,871	32
10		1990	1,840,940	18
11		1987	4,941	30
12	The state of the s	1991	13,265	18
		1994	90,237	32
13		1981	6,241	32
14		1986	711	15
15		1995	7,747	15
16		1983	732	
17	Misc Equip	1989		12
18	Acquisition		1,589	15
19		1983	243,854	39
20	Adjustment to 1998 Annual Report Utility Plant in Service		\$10,645,330	
21	Total Utility Plant in Service		308,909	
	. And Add to the St. Collaboration		\$10,954,739	

Depreciation Schedule - Existing Assets	1999	2000	2001	2002	2003	2004	****				
22 Franchises	-		200,	4002	2003	2004	2005	2006	2007	2008	2009
23 Sewers-Force	\$40,314	\$40,314	\$40,314			*****	·	•	•	•	•
24 Sewers-Gravity	107,639	107,639		\$40,314	\$40,314	\$40,314	\$40,314	\$40,314	\$40,314	\$40,314	\$40,314
25 Other	1,880		107,639	107,639	107,639	107,639	107,639	107,639	107,639	107,639	107,639
26 Services		1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880
27 Receiving Well	19,400	19,400	19,400	19,400	19,400	19,400	19,400	19,400	19,400	19,400	19,400
28 Pumping Equip	15,301	15,301	15,301	15,301	15,301	15,301	15,301	15,301	15,301	15,301	15,301
29 Structures	55,387	55,387	55,387	55,387	55,387	55,387	55,387	55,387	55,387	55,387	55,387
30 Treat Equip	2,465	2,465	2,465	2,465	2,485	2,465	2.465	2,465	2,465		
31 Outfail Sewer	102,274	102,274	102,274	102,274	102,274	102,274	102,274	102,274	102,274	2,465	2,465
32 Other Treatment	165	185	185	165	165	165	165	166		440	
33 Structures	737	737	737	737	737	737	737	737	165	165	165
	2,820	2,820	2,820	2,820	2,820	2,820			737	737	•
	195	195	195	195	195		2,820	2,820	2,820	2,820	2,820
35 Furniture	47	47		180	190	195	195	195	195	195	195
36 Laboratory	516	516	***			-	•	-			
37 Power Equip	310	910	516	516	516	516	516	516	516	516	516
38 Misc Equip	400	•			-	•			•		0,0
39 Acquisition	106	106	106	106	108						•
40 Total Existing Depreciation	6,253	6,253	6,253	6,253	6.253	6,253	6,253	6,253	6,253	6,253	
41 Adjustment to Reconcile to Accounting Records	\$355,499	\$355,499	\$355,452	\$355,452	\$355,452	\$355,346	\$355,346	\$355,346	\$355,348		6,253
42 Total Existing Depreciation	4,756	4,758	4,756	4,756	4,756	4.756	4,758			\$253,071	\$252,334
-s town created cablactation	\$360,255	\$360,255	\$360,208	\$360,208	\$360,208	\$360,102	\$360,102	4,756	4,756	4,756	4,756
IRCF- RUPTOM R. ACCOCIATES				7550,250	<del></del>		930U, 1U2	\$360,102	\$360,102	\$257,827	\$257,090

SOURCE: BURTON & ASSOCIATES C:DATA:123VCUATESTIM-2FAMSS30C.WK4

# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM DEPRECIATION SCHEDULE - SEWER

## Scenario 1b - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 60% Debt / 40% Equity

#### SEWER:

#### New Asset Degreciation

	New Assets		Estimated	
		Year	Original Cost	Life (Years)
1	WWTP Improvement East Svc Area	1999	\$3,343,962	22
2	Master Lift Station # 1	2002	200,000	21
3	16" PVC Force Main*	2002	456,000	30
4	8° PVC Force Main	2002	408,000	30
5	1.0 MGD WWTP	2002	5,500,000	26
6	16" PVC Outfall/Xfer (50% Cost)	2002	360,000	30
7	Engineering & Contingency	2002	1,793,500	30
8	1.0 MGD WWTP Expansion	2007	5,000,000	26
9	12" PVC Force Main	2007	240.000	30
10	Engineering & Contingency	2007	1,310,000	30
11	Land	2000	250,000	30

	Depreciation Schedule - New Assets	1998	1999	2000	2001	2002	2003	2004	2005	2000	0007	0000	0000
12	WWTP Improvement East Svc Area		\$75,999	\$151,998	\$151,998	\$151,998	\$151,998			2006	2007	2008	2009
13	Master Lift Station # 1		0.0,000	4101,000	9131,980			\$151,998	\$151,998	\$151,998	\$151,998	\$151,998	\$151,998
14			•	•	•	4,762	9,524	9,524	9,524	9,524	9,524	9,524	9,524
15			•	•	•	7,600	15,200	15,200	15,200	15,200	15,200	15,200	15,200
16			•	-	•	6,800	13,600	13,600	13,600	13,600	13,600	13,600	13,600
17			•	•	-	105,769	211,538	211,538	211,538	211,538	211,538	211,538	211,538
17	16" PVC Outfail/Xfer (50% Cost)		-	•	•	6,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
18			-		-	29,892	59,783	59,783	59.783	59,783			
19							00,700	30,103	30,763	38,103	59,783	59,783	59,783
20			_	_		_	•	•	•	•	96,154	192,308	192,308
21	Engineering & Contingency			•	•	•	-	•	•	•	4,000	8,000	8,000
22	Land		•	•	•	•	-	-	•	•	21,833	43,667	43,667
23			•		•	•	-	-	•			•	•
	Total New Depreciation		•	7,022	15,309	41,374	42,875	44,512	46,297	48,405	63,142	37,468	36,703
47	Total New Deprecation		\$75,999	\$159,021	\$167,307	\$354,195	\$516.519	\$518,158	\$519,941	\$522,049	\$658,773	\$755,086	\$754,321
								40.0,.00	4010,011	****	4000,773	9133,000	97 34,32 1
	Total Depreciation - Sewer												
25	Total Existing Depreciation		\$360,255	\$360,255	\$360,208	\$360,208	****		****				
26	Total New Depreciation		75,999				\$360,208	\$360,102	\$360,102	\$360,102	\$360,102	\$257,827	\$257,090
27	Total Depreciation			159,021	167,307	354,195	516,519	518,158	519,941	522,049	658,773	755,086	754,321
			\$438,254	\$519,276	\$527,514	\$714,402	\$876,727	\$878,258	\$880,042	\$882,151	\$1,018,875	\$1,012,913	\$1,011,412
								·	• -			,	A -1 14
28	Accumulated Depreciation												
20	Serving and actanol	\$2,768,561	\$3,204,815	\$3,724,001	\$4,251,605	\$4,966,008	\$5 842 715	te 720 002	27 204 035	20 /02 /04	** ***	*** ** ***	*** ***

\$2,768,561 \$3,204,815 \$3,724,091 \$4,251,605 \$4,966,008 \$5,842,735 \$6,720,992 \$7,601,035 \$8,483,186 \$9,502,060 \$10,514,974 \$11,526,385

SOURCE: BURTON & ASSOCIATES CNOATA1123YCU/TESTIM-2FAMS530C,WK4



## INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - WATER

## Scenario 1b - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 60% Debt / 40% Equity

### Water - Existing CIAC

### **Existing CIAC**

	Existing CIAC-Plant	Year	Estimated Original Cost	Life (Years)
- :	Other	1989	\$29,688	30
7	Dist Reservoirs & Standpipes	1992	24,490	37
3	Transmission & Dist Mains			
4	Services	1968	2,585,764	45
		1990	559,129	40
9	Meters & Meter Installs	1992	181,201	20
6	Hydrants	1990	307,505	
7	Total Existing CIAC - Plant	1990		45
•			31,647,777	

8	Existing CIAC - Cash Cash Total Existing CIAC - Cash	Year Crignal Cost   Figure 1   Figure 2   Figure 2   Figure 2   Figure 2   Figure 3   Fi	Life (Years)
10 11 12	Total Existing CIAC Adjustment to 1996 Annual Report Total Existing CIAC	\$5,006,427 130,662	

## Amortization of Existing CIAC

Amortization Schedule - Existing Plant CIAC	1999	2000	2001	2002	2003	2004	2006	2006	2007	2008	2009
13 Other 14 Dist Reservoirs & Standploes 15 Transmission & Dist Mains 16 Services 17 Meters & Meter Installs 18 Hydrants 19 Total Plant Amortization	\$990 662 67,461 13,978 9,060 6,833 \$88,986	\$990 662 57,461 13,978 9,060 6,833 \$88,985	\$990 662 87,461 13,978 9,060 6,833	\$990 682 57,461 13,978 9,060 6,833 \$88,985	\$990 662 57,461 13,978 9,060 6,833 \$88,986	\$990 652 57,461 13,978 9,060 6,833 \$88,985	\$990 662 57,461 13,978 9,060 6,833 \$88,985	\$990 662 57,461 13,978 9,060 6,833 \$86,985	\$990 662 57,461 13,978 9,060 6,833 \$88,985	\$990 662 57,461 13,978 9,060 6,833 \$88,986	\$990 662 57,461 13,978 9,060 6,833 \$88,585

Amortization Schedule - Existing Cash CIAC  20 Cash											
21 Total Cash CUC Amortzation	\$43,955	\$43,955	\$43,966	\$43,955	\$43,955	\$43,955	\$43,966	\$43,965	\$43,966	\$43,955	\$43,955
	\$43,955	\$43,966	\$43,966	\$43,955	\$43,955	\$43,965	\$43,966	\$43,568	\$43,966	\$43,986	\$43,566
22 Total Existing CIAC Amortization 23 Adjustment to Reconcile to Accounting Records 24 Total Existing CIAC Amortization	\$132,940 \$10,373 \$143,313	\$132,940 \$10,373 \$143,313	\$132,940 \$10,373 \$143,313	\$132,940 \$10,373 \$143,313	\$132,940 \$10,373	\$132,940 \$10,373	\$132,940 \$10,373	\$132,940 \$10,373	\$132,940 \$10,373	\$132,940 \$10,373	\$132,940 \$10,373
	7	4	4 1-444 19	4 144 19	\$143,313	***************************************	3143,313	\$143,313	** \$143.313	3123313	3121313

SOURCE: BURTON & ASSOCIATES CHDATAMIZENCIATESTNI-ZFANSSNIC.WKG



## INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - WATER

### Scenario 1b - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 60% Debt / 40% Equity

					•								
	New CIAC												
		CIAC PER	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	New CIAC- Plant: Transmission & Dist Mains	Ule ERC	_	\$120,761	\$131,630	\$345,416	\$356.324	8372,403	£387,745	\$405,407	\$525,544	\$304,788	\$296,213
,	Services	40 \$101.66	-	826,113	828,463	\$74,690	877,483	\$80,526	\$83,844	\$87,863	\$113,840	\$65,905	\$64,484
•	Motors & Motor Installs	20 \$32.91	•	\$8,463	\$9,224	\$24,205	825,110	\$26,097	827,172	\$28,409	\$36,828	\$21,358	\$20,898
i	Hydrants	45 \$55.85	-	\$14,361	\$15,654	\$41,077	\$42,613	\$44,287	\$46,111	\$48,212	\$52,499	\$35,246	\$35,464
5	Total New CIAC - Plant		*	\$160,697	\$184,970	\$485,389	\$503,536	\$523,313	\$544,872	\$569,691	\$736,511	\$428,297	\$419,058
5	New CIAC - Cash:												
7	New CIAC - Cesh Life	30	•	\$60,287	\$66,713	\$172,441	\$178,857	\$185,914	\$193,573	\$202,360	<b>8262,365</b>	\$152,158	\$148,876
•	Total New CIAC - Cash	······································		\$60,287	\$65,713	\$172,441	\$178,887	\$186,914	\$193,573	\$202,360	\$262,365	\$152,158	\$148,876
0	Total New CIAC		•	\$229,864	\$250,683	\$457,830	\$682,422	\$700,227	\$728,445	\$772,061	\$1,000,876	\$500,456	\$567,934
	Amortization of New CIAC						•						
	Amortization Schedule - New CIAC Assets		1999	2000	2001	2002	2003	2004	2005	2005	2007	2008	2009
	New CIAC - Plant Amortization	4											
2	Transmission & Dist Mains		•	\$1,404	\$3,061	\$8,033	\$8,333	\$8,661	\$9,017	\$9,428	\$12,222	\$7,088	\$8,93
3	Services Mejers & Mejer Installs		-	\$326	8712	\$1,867	\$1,937	\$2,013	\$2,096	\$2,192	\$2,841	\$1,648	\$1,612
5	Hydrants		•	\$212 \$160	\$461	\$1,210	\$1,256	\$1,305	\$1,359	\$1,420	\$1,841	\$1,068	\$1,046 \$786
6	Total New CIAC - Part Amortization		<del></del>	\$2,102	\$348 \$4,582	\$913 \$12,023	\$947 \$12,473	\$984 \$12,963	\$1,025 \$13,497	\$1,071 \$14,111	\$1,389 \$18,293	\$805 \$10,609	\$10,380
	New CIAC - Cash Amortization			\$1,005	\$2,190	\$5,748	\$5,963	\$6,197	\$6,452	\$6,746	\$8,746	\$5,072	\$4,963
7	Total New CIAC - Cash Amortization		•	\$1,006	\$2,190	\$5,748	\$5,963	\$6,197	\$8,452	\$8,748	\$8,745	\$5,072	\$4,963
8	Total New CIAC Amortization		•	\$3,107	\$4,772	817,771	\$18,436	\$16,160	819,948	\$20,866	\$27,038	\$15,881	\$15,343
	Summary of CIAC & CIAC Amortization	on • Water				<del></del>	· · · · · · · · · · · · · · · · · · ·		<del></del>	<del></del>			
	CIAC	Existing 1996	1990	2000	2001	2002	2003	2004	2006	2006	2007	2008	200
	Total Edsting CIAC	\$5,136,489											
10	Total New CIAC Total Accumulated CIAC - Water	- VE 1937 183		\$229,984	\$250,683	\$667,830	\$682,422	\$709,227	\$738,445	\$772,061	\$1,000,876	\$580,456	\$567,93
•		\$5,135,489	\$5,136,489	\$5,366,473	85,817,157	\$6,274,986	\$6,957,408	\$7,866,635	\$8,405,080	\$9,177,181	*\$10,178,037	\$10,758,492	\$11,326,42
2	CIAC Amortization Total Existing CIAC Annual Amortization	<del></del>	\$143,313	8143313	<b>8143.313</b>	E143.313	\$143,313	\$143,313	£143,313	\$143,313	\$143,313	<b>\$143.313</b>	£143.31
3	Total New CIAC Annual Amortization			3,107	6,772	17,771	18,436	19,160	19,949	20,868	27,039	15,681	15,34
4	Total CIAC Annual Amortization - Water		\$143,313	\$145,419	\$150,085	\$161,084	\$161,748	\$162,473	\$163,262	\$164,171	\$170,352	\$158,994	\$168,656
25	Accumulated CIAC Amerization	\$1,078,706	\$1,222,018	\$1,348,437	\$1,518,522	\$1,679,606	81,841,355	\$2,003,827	\$2,167,000	\$2,331,260	\$2,501,811	\$2,660,805	\$2,819,261

SOURCE: BURTON & ASSOCIATES CADATAMIZENCUATESTM-SFAMSSECO.WKA



# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - SEWER

### Scenario 1b - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 60% Debt / 40% Equity

#### Sewer - Existing CIAC

#### **Existing CIAC**

	<b></b>		Estimated	
	Existing CIAC - Plant	Year	Original Cost	Life (Years)
1	Other	1902	\$73,564	30
2	Sewers - Force	1989	860,765	30
3	Sowers - Gravity	1988	3,717,755	45
4	Other - Colecting	1985	62,148	40
5	Services	1990	561,347	38
6	Structures	1997	6,500	32
7	Receiving Well	1991	247,738	30
8	Pumping Equipment	1990	601,274	18
9	Total Existing CIAC - Plant		\$6,030,111	

	Existing CIAC - Cash	Estimated Year Original Cost	Life (Years)
10	Cash	1992 \$2,386,734	30
	Total Existing CIAC - Cash	\$2,386,734	
11 12	Total Exieting CIAC Adjustment to 1998 Annual Report	\$8,416,845 185,922	
13	Total Existing CIAC	\$8,602,767	

#### Amortization of Existing CIAC

	Amortization Schedule - Existing Plant CIAC	1990	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
14	Other	\$2,453	\$2,453	\$2,453	\$2,453							
15	Sewers - Force					\$2,453	\$2,453	\$2,463	\$2,453	\$2,453	82,403	\$2,453
18	Sewers - Gravity	28,692	25,692	28,692	28,692	28,692	28,892	28,692	28,692	28,692	28,692	28,692
		82,617	82,617	82,617	82,617	82,617	82,617	82,617	82,617	82,617	82,617	82,617
17	Other - Collecting	1,554	1,664	1,654	1,564							
18	Services					1,554	1,564	1,554	1,564	1,554	1,554	1,554
- 10	· · · · - •	14,772	14,772	14,772	14,772	14,772	14,772	14,772	14,772	14,772	14,772	14,772
19	Structures	172	172	172	172	172	172	172	172	172		
20	Receiving Well	8,258	8,258								172	172
21	Purroling Equipment			8,258	8,258	8,258	8,258	8,258	8,268	8,258	8,258	8,258
===		27,849	27,849	27,849	27,849	27,849	27,849	27,849	27.849	27,849	.,	.,
22	Total Plant Amortization	\$165,366	\$166,366	\$166,368	\$166,366	\$168,366	\$166,366					-
		2.50,500		T. 55,555	# 194,500	4100,000	e 100,300	\$168,366	\$166,366	\$166,366	\$138,518	\$138,518

Amortization Schedule - Existing Cash CIAC											
23 Cash 24 Total Cash CMC Amortization	\$79,568	\$79,558	\$79,568	\$79,568	\$79,558	\$79,558	\$79,668	\$79,508	\$79,558	\$79,558	\$79,568
24 TOME CASH CIAC ATTOREXASON	\$79,568	\$79,558	\$79,55\$	\$79,558	\$79,558	\$79,558	\$79,558	\$79,568	\$79,558	\$79,558	\$79,568
25 Total Existing CIAC Amortization	\$245,924	\$245,924	\$245,924	\$245,924	\$245,924	\$245,924	\$245,924	****		****	
26 Adjustment to Reconcile to Accounting Records	\$16,224	\$16,224	\$16,224	\$16,224	\$16,224	\$16,224	\$16,224	\$245,924 \$15,224	\$245,924 \$15,224	\$218,075 \$44,072	\$218,076 \$44,072
27 Total Existing CIAC Amortization	\$282,148	\$262,148	\$252,148	\$262,148	\$282,148	\$262,148	\$262,148	\$262,148	\$262,148	\$262,148	\$282,148

SOURCE: BURTON & ASSOCIATES C:OATAN23NCIATESTIN-2FAM3630C.NKG



# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - SEWER

### Scenario 1b - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 60% Debt / 40% Equity

**New CIAC** 

Part Colic - Prent			CIAC per	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Secret   Controlled   Secret			Ufe ERĆ											
Secret Cardy	1			•										
Secretary   Secr	3			:										
16   50   50   50   50   50   50   50   5	4		38 \$196.48		\$50,524	\$55,071	\$148,837	\$154,230				\$227,146		\$132,035
New CAC - Cank   Series   Se	5			•	\$45,117	\$49,177	\$132,900	\$137,733	\$142,992	\$148,723	\$155,497	\$202,837	8120,362	8117,906
New CLAC- Clash   10   10   10   10   10   10   10   1	7				\$513,818	\$580,059	\$1,513,638	\$1,568,580	81,628,486	\$1,863,743	\$1,770,888	\$2,310,021	81,370,748	\$1,502,771
19   19   19   19   19   19   19   19		Now CIAC - Cash:								•				
Prof.   Prof	:		•	•	\$180,786	\$175,235	\$473,596	\$490,787	\$500,524	\$529,948	\$554,088	\$722,773	\$428,867	\$420,134
Amortization of New GIAC  Accordization & 1998 2000 2001 2002 2003 2004 2005 2008 2007 2008 2007  12 New CAGC - Pier Amortization  13 Securities & 1995 5207 5561 55.01 58.03 98.27 58.05 55.08 54.07  13 Securities & 1905 52.07 57.04 84.165 24.57 57.07 57.04 84.165 24.57 25.07 57.04 84.165 24.57 25.07 57.04 84.165 24.57 25.0	10				\$180,766	\$178,235	\$473,598	8490,787	\$500,534	\$528,948	\$554,088	\$722,773	\$428,887	\$420,134
Amortization Schedule - New CIAC - Feet Amortization  Structures & Improvements	11	Total New CIAC		•	\$474,581	\$735,284	\$1, <b>967,23</b> 4	\$2,658,366	\$2,137,001	\$2,223,601	\$2,324,97\$	\$1,012,784	\$1,790,633	\$1,762,906
New CIAC - Paint Ameritzation   13 Structures & Improvements   1805   1807   18581   18591		Amortization of New CIAC												
Structures & Improvements   Sept		Amortization Schedule - New CIAC Assets	4 ,	1998	2000	2001	2002	2003	2004	2005	2006	2007	2008	2008
1														
Sever - Grady				•			\$561	6581	\$803	\$627	\$656	\$855	\$508	\$497
Benices   988   \$1,40   \$2,507   \$4,005   \$4,214   \$4,335   \$4,522   \$5,576   \$13,577   \$14,005   \$1,777				•					\$8,185					
Pumping Equip   \$1,203 \$2,703 \$7,504 \$7,552 \$1,904 \$0,655 \$1,205 \$0,555 \$1,205 \$0,555 \$1,50				•										
\$\frac{100}{100}\$ \text{Total New CIAC. Cash Amortization}\$ \$\frac{100}{100}\$ \text{Total New CIAC. Cash Amortization}\$ \$\frac{100}{100}\$ \te	17	Pumoing Equip		:										
19 Yolal Cash Amortization	13	Total New CIAC - Plant Amortization		•										\$36,703
20 Total New CIAC Amortization - \$8,792 \$21,150 \$57,160 \$66,236 \$16,684 \$17,665 \$16,670 \$24,002 \$14,266 \$14,000 \$14,00	18	New CIAC- Cash Amortization	•		92 A70	88.844	216 747	*14 340	240.004	***		<b>***</b> ***	844 808	
20 Total New CIAC Ameritzation - \$8,782 \$21,160 \$57,160 \$56,256 \$61,487 \$62,062 \$66,875 \$77,234 \$31,764 \$50,706  Summary of CIAC & CIAC Ameritzation - Sewer  CIAC Editing CIAC \$1,000 \$200 \$200 \$200 \$200 \$200 \$200 \$200	19	Yotal Cash Amortization	·											
Summary of CIAC & CIAC Amortization - Sewer  CIAC Existing 1986 1989 2009 2001 2002 2003 2004 2006 2006 2007 2008 2009  21 Total Existing CIAC \$8,802,787	20	Total New CIAC Amortization			24.707	\$21.140				•				
CIAC Existing CIAC \$4,802,767					****	*****						401,200	#31 <sub>1</sub> 144	
21 Total Existing CIAC \$8,802,767			tization - Sewer								_			
22 Total New CIAC 23 Total New CIAC 24 Total Accumulated CIAC - Sewer SLR02/87 SLR02	21			1999	2000	2001	2002	2003	2004	2006	2006	2007	2008	2008
23 Total Accumulated CIAC - Sever \$1,802,767 \$8,207,348 \$10,012,642 \$11,666,878 \$14,036,243 \$16,157,233 \$16,157,233 \$22,776,863 \$22,776,863 \$225,576,328 \$27,341,222 \$17,666 \$22,746 \$262,148 \$2	22	Total New CIAC	Animatria de		474,581	735 204	1 947 234	2 050 244	2 137 004	2 222 604	2 224 625	9.097.704	4 300 600	4 742 004
24 Total Existing CIAC Armusi Amortization \$262,148 \$262,	23	Total Accumulated CIAC - Sewer	\$4,602,767	\$4,502,767										
25 Total New CIAC Annual Amortization	24													
26 Total CAC Annual Amortization - Sever				\$262,148										
Tatal Water & Sewer  28 Total Esisting CIAC Annual Amortization - Water & Sewer  29 Total New CIAC Annual Amortization - Water & Sewer  - 12,008 27,922 74,932 77,671 80,656 83,911 87,753 114,273 67,445 66,050	26			\$262,145										
28 Total Existing CIAC Annual Amortization - Water & Sewer \$405,461 \$405,46	27	Accumulated CIAC Amortization	\$1,836,237	\$2,186,365	\$2,470,234	\$2,753,532	\$1,072,846	\$3,384,223	\$3,717,867	84,843,877	84,372,900	\$4,722,382	\$5,036,294	\$5,348,148
29 Total New CIAC Annual Amortization - Water & Berwer 12,806 27,922 74,932 77,871 80,656 83,811 87,733 114,273 67,445 66,050		Total Water & Sewer												
29 Total new CAC Armin Annothshort - 12,006 27,922 74,932 77,871 80,656 83,911 87,753 114,273 67,445 66,050		Total Existing CIAC Annual Amortization - Water	er & Sover	8405,481			\$405,461	\$405,481	\$405,481	\$405,461	\$405,481	\$405,461	\$405,481	\$405.481
\$405,461 \$418,269 \$433,383 \$460,392 \$483,131 \$486,117 \$189,371 \$485,183 \$519,734 \$472,500 \$471,511		Total CIAC Annual Americation - Water &	Bewet					77,671	80,656	83,911	87,733	114,273	67,445	66,050
	30	TOWN CALC WAIRE MUNICIPATION . MAKEL # 24M	<b>T</b>	\$405,461	\$418,269	8433,363	\$450,392	\$483,131	\$488,117	\$489,371	\$493,193	\$519,734	\$472,906	

SOURCE: BURTON & ASSOCIATES C:DATA::2NCLATESTED-2FAMELIOC.MAA





Figure 9

# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM RATE BASE

## Scenario 1b - Intercoastal Utilities Water and Sewer Rates w/Intercoastal Capital Plan - 60% Debt / 40% Equity

		1866	2000	2001	2002	2001	2004	2005	2008	2007	2008	2008
1 2	Wister Percent Contributed Utility Plant in Service	84%	64%	67%	45%	49%	54%	58%	63%	50%	59%	62%
3	• • • · · · · · · · · · · · · · · · · ·	\$6,462,609	\$8,232,306	\$8,417,276	\$12,826,415	\$13,329,950	\$13,853,263	\$14,398,135	\$14,967,826	\$18,233,837	\$18,662,134	\$19,081,192
7	Include Construction Work in Progress? NO Less: Accumulated Depreciation		0	0	0	0	0	0	0	0	0	0
		(1,817,752)	(2,031,302)	(2,276,179)	(2,591,232)	(2,969,469)	(3,348,196)	(3,727,457)	(4,107,333)	(4,532,385)	(4,946,080)	(5,359,301)
-	Utility Plant in Service less Accum Depr.	\$4,644,857	\$6,201,004	\$5,141,008	\$10,235,184	\$10,360,481	\$10,505,087	\$10,670,678	\$10,860,493	\$13,701,452	\$13,716,054	\$13,721,891
•	Lees: Accumulated CIAC	(5,136,489)	(5,366,473)	(5,617,157)	(6,274,986)	(6,957,406)	(7,666,635)	(8,405,080)	(9,177,161)	(10,178,037)	(10,768,492)	(11,326,426)
- 1	Plus: Accumulated Amortization of CIAC	1,222,018	1,368,437	1,518,522	1,679,606	1,841,355	2,003,827	2,167,089	2,331,260	2,601,611	2,560,505	2,819,261
•	Net Utility Plant in Service	\$730,386	\$2,202,968	\$2,042,463	\$5,639,804	\$5,244,428	\$4,842,260	\$4,432,688	84,014,592	\$6,025,027	\$5,618,167	\$6,214,726
y	Plus or Minus:				,,	00,211,122	V 1,1 1		4-10-1-10-2	40,020,021	40,010,107	+0,214,720
10	Acquisition Adjustments	\$187,303	\$187,303	\$187,303	\$187,303	\$187,303	\$187,303	\$187,303	**** ***	0407 000	****	
- 11	Accumulated Amort of Acq Adjustments	(77,263)	(81,946)	(86,629)	(91,312)	(95,995)			\$187,303	\$187,303	\$187,303	\$187,303
12	Working Capital Allowance 12.50% of O&M	93,517	96,322	99,251			(100,678)	(105,361)	(110,044)	(114,727)	(119,410)	(124,083)
13	Other	-0,011	<del>-0</del> 0,322	<b>70</b> ,201	103,770	108,246	112,716	117,198	121,717	125,940	130,692	134,412
14	Net Utility Plant in Service	- WARE A 7 S		· ·			0	0	0	0	0	0
• •	•	1931,343	\$2,404,847	\$2,242,398	\$5,839,841	\$5,443,942	\$5,041,600	34,837,827	84,213,548	\$6,224,542	\$5,816,752	\$8,412,348
15	U&U Percentage	100.00%	61.81%	65.12%	55.17%	60.36%	66,79%	71.46%	77.45%	65.91%	62,45%	65,14%
16	Rate Base	\$033,943	\$1,486,332	\$1,460,225	\$3,221,817	\$3,286,197	\$3,316,622	\$3,300,748	\$3,263,413	\$4,102,485	\$3,632,458	\$3,525,802

17 18 19 20 21	Sawar: Percent Contributed Utility Plant in Service Include Construction Work in Progress? NO Less: Accumulated Depreciation Utility Plant in Service less Accum Dept.	58% \$14,298,201 0 (3,204,816)	60% \$15,062,017 0 (3,724,091)	64% \$15,622,076 0 (4,251,605)	43% \$25,853,214 0 (4,966,008)	49% \$27,421,793 0 (5,842,735)	56% \$29,060,260 0 (6,720,992)	62% \$30,744,003 0 (7,801,035)	58% \$32,514,891 0 (8,483,185)	50% \$41,374,912 0 (9,502,060)	64% \$42,745,658 0 (10,514,974)	68% \$44,088,429 0 (11,626,385)
22 23	Less: Accumulated CIAC Plus: Amortization of CIAC	\$11,093,386 (8,602,767) 2,198,385	\$11,337,926 (9,277,348) 2,470,234	\$11,370,470 (10,012,642) 2,763,632	\$20,887,206 (11,999,876) 3,072,840	\$21,579,069 (14,059,243) 3,394,223	\$22,329,267 (16,197,233) 3,717,867	\$23,142,968 (18,420,924) 4,043,977	\$24,031,705 (20,745,899) 4,372,999	\$31,872,852 (23,778,693) 4,722,382	\$32,230,684 (25,578,326)	\$32,562,044 (27,341,232)
25 26	Net Utilty Plant in Service Plue or Minue: Acquisition Adjustments	\$4,689,004 \$243,864	\$4,530,812 \$243,854	\$4,111,360 \$243,854	\$11,960,170	\$10,914,039	\$9,849,901	\$8,765,020	\$7,658,806	\$12,816,540	5,036,294 \$11,688,651	5,349,149 \$10,569,961
27 28 29	Accumulated Amort of Acq Adjustments Working Capital Allowance 12,50% of O&M Other	(103,015) 149,369	(109,112) 186,558	(115,209) 193,877	\$243,854 (121,306) 207,601	\$243,854 (127,403) 220,528	\$243,864 (133,499) 232,936	\$243,854 (139,596) 245,012	\$243,854 (145,693) 256,913	\$243,854 (151,790) 270,685	\$243,854 (157,887) 280,117	\$243,854 (153,984) 289,364
30 31	Net Utility Plant in Service	\$4,978,232	34,862,112	\$4,433,883	812,290,318	811,261,018	\$10,183,182	\$9,115,290	\$4,013,879	\$13,179,289	\$12,064,738	\$10,939,195
32 33	U&U Percentage Rate Base	100.00% \$4,979,232	100.00% \$4,852,112	100.00% \$4,433,883	90.51% \$11,124,556	96.50% \$10,857,351	100.00% \$10,193,192	100.00% \$9,115,290	100.00% \$8,013,879	94.19% \$12,414,199	88.40% \$10,656,524	93.44% \$10.221,709

SOURCE: BURTON & ASSOCIATES C. LOATALIZANCIATESTIN-ZYAMSSOC, WKA



# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM UTILITY PLANT IN SERVICE - WATER & SEWER

Water

		Estimated Original Cost in St	re Date	1806	1800	2000	2001	2002	2002	2004	2006	2004	200Z	2006	2008
	•						_				_		_		
	New Assets per CIP; Water Plant- East Sire Area	\$1,500,000	2000			\$1,600,000									
ż	8" PVC Well Header	24,000	2002			41,000,000		\$24,000						•	
3	16" PVC Water Main	380,000	2002					380,000							
4	750 GPM Supply Wells	225,000	2002					225,000							
	12" PVC Well Header	20,000	2002					30,000							
	2.0 MG Reservoir w/ Aerator	700,000	2002					700,000							
7	Pumping Station #1 Complete	1,400,000	3002 3002					1,400,000							
	12" PVC Water Mein	340,000	2002					300,000							
•	Engineering & Contingency	804,750	2002					804,750							
10	2.0 MG Reservoir w. Aerator	700,000	2007										700,000		
11	Expand Pump Station #1	600,000	2007										600,000		
12	750 GPM Supply Wells	225,000	2007										225,000		
13	12" PVC Well Header	30,000	2007										30,000		
14	16" PVC Well Header	34,000	2007										34,000		
15	Engineering & Contingency	505,500	2007										606,500		
16	8" PVC Well Header	24,000	2007										24,000		
17 18	34" PVC Weter Main	405,000	2007										405,000		
19	Yotal Utility Plant in Service (not including	100,000	2000	1 2 1 2 2 2 E E		\$100,000						****			
18	LOCK NORTH CARLE AL BOLANDO (LOC EUGINEEA)	d crect		\$4,442,608	\$4,462,606	£1,062,608	\$6,062,000	\$11,966,350	\$11,065,360	\$11,566,365	\$11,546,360	\$11,588,369	\$14,513,950	\$14,813,850	\$14,513,850
	New Plant Assets per CIAC:														
20	New Plant Assets (CIAC)					\$100,007	\$184,970			4400 040	\$544,872	\$509,091			****
21	Total New Plant Assets (CIAC)			- 10	- 50 50			\$485,389 \$840,088	\$503,536	\$523,313			\$738,511	\$428,297	\$419,068
				•0	30	\$180,807	3354,667	884U,U00	\$1,343,591	\$1,866,904	\$2,411,770	\$2,961,467	\$3,710,078	84,148,275	47,007,333
22 7	otal Water Utility Plant in Service			\$8,462,800	84,442,600	\$4,232,306	\$8,417,270	\$12,826,415	\$13,329,960	\$13,453,263	\$14,396,135	\$14,967,820	\$18,233,837	\$18,662,134	\$19,041,192
		Į.													
		•													
	Couran														
4	<u>Sewer:</u>														

		Estimated Origina Cost	in Eve Date	1996	1800	2004	2001	2002	2002	2004	2006	2004	2007	2000	2000
23 24 25 26 27	New Assets per CIP: WWTP Improvement East Svo Area Vester Lit Station # 1 10" PVC Force Main 5" PVC Force Main 1.0 MGD WWTP	\$3,543,962 200,000 466,000 408,000 6,500,000	2002 2002 2002		83,343,962			200000 458000 408000 5500000							
28 29 30 31 32 33	14" PVC Outsat/der (50% Cost) Engineering & Contingency 1.0 MiGD WWYP Expansion 12" PVC Force Main Engineering & Consingency Land	360,000 1,793,500 8,000,000 240,000 1,310,000 250,000	2002 2002 2007 2007 2007			\$250,000		360000 1763600					\$6,000,000 240,000 1,310,000		
34	Total Utility Plant in Service (not including  New Plant Assets per CIAC: New Plant Assets (CIAC)	cue)		\$10,954,230	\$14,264,201	\$14,544,201	*\$14,548,201	\$23,286,701	\$23,286,701	\$23,286,701	\$23,265,701	** \$23,2 <del>85</del> ,70\**	\$29,815,701	\$29,815,701	. ,
36	Yotal New Plant Assets (CIAC)	<u> </u>		\$0 \$10,954,230	\$0 \$0 \$14,298,201	\$513,816 \$513,816 \$15,062,017	\$560,056 \$1,073,875 \$15,622,078	\$1,513,638 \$2,587,813 \$25,863,214	\$1,568,560 \$4,156,002 \$27,421,793	\$1,628,466 \$5,764,566 \$20,060,200	\$1,893,743 \$7,478,302 \$30,744,003	\$1,770,888 \$0,240,190 \$32,514,861	\$2,310,021 \$11,550,211 \$41,374,912	\$1,370,746 \$12,920,957 \$42,746,868	\$1,342,771 \$14,272,728 \$44,088,429

SOURCE: BURTON & ASSOCIATES C:OATA123NOLATESTIM-29/AMESIC: WK4



## INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CAPITAL IMPROVEMENTS PROGRAM

### Scenario 16 - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 80% Debt / 40% Equity

								HACTAGARA											
		AMOUNT			BONTAN			₩											
		BEST						CAPADITY	4000	2008	2001	2002	2003	2004	2005	2006	2007	2008	2009
	PROJECT TOTAL	PUHDER	PROJECT HAME	PATE	FTRUCT	LANDED	<u>Un</u>	(MOD)	1990	2000	2001	2002	*004						
	rie:																		
٠,	\$1,500,000	\$1,500,000 Weter Play	nt East Buc Area	2000	24	100%	26_	1.93		1,500,000		578X8***							
•	24,008	14,400 & PVCW		2002		60%	45					24,000							
•	380,000	228,000 16" PVC V		2002		60%	45					380,000							
٠.	225,000	136,000 750 GPM	Supply Wells	2002		60%	30					225,000							
٠.	30,000	18,000 12 PVC V		2002	24	60%	45					30,000							
•	700,000		servoir w/ Aeretor	2002		60%	40	2.00				700,000							
, '	1,400,000	840,000 Pumping 8	Nation #1 Complete	2002		60%	25					1,400,000							
•	340,000	216,000 12 PVC V	Veter Main	2002		60%	45					360,000							
•	804,750	482,860 Engineerin	vg & Contingency	2002		60%	30					804,750							
	700,000		SERVOIT W. ABUSTOT	2007		60%	40	2.00									700,000		
11	500,006	360,000 Expand Po	mp Station #1	2007	24	60%	20										800,000		
12	225,000	136,000 750 GPM	Supply Wells	2007	24	60%	30										225,000		
13	30,000	18,000 12" PVC V	Vel Header	2007	24	60%	45										30,000		
14	38,000	22,800 16" PVC V	Vel Header	2007	24	60%	45										38,000		
*	505,500	303,300 Engineers	o & Contingency	2007	24	60%	30										505,50		
-	24,000	14,400 8 PVCW		2007		60%	45										24,000	)	
17	405,000	343,000 24° PVC		2007		60%	45										406,000	)	
	100,000	100,000 Land		2000	)	100%	-			100,000		****							
18																			
20	\$8,051,250	\$8,081,250							*0	\$1,400,000	- 80	\$3,923,750	\$0	\$0	\$10		0 \$2,527,50	, ş	, 50

						_											_
	SEWER																
21	\$3,343,942	\$3,343,962 WWTP Improvement East Svc Are	1999	12	100%	22	0.70	3,343,962									
2	200,000	120,000 Mester Lift Station # f	2002		60%	21					200,000						
2	456,000	273,600 16" PVC Force Main	2002		60%	30					456,000						
34	408,000	344,800 8° PVC Force Main	2002		60%	30					408,000						
*	6,500,000	1,300,000 1.0 MGD WWTP	2002		60%	26	1.00				5,500,000						
×	360,000	216,000 16" PVC Outlat/X/er (50% Cost)	2002	24	60%	30					360,000						
7	1,793,500	1,076,100 Engineering & Contingency	2002	24	60%	30					1,793,500						
-	5,000,000	3,000,000 1.0 MGO WWTP Expansion	2007	24	60%	26	1.00								5,000,000		
*	240,000	144,000 12" PVC Force Main	2007	24	60%	30									240,000		
*	1,310,000	794,000 Engineering & Contingency	2007	. 24	60%	30									1,310,000		
31	250,000	250,000 Land	2000		100%				250,000								
2	**************************************							¥1,343,942	\$250,000	\$0	\$8,717,500	\$0	\$0	*0	\$0 \$4,550,000	\$0	10
	TOTAL WATE	<u>R &amp; SEWERI</u>															
25	\$26,512,712	\$28,912,712 YOTAL WATER AND SEMBE						\$3,343,562	#1,660,500 ···	<b>5</b> 4	\$12,6A1,250 ···	\$0	\$0	\$5	202,772,68	20	20

SOURCE: BURTON & ASSOCIATES / PRISAL

m/3 1/3000



# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM USED AND USEFUL

### Scenario 1b - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 60% Debt / 40% Equity

		1922	2000	2001	2002	2003	2004	2006	2006	2007	2008	2009
1	Water											
2	Capacity											
3	Capacity in ERC's	5,057	5,057	10.571	10,571	15,286	16,286	16,286	16,286	16,286	22,000	22,000
4	Additional Capacity in ERC's	0	5.514	0	5.714	0	0	0	0	5,714	0	0
5	Total Capacity	5,057	10,571	10,571	16,285	16,286	16,286	16,286	16,286	22,000	22,000	22,000
6	Connection / Growth											
7	Connections in ERC's	5,506	5,506	5.763	6,043	6,779	7.542	8,335	9,160	10,024	11,143	11,792
8	Annual Growth Percent	0.00%	4.67%	4.86%	12.17%	11.26%	10.51%	9.91%	9,42%	11.16%	5.82%	5.39%
9	Additional Units	0	257	280	736	763	793	826	863	1,119	649	635
10	Total Connections	5,508	5,763	6,043	6,779	7,542	8,335	9,160	10,024	11,143	11,792	12,427
11	Raw U & U Percent	108.87%	54.51%	57.16%	41.62%	46,31%	51.18%	56,25%	61.55%	50.65%	53.50%	56,48%
12	PLUS: Margin Reserve @ 36 Mos.	0	771	841	2,207	2,289	2,379	2,477	2,590	3,357	1,947	1,905
13	Total Connections plus Margin Reserve	5,506	6,534	6,884	8,985	9,831	10,714	11,637	12,613	14,500	13,739	14,332
14	U & U Percent	100.00%	61.81%	65.12%	55.17%	60.36%	65,79%	71.46%	77.45%	65.91%	62.45%	65.14%
15	SEWER:											
18	Capacity											
17	Cepecity in ERC's	2,857	5,357	6,357	5,357	8,929	8,929	8,929	8,929	8,929	12,500	12,500
18	Additional Capacity in ERC's	2,500	0	0	3,571	0	. 0	. 0	0	3,571	0	0
19 20	Total Capacity	5,357	5,357	5,357	8,929	8,929	8,929	8,929	8,929	12,500	12,500	12,500
21	Connection / Growth											
22	Connections in ERC's	2,857	2,857	3,114	3,395	4,152	4.937	5.752	6,600	7,486	8,642	9,328
23	Annual Growth Percent	0.00%	9.00%	9.00%	22.32%	18.91%	16.51%	14.74%	13.43%	15,44%	7.94%	7.20%
24	Additional Units - Eastern Service Area	0	257	280	306	333	363	395	431	470	7.304.70	7.20%
25	Additional Units - Western Service Area	Ö	0	Ö	452	452	452	452	455	686	686	672
26	Additional Units - Total	0	257	280	758	785	815	848	886	1.158	686	672
27	Imputed ERC's from 1998 Rate Case	··								1,100		
28	Eastern Service Area Only	5,357	5,357	5,357	5,357	5,357	5,357	5,357	5,357	5,357	5,357	5,357
29	Total Connections	5,357	5.357	5,357	5,809	6,261	6,713	7.165	7,620	8,306	8,992	9.664
30				•,	0,000	٠,٢٠٠	0,110	7,100	1,020	0,000	4.002	<b>5,00</b> -
31	Raw U & U Percent	100.00%	100,00%	100.00%	65.06%	70.12%	75.19%	80.25%	85.35%	66.45%	71.94%	77.31%
32	PLUS: Margin Reserve @ 36 Mos.	0	771	841	2,273	2,355	2,445	2.543	2,659	3,468	2,058	2.016
33	Total Connections plus Margin Reserve	5,357	5,357	5,357	8,082	8,616	8,929	8,929	8,929	11,774	11,050	11,680
34	U & U Percent	100,00%	100.00%	100,00%	90.51%	96,50%	100.00%	100.00%	100.00%	94.19%	88.40%	93.44%

SOURCE: BURTON & ASSOCIATES
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### Scanario 1h - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - \$0% Debt / 40% Equitor

Print Union State   Prin					-		PY	**					100		
18	1 First Union Basis 2 Plantation Developers - WTP 3 Plantation Developers - URT B 4 Creversade Land Lid-Secolde Ut 2 5 Creversade Land Lid-Secolde Ut 3 6 TANY Narreny, Inc. 7 SAT of Paint Valley - Tem Weet 8 Odome Mill Lid. 8 March Dunce 10 Arvide-Second Laises (Office S1) 11 Arvide-Second Laises (Office S1) 21 Arvide-Second Laises (Office S1) 21 Arvide-Second Laises (Office S1)	Amount 9863,486 94,681 100,536 122,650 112,847 40,147 326,532 96,517 80,000 60,000	01/01/05 12/23/04 12/23/04 03/28/05 12/23/04 08/25/05 04/26/06 09/12/06 02/17/07	26 20 20 20 20 20 20 20 20 20	7.27% 7.84% 7.84% 7.84% 7.80% 7.80% 7.07% 7.00% 6.33% 6.81% 6.58%	844,860 100,002 121,143 110,861 36,007 334,936 86,517 86,000 86,000	18,365 0 2,857 2,257 2,450 1,053 4,440 0 0	44,914 7,443 7,800 8,831 8,638 2,702 22,733 8,110 3,406 3,200	Balance 33,135,48 847,478 84,660 67,145 117,868 108,201 34,864 320,468 86,517 80,000 80,000	Cute \$276,837 46,058 7,518 7,713 8,030 8,561 2,613 22,433 8,110	8alance \$3,836,445 \$67,478 \$4,650 \$7,145 117,866 108,201 36,654 320,466 \$6,517 \$0,000 \$6,000	Principal \$62,284 20,843 2,179 3,493 2,836 1,122 6,061 8	interest 322,027 46,456 7,443 7,766 8,641 2,832 22,356 6,110 3,405 3,206	Balance \$3,743,182 \$46,636 \$2,636 \$3,666 \$114,366 \$165,666 36,631 312,417 \$6,600 \$6,000	\$272,139 43,403 7,366 7,461 6,742 6,342 2,533 21,869 6,110 3,405 3,200
28 New Debt Construction Work in Progress: 29 Include CVAP is WACC? NO 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	14 Equity 15 New Debt- In Service: 16 1900 17 2000 18 2001 18 2002 20 2003 21 2004 22 2006 23 2006 24 2007 25 2007	190,030 8 1,877,780 7,000,921 0 0		30 30 30 30 30 30 30 30 30 30 30 30 30 3	6.77% 10,00% 6.80% 6.80% 6.80% 6.80% 6.80% 6.80% 6.80% 6.80% 6.80%		4,722	31,229 12,844 9 9 9 9 9 9 9	438,131 181,043 8 9 9 9 9 9 9 9	30,256 12,256 0 0 0 0 0 0 0 0	181,063	5,024 0	12,342 0 0.	174,036 0	29,400 11,918 0 118,910 0 0 0 0 0 0 0 0 0 0
	29 Include CARP Is WACC? NO	6,667,500		20	7.50%	84(944,794	\$40,865	0 0 \$403,085	0 0 0 <del>10,100,100</del>	0 0 8437,108	0	\$188241	0	0 0 87 873 778	0

SOURCE: BUILTON & ASSOCIATES CYDATA 129 CUTESTA - 2FAMBLING NAME

### Scanario 1b - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 80% Dake / 40% Equity

						FYN	W1					H47		
Lender  1 Pirst Union Sack 2 Plastation Developers - WTP 3 Plastation Developers - Unit 9	\$863,486	Orio Lean Date 81/01/86	20	7.27%	\$3,743,182 \$46,636	Principal \$103,552 22,560	interest \$120,849 43,730	Balance \$1,638,630 \$24,676	Cost of Cupital Cale \$284,601 41,812	Beginning Balance \$1,636,630 \$24,076	Principal \$114,201 24,418	\$10,100 \$310,100 41,881	Balance \$3,825,429 499,859	Cost of Capital Calc \$254,290 30,673
Crossroads Land Lid-Seeside Ut 2 Crossroads Land Lid-Seeside Ut 3 Table Marsey, Inc. BAT of Pain Valley - Tom West Codens Mat Lid- Codens Mat Lid-	84,851 108,834 128,850 112,847 40,147	12/23/04 12/23/04 03/28/06 12/23/04 08/30/06	20 20 20 20 20 20	7.84% 7.88% 7.84%	82,636 83,846 114,365 106,546 36,831	2,101 3,441 3,770 2,962 1,206	43,730 7,277 7,504 8,618 8,425 2,560	90,454 90,525 110,622	7,182	80,454 80,626 110,622 102,714 34,626	2,361 3,734 4,070 3,067 1,283	7,007 7,221 8,519 8,180 2,462	96,094 95,901 106,563 99,627 33,332	6,905 6,892 8,162 7,810 2,367
B Marsh Dunes 10 Arvide- Several Laice (Offske #1) 11 Arvide- Several Laice (Offske #2) 12 Arvide- Several Laice (X 1) 13 Arvide- Several Laice (X 2) 14 Equity 16 New Cette- in Service;	\$29,632 96,617 \$0,000 \$0,000 464,818 190,030	09/25/06 84/06/08 09/12/08 02/17/87 08/19/87 08/08/07	20 20 20 20 20	8.33%	312,417 94,517 \$0,000 \$0,000 436,712 176,036	8,833 2,481 1,218 1,348 13,302 8,378	21,774 6,036 3,366 3,253 29,564 11,901	102,714 34,626 303,784 84,636 48,784 48,781 413,410 170,864	8,474 6,166 2,448 21,265 5,962 3,322 3,208 28,484 11,564	303,784 84,036 48,784 46,781 413,410 170,464	9,256 2,643 1,302 1,334 14,348 6,780	21,150 6,677 3,292 3,160 20,636 11,616	294,526 81,393 47,462 47,457 300,161 164,814	20,617 5,785 3,234 3,120 27,502 11,165
18 1990 17 2000 18 2001 19 2002 20 2003 21 2004 22 2005 23 2006 24 2007 25 2008 26 2009	1,877,750 7,800,521 8,528,100		20 20 20 20 20 20 20 20 20 20 20 20 20 2	8.50% 8.50% 8.50% 8.50% 8.50% 8.50% 8.50% 8.50% 8.50%	1,820,306 0 0 0 0 0 0	81,508 8 9 9 9 9	118,810 0 0 0 0 0 0	1,777,678 0 0 0 0 0 0 0	115,542 3 0 0 0 0	1,777,076 0 7,800,021 0 0 0 0	64,066 64,066 0 196,286 0 0 0 0	500,404 500,404 0 0 0 0	7,500,236 0 0 0 7,500,236 0 0 0	111,906 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
New Equity  New Equity	9,687,500		20	7.50%	•	•		•		•	•	0	0	0
32 Weighted Average Cost of Capital SOURCE: BURTON & ASSOCIATES CYDATAI220CUTESTIN-29AMSSOCIANA					· · ·	\$22,325	\$504,080	\$7,448,96S	\$629,007 7.10%	***	\$440,820	\$1,075,288	\$,056,500 \$19,764,145	505,650 \$1,504,871 7.61%

### Scenario 1k - Intercoastal Utilities Water and Sever Rates wi Intercoastal Capital Plan - 80% Debt / 40% Equity

						PY	M2					101		
1 First Union Bank 2 Plantation Developers - WTP 3 Plantation Developers - WTP 3 Plantation Developers - List 8 4 Crossroade Land Lide Seaside U. 2 5 Crossroade Land Lide Seaside U. 3 7 TAVV Names, Ind. 8 After Pean Valley - Yom West 5 Odoms Mill Lid. 8 March Cusse 10 Anrich Seventil Lakes (Offishs #1) 11 Anrich Seventil Lakes (Offishs #2) 12 Anrich Seventil Lakes (Offishs #2) 13 Anrich Seventil Lakes U. 2 14 Equity 15 New Debt- In Service: 1988 17 2000	Orig Loan Amoust. \$653,48 100,53 130,48 112,34 40,14 329,53 80,00 80,00 444,31 180,03	11 12/23/94 12/23/94 10 52/24/95 17 12/23/94 17 06/30/95 12 06/25/95 17 04/06/95 10 06/12/95 10 06/12/95 10 06/12/95 10 06/16/97 10 06/06/97	20 20 20 20 20 20 20 20 20 20 20 20 20 2	7.276 7.34% 7.34% 7.34% 7.34% 7.36% 7.37% 6.33% 6.33% 6.35% 6.36% 6.37% 6.56% 6.56%	Baginning Balance 33,224,259 489,869 489,869 489,861 509,863 389,827 33,333 264,526 81,363 47,412 47,417 309,181 164,814 9	Principal \$12,774 28,429 2,566 4,021 4,362 3,341 1,360 8,627 2,815 1,424 1,522 6,182 6,182 8	interest \$301,263 36,870 6,803 38,870 6,803 6,814 6,104 2,346 20,440 8,704 3,104 3,076 27,626 11,214 0	Balence 33,402,806 473,230 86,530 82,770 102,160 86,387 31,844 284,600 86,577 46,060 45,863 363,803 158,762 6	Cost of Cuphal Cule \$37,574 6,792 7,626 7,626 2,256 19,822 8,607 3,139 3,028 24,461 10,748 9	Beginning Balton 33,407,856 85,539 80,539 80,277 102,160 84,267 31,844 284,600 66,577 46,000 353,800 154,762	Principal \$138,539 \$138,539 \$2,765 \$4,363 \$4,741 \$,510 \$1,460 \$1,461 \$1,521 \$1,	1259.560 2259.560 6.602 7.847 7.840 2.266 19.753 5.521 3.003 2.001 26.539 10,705	Balence \$1,23,718 444,625 82,774 78,408 87,419 82,871 30,456 273,855 85,578 44,508 44,472 367,563 162,180 0	Cost of Copital Cale \$227,272 36,303 6,572 7,462 7,462 7,262 2,183 19,177 3,037 2,126 25,324 10,303 0
2002 2003 2004 2003 21	7,806,53 5,526,10 6,687,50	0 0 0 0 0 0	20 20 20 20 20 20 20 20 20 20 20	6.50% 6.50% 6.50% 6.50% 6.50% 6.50% 6.50% 6.50% 6.50%	7,800,236 8 9 9 0 0 0	211,176	487,515	7,380,000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	473,786 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1,844,801 8 7,288,000 8 8 8 8 8	62,218 0 224,801 0 0 0 0 0	106,100 473,700 0 0 0 0 0 0 0 0	1,002,382 7,084,156 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	194,185 0 450,170 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
SOURCE: BURTON & ASSOCIATES C'OATANZNOUTESTN-3FANSSICCHIA									7.63%				7,0,101,000	7.05%

#### Scenario 1b - Intercoastal Utilities Water and Sewer Rates w/Intercoastal Capital Plan - 60% Debt / 40% Equity

						PYN	<b>9</b>								
1 First Union Nasts	Orig Lees Amount	Oris Loan Date	Terre .	placed Rate	Balance	Principal \$140,383	interest	Laterica	cet of Capital	Bagindag Balance	Principal	Interret	Balance	Cost of Capital Cole	
2 Plantation Developers - WTP	\$663,496	01/01/05	20	7.27%	\$3,263,718 444,626	\$140,363 30,961	\$275,115 35,336	\$3,714,553 413,864	\$229,412 \$2,845	\$3,114,333 413,864	\$160,513	5247,594	\$2,963,720 \$60,163	\$214,738 30,184	
3 Plantation Developers- Unit 6	\$4,451	12/23/04	26	7.64%	02,774	2,563	6,405	70,701	8,336	79,781	32,511 3,340	32,798 6,218	74,641	6,077	
4 Croseroads Land Lid-Seaside LR 2 5 Croseroads Land Lid-Seaside LR 3	100,534	12/23/94	30	7.04%	70,400	4.722	6,223 7,471	73,004	6,336 6,851 7,870 7,847	73,864	6.111	5,834	66,573	8,445	
6 TAW Nursery, Inc.	128,850 112,847	12/21/04	20	7.00% 7.04%	87,418 82,671	6,117 2,814	7,471	82,302 88,767	7,670	82,302 86,767	8,523 4,236	7,005	84,778	6,847	
7 BAT of Pain Valley - Tors West	40,147	06/30/05	20	7.07%	30,455	1,505	7,363 2,156	28,867	7,947	20,867	1,715	7,040 2,041	84,521 27,143	6,711 1,810	
Odome MB Ltd.	320,832	09/25/96	20	7.00%	273,865	11,414	18,993	262,541 82,384	2,840 18,378 6,215	262,541	12,230	10,106	250,302	17,521	
8 March Dunes 10 Anida-Szurill Lakes (Office #1)	96,517 \$0,000		20	6.33%	85,570	3,194	5,326	82,364	6,215	82,384	3,402	5,117	70,902	5,000	
11 Anida- Squarell Lakes (Offsite #2)	\$0,000		20	6.81% 6.58%	44,506 44,472	1,500 1,834	2,906 2,878	43,003 42,848	2,828 2,819	43,003 42,848	1,708 1,734	2,876 2,766	41,295 41,114	2,012	
12 Anide- Savarill Calme Ut 1	444,910	05/19/07	20	4.80%	367,563	17,510	25,377	350,043	24,118	350,043	10.755	24,132	331,200	2,705 22,826	
13 Anido-Saumil Lakes Ut 2	190,030	00/00/07	20	4.77%	152,100	7,041	10,326	145,130	9,826	145,130	7,533	0,033	137,604	8,316	
14 Equity 16 Now Dable in Bandon:	ı	)		10.00%	•	•	•	•	•	0		. 0			
16 1900	•	)	20	8.50%					•						
17 2000 18 2001	1,877,760	)	20	6.50%	1,002,382	00,203	104,185	1,534,114	80,848	1,536,110	70,670	80,040	1,405,540	95,201	
10 2002	7,606,521		20	6.50% 6.50%	7,064,188	230,820					. 0	0	. 0	8	
20 2003	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,	20	6,50%	7,004,199	231,320	450,170	8,834,640	443,602	6,834,640	255,000	443,802	0,500,561	427,021	
21 2004	9	1	20	6.50%	i	ě	ĭ	i	•	Ĭ	i	ĭ	ŏ	č	
22 2006 23 2006			20	6.50%	•	•	0	0	ē	ě	Ō	ě	Ŏ	ŏ	
24 2007	5,520,10		20	8.50% 8.50%	2	•	•	9	Q.		9	9	0	9	
25 2008 26 2009	-,	)	20	4.50%	ĭ	i	ĭ				ă	, i	ž	8	
2008		}	20	6.50%	•	i	Ŏ	Ď	ō	ě	ŏ	ě	i	ŏ	
28 New Debt- Construction Work in Progrees: 29 Include CALP in WACG7			20	7.50%			0	•	0			•	0	•	
30 New Equity	8,887,500	)		10.00%				5,054,500	506,650				5,054,500	505,650	
32 Weighted Average Cost of Capital						\$546,848	\$873,393	\$18,234,500	\$1,300,944		\$584,978	\$835,210	\$17,649,618	\$1,350,830	
TO MADE A PORTON & ARRANGEMENT									7.00%					7.70%	

SOURCE: BURTON & ASSOCIATES C'OATAIERICLATESTIM-EFAMBRICCHICA



### Scenario 1h - Interconstal Utilities Water and Sewer Rates w/ Interconstal Capital Plan - 80% Daht / 40% Equity

					-		FY	997				FY3	**		
1	First Union Bank	Orig Lean Amount	Oria Loan Date	Term	Internat Rute	Beginning Balance	Principal	Internet	Balance	Coat of Copital Cole	Regimby Extence				Cost of Capital
ż	Plantation Developers - WTP Plantation Developers - Urit 9	\$063,486	01/01/05		7.27%	\$2,963,720 360,183	36,270	Interset \$256,812 \$6,029	\$2,781,034 343,983	\$207,181 27,304	\$2,781,054 343,883	Principal \$185,666 39,257	Interest \$342,031 27,042	2,545,584 304,426	Calo \$188,683 24,187
4	Creseroads Land Ltd. Seaside Ltt 2 Creseroads Land Ltd. Seaside Ltt 3	84,651 109,536	12/23/04	20 20 20 20 20	7.84% 7.84%	76,541 66,573	3,506 8,532	30,029 6,962 6,413	73.036	5,790	73,036	3,795	\$,003	60,240	5,498
i	TAW Nursery, Inc.	128,650 112,647	83/28/98 12/23/94	20	7.66%	96,779	5,361	8.427	63,040 60,817 78,836	\$,005 6,191	63,040 60,817	8,006 6,435	4,867 6,164	67,053 74,363	4,530 8,606
?	BAT of Palm Valey - Tem West Odome Mil Ltd.	40,147	99/30/96	20	7.84% 7.87%	94,521 27,143	4,505 1,840	8,001 1,010	79,834 26,303	8,347 1,700	70,834	4,963	0,314	74,873	8,953
i	Marsh Dunes	326,832 86,517	09/25/95 04/09/96	20 20 20	7.00%	250,302	13,124	17,263 4,806	237,178	16,603 4,770	25,303 237,178	1,974 14,072	1,701 16,335	23,329 223,106	1,649 16,617
10	Anida-Sawmii Laine (Offske 61) Anida-Sawmii Laine (Offske 62)	60,000	09/12/94	20	6.33% 6.61%	78,862 41,295	3,634 1,828	4,808 2,756	75,350 30,467	4,770	75,364	3,860	4,660	71,497	4,520
12	Anido- Saurell Lakes (2 )	60,000 464,818	02/17/07 06/19/07	20	0.50%	41,114	1,852	2.650	30,263	2,400 2,543	38,467 38,263	1,958 1,977	2,027 2,526	37,511 37,265	2,554 2,453
13	Arkin-Soumii Lakes (& 2 Equity	100,030	06/06/97	20 20 20 20	8.80% 6.77%	331,286 137,606	20,000 6,058	22,798 8,307	311,200	2,543 21,442 6,770	311,200	21,517	21,300	200,003	19,950
15	New Debt- In Senice;	•			10.00%	101,700	•	*,347 •	120,547	6,770	120,547	8,622	8,744	120,825	8,167
14 17	1900 2000			20	6.50%				-		Ĭ	_	•	•	۳
10	2001 2002	1,877,750		20	0.50% 0.50%	1,405,540	76,167	95,261	1,300,302	00,375	1,306,362	60,042	80,375	1,310,350	0 65,173
19 20	\$003 2003	7,008,521		20	0.50%	6,500,551	271,000	427,021	6,207,002	408.342	6,207,862	200.324	409,342	•	0
21	2004	:		20	6.50% 6.50%	•	,	0					404,362	6,006,364	390,556
2	2005 2004	į		20	6.50%	ï		0	9	9	•	•	į	Ó	ŏļ
24	. 2007	5,528,100		20	6.50% 6.50%	5,628,198			<b>i</b>	ŏ	ĭ	ï	i	ů	اه
24	2008 2008	0		20	6.50%	2,021,190 0	142,300	360,333	\$,365,811 0	360,078	6,306,811 0	151,642	350,078	6,234,170	340,221
27	Hew Debt- Construction Work in Progress:	•		20	0.50%	0	Ō	ě	i	ŏ	i	š	ě	ï	8
20	Include CWIF In WACCT NO			20	7.50%			•		e e					
30 31	New Equity	8,687,500			10.00%				0.607.500	968,750			•	•	٠
32	Weighted Average Cost of Capital						\$766,166	\$1,253,744	\$28,010,848	\$2,030,038		\$821,096	37.200.117	8,667,500 \$25,219,550	866,750 \$1,874,195
	SOURCE: BURTON & ASSOCIATES									7.80%		,			7,83%
	C:OATANISMOUNTESTIM-SFAMESSOC.WM														



Figure 14 Page 6 of 6 INTERCOASTAL UTILITIES WATER & SEWER SYSTEM Weighted Average Cost of Capital Analysis

### Scenario 1b - Intercoastal Utilities Water and Sewer Rates of Intercoastal Capital Plan - 60% Debt / 40% Equity

				-		PY	***		
Lender Prof Union Bank	Orig Lean Amount C	rig Loan Cate	Terre	nternet flyte	Bagining Balance \$2,506,500	Principal \$150,625	Intervet	Balance	Cost of Capit Cole \$174,17
Plantation Developers - WTP	\$063,486	81/01/85	20	7.4%	304,626	3199,625	8228,874	82,386,742	\$174,12
Plactation Developers-Unit 8	94.651	12/23/04	20	7.84%	90,240	42,490 4,108	23,808	262,136	20,0
Crosercede Land Ltd. Seamide Lt 2	100,536	12/23/04	5	7.34%	\$7.063	6,481	5,360	66,132	5,1
Crostroads Land Lid- Secolds (2 5 TAW Nursery, Inc.	128,650	63/26/65	20	7.00%	74,383	6,945	6,444 6,643	\$0,672	4,0
BAT of Paint Valley - Test West	112,847	12/23/64	20	7.34%	74,873	5,371	6,806	67,436 60,602	5,1
Odona Mil Ltd	40,147	04/30/06	20	7.07%	23,320	2,110	1,837	21,211	5.1
Marsh Dunes	126,832	09/25/05	20	7.00%	223,104	15,090	15,317	200,017	1,5
Arvide- Seumil Lakes (Offske #1)	94,517	04/06/96	20 20	6.33%	71,497	4,112	4,408	67,305	14,5
Arvide- Sawmil Lakes (Offsite 82)	. 50,000	00/12/06	20	6.81%	37,511	2,094	2,490	35,417	***
Anida- Seumii Lakes (£ 1	50,000	02/17/07	20 20 20	8.38%	37,206	2,111	2,300	35,174	2,3 2,3
Anida-Saumii Lakes Ut 2	464,918	06/16/97	20	0.30%	200,683	23,048	10,830	246,636	4,
Equity	180,030	09/06/97	20	0.77%	120,825	8,224	L142	111,701	18,3
New Debt- In Service:	Û			10,00%		-,,	4,774	111,791	7,5
1900					~	•	•	•	
2000			20	6.50%					
2001	1,877,760		20 20	6.50%	1,310,360	96,346	86,173	1,225,105	79,6
2002			20	0.80%	•	0	,	,,,,,,,,,,	7.0,0
2003	7,608,521		20	0.50%	6,006,554	308,134	300,556	5,700,420	370,6
2004			20	6.50%		0	0.0,000	4, 11, 11,	
2006			20 20	6.50%		Ō	ĭ	Ĭ.	
2006			20	6.50%		Ó	ě	ă	
2007			20 20	8.50%	0	ō	Ĭ	ĭ	
2004	5,520,106		20	6.50%	5,234,170	181,406	340,221	6,072,671	329,7
2008	•		20	6.50%		0		0,014,017	420,11
,	•		20	4.50%		Ò	ě	ď	
New Debt- Construction Work in Progress:							_	•	
Include CWLP is WACC7			20	7.50%			•	0	
New Equity	8,887,500			10.00%				_	
Michael				10.00%	<del></del>	\$877,654	\$1,144,218	0,607,500	966,75
Weighted Average Coet of Capital							#1,144,21 <b>8</b>	\$24,241,657	\$1,514,41
SOURCE: BURTON & ASSOCIATES									7,841

CIDATA12NCLITESTIM-2FAMSS30C.WK4



# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CASH FLOW PROJECTIONS - TOTAL WATER AND SEWER SYSTEM

### Scenario 1b - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 60% Debt / 40% Equity

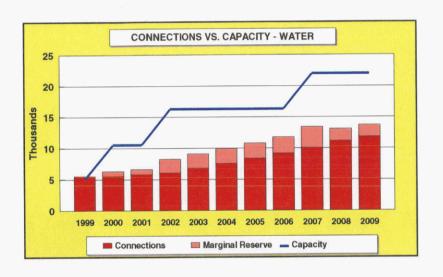
		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	Sources of Funds							<del></del>				
1	Beginning Year Balance	85,284	385,167	366,794	509,099	311,371	328.774	345,652	362,210	378,629	397,625	410,809
2	Net Income	471,475	208,017	344,887	166,638	395,316	788,185	952,684	566,429	1,119,690	1,118,131	1,081,239
3	Add:			•	*	•			,	1,715,000	.,,	1,001,000
4	Depreciation	618,857	651,273	686,976	820,461	1,074,369	1,127,404	1,151,049	1,176,365	1,239,871	1,153,772	1,214,262
5	Amort of Utility Plant Acq Adj	10,935	10,935	10,935	10,935	10,935	10,935	10,935	10,935	10,935	10,935	10,935
6	Amort of Rate Case Expense	56,996	56,996	56,996	56,996	52,247	0	0	.5,550	.0,000	10,000	.0,500
7	Loss:	•	• • •		,	,	•	•	•	•	•	•
8	Amort of CIAC	(405,461)	(362,353)	(361,031)	(377,895)	(407,775)	(430,527)	(442,771)	(456,173)	(441,375)	(376,791)	(395,690)
9	Net Income adjusted for non-cash items	752,803	564,869	718,763	677,138	1,125,092	1,495,997	1,671,896	1,597,556	1,929,121	1,906,048	1,910,746
10	Additional Cash			•	•			,,,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	.,,,,,,,,,,,	.,000,00	1,010,140
- 11	CIAC Cash	0	221,053	240,948	646,037	669,674	695,438	723,521	756,476	985,139	581,045	569,010
12	Total additional Cash	0	221,053	240,948	646,037	669,674	695,438	723,521	756,476	985,139	581,045	569,010
13			•	•		,	100, 100	,	100,110	555,155	001,000	000,010
14	Total Sources of Funds	838,087	1,171,088	1,326,504	1,832,272	2,106,136	2,520,209	2,741,071	2,716,242	3,292,889	2,884,718	2,890,566
15		• •	.,,	.,,	.,,,,,,,,,,,	Et 100, 100	2,020,200	4,171,011	2,110,272	9,202,000	2,004,710	2,080,000
16	Uses of Funds											
17	Less:											
16	Principal	(49,855)	(199,411)	(223, 325)	(440,829)	(471,478)	(511,222)	(546,849)	(584,978)	(768,169)	(821,096)	/977 #0.A
19	interest	(403,065)	(604,884)	(594,080)	(1,075,266)	(1,044,253)	(1,008,972)	(973,344)	(935,216)	(1,253,744)	(1,200,817)	(677,694)
20	Working Capital Reserve	(242,907)	(282,860)	(293, 138)	(311,371)	(328,774)	(345,652)	(362,210)	(378,629)	(397,625)	(410,809)	(1,144,219) (423,776)
21	Equity Investment	Ò	0	0	(5,056,500)	(0.00)	(0,0.0)	(0.25	(0.0,020)	(3,631,000)	(-10,000)	(453,110)
22	Total Uses of Funds	(695,827)	(1,087,175)	(1,110,543)	(6,883,966)	(1,844,505)	(1,865,845)	(1,682,403)	(1,898,823)	(6,050,538)	(2,432,722)	/O 445 0001
23			4.,	(1,110,040)	(4,444,444)	( .lors,cool	(1,000,000)	(1,002,400)	(1,000,023)	(0,000,000)	(2,432,722)	(2,445,689)
24		142,260	83,914	215,962	(5,051,694)	261,631	654,364	858,668	817,419	(2,757,649)	451,996	444.077
25					(-, ,  ,/	20.,001	44,444	000,000	017,719	(2,757,049)	401,880	444,877
26	Annual subsidy required from stockholders	0	0	0	5,051,694	(261,631)	(654,364)	(858,668)	(817,419)	2,757,649	(451,996)	/444 0775
27	Net Cash Flow	142,260	83,914	215,952	0	100.100.17	0	100,000	1011, 710)	2,101,0-0	(-01,000)	(444,877)
28	Add Back: Working Capital Reserve	242,907	282,880	293,138	311,371	328,774	345,652	362,210	378,629	397,625	410,809	472 778
20		385,167	366,794	509,000	311,371	328,774	345,652	362,210	378,629	397,625	410,809	423,776
30			••••	,			- 10,000		010,040	<del>40</del> 7,020	410,000	423,776
31	Cumulative subsidy required from stockholders	0	0	0	5,051,694	4,790,063	4,135,699	3,277,031	2,459,612	5,217,261	4,765,265	4,320,388
				_	-,,	4	.,,	4,2,7,001	2,700,012	0,217,201	7,700,200	4,320,300
	SOURCE: BURTON & ACCOUNTS											

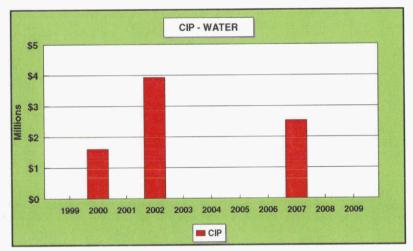
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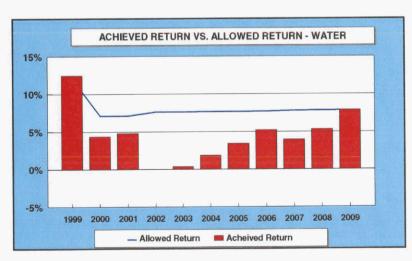
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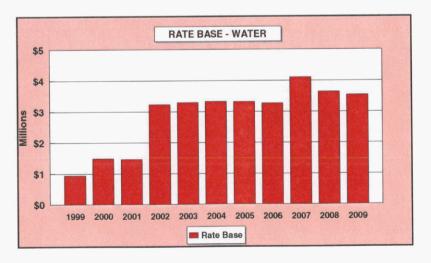
# INTERCOASTAL UTILITIES WATER SYSTEM GRAPHS OF KEY INDICATORS

Scenario 1b - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 60% Debt / 40% Equity







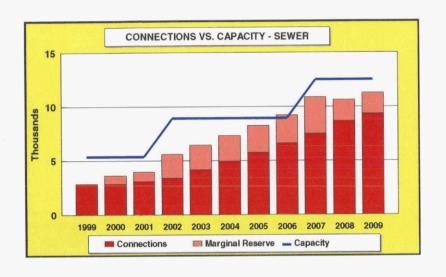


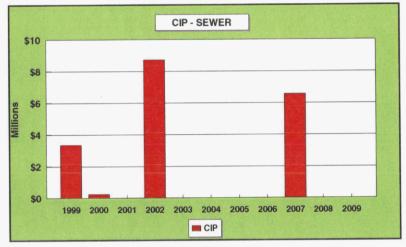
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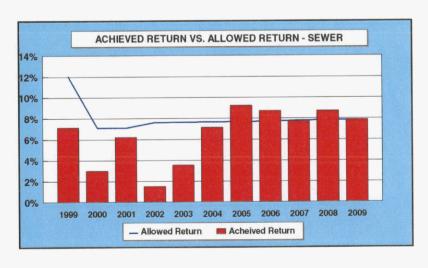
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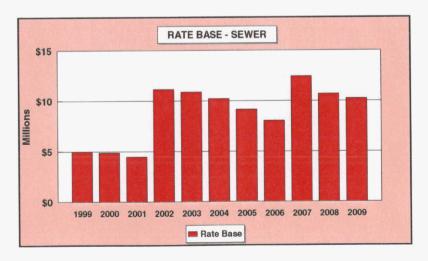
### INTERCOASTAL UTILITIES SEWER SYSTEM GRAPHS OF KEY INDICATORS

Scenario 1b - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 60% Debt / 40% Equity





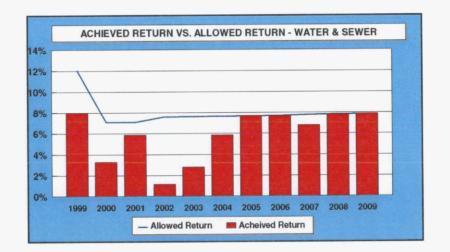




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# INTERCOASTAL UTILITIES WATER AND SEWER SYSTEM GRAPHS OF KEY INDICATORS

Scenario 1b - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 60% Debt / 40% Equity



# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CASH FLOW PROJECTIONS - TOTAL WATER AND SEWER SYSTEM

### Scenario 1b - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan - 60% Debt / 40% Equity

		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	Sources of Funds											
_ 1	Beginning Year Balance	85,284	385,167	366,794	509,099	311,371	328,774	345,652	362,210	378,629	397,625	410,809
2	Net Income	471,475	208,017	344,887	166,638	395,316	788,185	952,684	866,429	1,119,690	1,118,131	1,081,239
3	Add:								·			, ,
4	Depreciation	618,857	651,273	686,976	820,461	1,074,369	1,127,404	1,151,049	1,176,365	1,239,871	1,153,772	1,214,262
5	Amort of Utility Plant Acq Adj	10,935	10,935	10,935	10,935	10,935	10,935	10,935	10,935	10,935	10,935	10,935
6	Amort of Rate Case Expense	56,996	56,995	56,996	56,996	62,247	0	0	0	0	0	0
7	Less:				•	,			_		•	•
8	Amort of CIAC	(405,461)	(362,353)	(381,031)	(377,895)	(407,775)	(430,527)	(442,771)	(466,173)	(441,375)	(376,791)	(395 690)
9	Net Income adjusted for non-cash items	752,803	564,869	718,763	677,136	1,125,092	1,495,997	1,671,898	1,597,556	1,929,121	1,906,048	(395,690) 1,910,746
10	Additional Cash		•				, ,	1,000	.,,	.,,	,,000,010	1,010,140
- 11	CIAC Cash	0	221,053	240,948	646,037	669,674	695,438	723,521	756,476	985,139	581,045	569,010
12	Total additional Cash	0	221,053	240,948	846,037	669,674	695,438	723,521	756,476	985,139	581,045	569,010
13					,	,	100, 100	100,01	. 00, 470	000,100	001,0-0	000,010
14	Total Sources of Funds	838,087	1.171.088	1,326,504	1,832,272	2,106,136	2,520,209	2.741.071	2,716,242	3,292,889	2,884,718	2,890,566
15		,	.,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	.,	.,,	2,020,200	211411411	2,7 10,2-12	0,202,000	2,004,110	2,080,000
16	Uses of Funds											
17	Less:											
18	Principal	(49,855)	(199,411)	(223,325)	(440,829)	(471,478)	(511,222)	(546,849)	(584,978)	(768,169)	(821,096)	(877,694)
19	Interest	(403,065)	(604,884)	(594,080)	(1,075,266)	(1,044,253)	(1,008,972)	(973,344)	(935,216)	(1,253,744)	(1,200,817)	
20	Working Capital Reserve	(242,907)	(282,880)	(293, 138)	(311,371)	(328,774)	(345,652)	(362,210)	(378,629)	(397,625)		(1,144,219)
21	Equity Investment	(2.2,551)	(222,500)	(222, 120)	(5,056,500)	(020,777)	(5-0,002)	(302,210)	(3/0,029)		(410,809)	(423,776)
22	Total Uses of Funds	(695,827)	(1,087,175)	(1,110,543)	(6,883,966)			44 000 400)	(4 000 000)	(3,631,000)	U	0
23	1000 000 017 0100	(090,027)	(1,007,175)	(1,110,545)	(0,000,800)	(1,844,505)	(1,865,845)	(1,882,403)	(1,898,823)	(6,050,538)	(2,432,722)	(2,445,689)
24	Excess (Deficit)	142,260	83,914	215,962	(5,051,694)	261,631	654,364	858,668	847 440	40 TET 4 401	454 000	
25		142,200	₩,514	210,502	(0,001,00-1)	201,031	034,304	600,008	817,419	(2,757,649)	451,996	444,877
26	Annual subsidy required from stockholders	0	0	0	5,051,694	(261,631)	ICE 4 36 A	(050 600)	(047,440)	0.757.040		
27	Net Cash Flow	142,260	83,914	215,962	3,001,004	(201,031)	(654,364)	(858,668)	(817,419)	2,757,649	(451,996)	(444,877)
28	Add Back: Working Capital Reserve	242,907	282,880	293,138	311,371	328,774	0	0	0 TO 000	0	0	0
29	Ending Balance	385,167	366,794	509,099	311,371	328,774	345,652	362,210	378,629	397,625	410,809	423,776
30		300, 107	300,754	309,099	311,371	320,774	345,652	362,210	378,629	397,625	410,809	423,776
31	Cumulative subsidy required from stockholders	0	0	•	E 054 604	4 700 000	4 405 000					
٠,		U	U	0	5,051,694	4,790,063	4,135,699	3,277,031	2,459,612	5,217,261	4,765,265	4,320,388
	SOURCE: BURTON & ASSOCIATES											
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Appendix 2

INTERCOASTAL UTILITIES

**BURTON & ASSOCIATES** 

### Scenario 2a

# Intercoastal "Standing in NUC's Shoes" 100% Debt and 0% Equity Financing

This scenario analyzes the impact upon customer's rates of Intercoastal Utilities implementing NUC's plan to meet the water and sewer demands of the projected growth in the area for which Intercoastal's service area extension application is filed assuming NUC's capital plan and plan for wholesale water and wastewater service from the JEA. It assumes that capital projects will be funded with 100% debt and 0% equity financing.

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### INTERCOASTAL UTILITIES WATER & SEWER SYSTEM SUMMARY

Scenario 2a - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 100% Debt / 0% Equity

Average Monthly Cost per ERC assumes 10,000 Gallons per Month Average Water Usage per ERC

	Tronage menting door pe		111100 10,000	Ganons pe	MOTILITAV	rage water	osaye po	LIC				
1	Water	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
2	Rate Plan	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.6%				
3	Achieved Return	12.47%	4.64%	5.13%	-7.15%	-3.78%	0.43%	6.91%				
4	Allowed Return	12.04%	7.13%	7.13%	6.92%	6.92%	6.92%	6.91%				
5	Avg Mo.Cost / ERC	\$15.81	\$15.81	\$15.81	\$15.81	\$15.81	\$15.81	\$16.07				
6	Achieved Return (Millions)	\$0.116	\$0.066	\$0.072	(\$0.122)	(\$0.064)	\$0.007	\$0.107				
7	Allowed Return (Millions)	\$0.112	\$0.102	\$0.099	\$0.118	\$0.117	\$0.113	\$0.107				
8	Rate Base (Millions)	\$0.934	\$1.425	\$1.395	\$1.706	\$1.684	\$1.632	\$1.547				
9	Sewer											
10	Rate Plan	0.0%	0.0%	0.0%	0.0%	0.0%	-13.9%	-12.3%				
11	Achieved Return	7.13%	3.19%	6.65%	4.42%	10.28%	9.59%	6.91%				
12	Allowed Return	12.04%	7.13%	7.13%	6.92%	6.92%	6.92%	6.91%				
13	Avg Mo.Cost / ERC	\$63.89	\$63.89	\$63.89	\$63.89	\$63.89	\$55.01	\$48.25				
14	Achieved Return (Millions)	\$0.355	\$0.147	\$0.278	\$0.224	\$0.475	\$0.380	\$0.215				
15	Allowed Return (Millions)	\$0.600	\$0.328	\$0.298	\$0.350	\$0.320	\$0.274	\$0.215				
16	Rate Base (Millions)	\$4.979	\$4.602	\$4.184	\$5.061	\$4.618	\$3.961	\$3.116				
17	Water & Sewer				78							
18	Rate Effect	NA	0.0%	0.0%	0.0%	0.0%	-11.1%	-9.2%			V	alabata da la
19	Achieved Return	7.97%	3.53%	6.27%	1.50%	6.52%	6.92%	6.91%	NAME OF THE OWNER, OF THE OWNER, OF THE OWNER, OF THE OWNER, OWNER, OWNER, OWNER, OWNER, OWNER, OWNER, OWNER,			
20	Allowed Return	12.04%	7.13%	7.13%	6.92%	6.92%	6.92%	6.91%				
21	Avg Mo.Cost / ERC	\$79.70	\$79.70	\$79.70	\$79.70	\$79.70	\$70.82	\$64.31				
22	Achieved Return (Millions)	\$0.471	\$0.213	\$0.350	\$0.102	\$0.411	\$0.387	\$0.322				
23	Allowed Return (Millions)	\$0.712	\$0.430	\$0.398	\$0.468	\$0.436	\$0.387	\$0.322				
24	Rate Base (Millions)	\$5.913	\$6.027	\$5.579	\$6.768	\$6.302	\$5.593	\$4.663				

SOURCE: BURTON & ASSOCIATES
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# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM ASSUMPTIONS

### Scenario 2a - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 100% Debt / 0% Equity

		Actual		Projected		Projected	Projected	Projected	Projected	Projected	Projected	Projected
	Assumptions Water	<u>1999</u>	2000	2001	2002	2003	2004	2005	2006	<u>2007</u>	2008	2009
•	Capacity in ERC's	5,067	5,057	10,571	10,571	16,286	16,286	16,286				
,	Additional Capacity in ERC's	-,,	5,514	0	6,714	0	0	0				
3	Total Capacity	5,057	10,571	10,571	16,288	16,286	16,285	16,285				
Ă	GPD = 1 ERC	350	350	350	350	350	350	350				
5	Connected ERC's	5,506	5,506	5,763	6,043	6,779	7,542	8,335				
ě	Additional Connected ERC's											
7	Walden Chase	0	0	0	0	· C		0				
8	Marsh Harbour	0	0	0	14	14		14				
9	Nocates	0	0	0	416	416		416				
10	East Svc Area	0	257	280	306	333		398				
11	Total Additional Connected ERC's	0	257	280	736	763		828				
12	Total Connected ERC's	5,508	5,763	6,043	6,779			9,160				
13	Percent Growth in Connected ERC's	0.00%	4.67%	4.86%	12,17%	11.26%	10.51%	9.91%				
14	Percent of Growth Applied to Expenses	25,00%	25.00%	25.00%	25.00%	25.00%		25.00%				
15	Effective Multiplier for Growth	0.00%	1.17%	(.22%	3.04%	2.81%						
16	Inflationary Multiplier	1,50%	1.50%	1.50%	1.50%	1.50%		1.50%				
17	Growth and Inflationary Multiplier	1.50%	2.67%	2.72%	4.54%	4,31%	4.13%	3.98%				
18	Sewer											
19	Capacity in ERC's	2,857	5,357	5,357	5,357	8,929	8,929	8,929	)			
20	Additional Capacity in ERC's	2,500		0	3,571	. 0	0	0	)			
21	Total Capacity	5,357	5,357	5,357	8,929	8,929	8,929	8,929				
22	GPD = 1 ERC	280			280	280						
23	Connected ERC's	2,857	2,857	3,114	3,395	4,152	4,937	5,752	}			
24	Additional Connected ERC's											
25	Walden Chase	0	0									
26	Marsh Harbour	0	. 0	. 0	14	. 14						
27	Nocatee	0	. 0	. 0	438							
28	East Svc Area	0										
29	Total Additional Connected ERC's	0	257	280	758	785						
30	Imputed ERC's from 1998 Rate Case	5,357	5,357	5,357	5,357	5,357	5 357	5,357				
31	Total Used & Useful ERC's	5,357	5,357	5,357	5,80	6,261	6,713	7,16	,			
32	Percent Growth in Connected ERC's	0.00%	9.00%	9.00%	22.32%							
33	Percent of Growth Applied to Expenses	25.00%										
34	Effective Multiplier for Growth	0.00%	2.25%	2.25%								
35	Inflationary Multiplier	1.50%										
36	Growth and Inflationary Multiplier	1.50%	3.75%	3.75%	7.08%	6.23%	5.63%	5.189	,			

37	New Debt Assumptions

38		
39	Term	20
40	Issuance Costs	1.50%
41	Interest Rate	6.50%

42	OSM Reserves	Months	Percent of Annual O&M
43 44 45 48	<u>Water</u> Minimum Reserves Level Sewer Minimum Reserves Level	1,5 1,5	12.50%
47 48	Rates & Charges Current Service Availability Charge	\$234	\$625

SOURCE: BURTON & ASSOCIATES
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## INTERCOASTAL UTILITIES WATER & SEWER SYSTEM PRO-FORMA INCOME PROJECTIONS - WATER SYSTEM

Scenario 2s - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 100% Debt / 0% Equity

	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projecto
<u>Water</u>	1996	2006	2001	2002	2002	2004	2005	2006	2007	2020	2009
Revenues:											
Rate Novembe:					******		** *** ***				
Rate Revenue	\$900,541	\$668,541	\$1,034,711	\$1,005,036	\$1,217,000	\$1,354,097	\$1,496,470				
Growth Percentage	NA.	4.87%	4,96%	12,17%	11.20%	10.51%	9.91% 148,243				
Rate Revenue from Growth Kale Revenue Prior to Kale Advetment		48,170	50,325 \$1,085,036	132,060 \$1,217,096	134,997 \$1,354,002	142,378 \$1,496,470	31,644,713				
Percentage Rale Increase	0.00%	\$1,034,711 0.00%	0.004	0.00%	8,00%	0.00%	1,81%				
Rate Revenue from Rate Adjustment	0.00%	VV.	0.00	0.00	0.00%	V.00'8	26.532				
Total Rate Revenue	\$988,541	\$1,034,711	\$1,085,036	\$1,217,004	\$1,364,002	\$1,498,470	81,071,240				
Other Revenue:											
Mine, Reverse	\$1,230	31,296	\$1,360	\$1,524	\$1,606	\$1,874	\$2,060				
Other Revenue	0_		0		0						
Total Other Revenue	\$1,234	\$1,296	81,358	\$1,524	\$1,606	\$1,874	\$2,060				
Yold Revenues	\$960,779	\$1,036,007	\$1,005,395	\$1,218,620	\$1,355,768	\$1,498,344	<b>81,673,306</b>				
Expenses:											
Additional O&M - Western Svc Area	\$0	\$0	\$0	\$260,988	\$278,886	\$297,824	\$317,888				
Operating Expenses- Eastern Svc Area	\$748,138	\$770,530	\$794,001	\$830,071	\$865,880	\$901,629	\$937,483				
Rate Case Expense	NA.	NA.	NA.	, NA	NA.	, NA	W.				
Franchise Fee- PSC	0	48,582	48,827	\$4,760	60,934	67,341	75,206				
Depreciation (U & U Ant Only)	182,603	131,997	150,461	148,061	171,948	147,714	204,279				
Amort of CIAC (U & U Amt Orly)	(143,313)		(87,734)	(04,874)	(97,638)	(106,883)	(116,661)	1			
Amort of Acq Adj	4,683	4,683	4,683	4,683	4,663	4,683	4,683				
Talal Expenses	\$792,110	3863,278	\$909,238	\$1,200,696	\$1,284,695	\$1,352,306	81,422,878				
Operating Income	\$187,669	\$172,729	\$177,157	\$8,921	\$71,003	\$145,036	\$250,428				
Non Operating income (Expenses):											
Non Oper Ray	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Taxes Other Than Income:	<b>≈</b> 0	~		**	**	***	, ac				
Interoble Tax	(496)			(800)	(823)	(848)					
Other Taxes & Licenses	(75)			(121)	(124)	(128)					
Property Taxes:	(90,864)	(105,952)	(104,912)	(130,037)	(133,834)	(137,967)	(142,485)	,			
Telal Non Operating Expenses	(\$81,235)	(\$108,702)	(\$105,654)	(\$130,957)	(\$134,782)	(\$138,944)	(\$143,473				
Hel Income	\$116,434	\$66,027	\$71,502	(\$122,636)	(363,698)		\$104,955				
Taxable Income (See worksheet for taxable income below)	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
State 5.50%	0	0	0		•	0	0				
Federal 34.00% Total Income Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$0</u>	<u>so</u>	<del></del>	0				
Het After Tax Income	\$116,434	\$66,027	\$71,502	(\$122,036)	(\$63,644)	\$7,002	\$106,966	***			./
Rate Base	\$833,943	\$1,424,518	\$1,395,000	81,706,058	\$1,884,177	\$1,632,156	\$1,546,787				
Rate of Roturn Achieved	12.47%	4.64%	5.13%	-7.15%	-3.78%	0.43%	6.01%				
Allowed Return	12.04%	7.13%	7.13%	6.92%	6.02%	4.92%	6.91%				
Aloved Return Amount	\$112,447	\$101,560	\$99,480	\$110,106	\$116,556	\$112,911	\$106,956				
Worksheet for Taxable Income:											
Interest Expense - Total	\$403,065	\$581.792	\$671,583	\$776,147	\$752,960	\$725,963	\$699,230				
Allocation Persents pe to Water (1)	45,00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%				
Algested Interest Expense - Water	181,379	261,807	257,212	349,266	338,826	326,697	314,653				
•	191,010	201,001	401,412	J-0,204	250,620	320,047	C50,010				
Restatement of Het Income Before Income Tax	\$116,434	\$66,027	\$71,502	(\$122,036)	(\$63,008)		\$106,956				
LESS: Interest Expense - Water	161,379	261,807	257,212	349,266	338,828	324,807	314,653				
Taxable Income - Water (2)			—— <del>—</del>			70	50				

<sup>(1)</sup> Alocation percentage based upon current water rate base as a percentage of total rate base.

SOURCE: BURTON & ASSOCIATES C:OATAI122NGATESTEE-24FAM8630C.WMA

For simplicity, taxable brooms is calculated separately for water and wastewater, however, the tax return would be filed on a consolidated basis. Furthermore, taxable income is not aboved to go negative in this model for water or wastewater. Negative taxable income in either system could offset taxable income is the other system and a net negative taxable income would result in tax erects that could potentially be carried forward or book.

# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM Water O&M Expense Projections - Based on Debbie Swain's Analysis

## Scenario 2a - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 100% Debt / 0% Equity

1 2	ERCs Inflationary Multiplier	<u>1999</u> 5,506 1.50%	2000 5,763 1,50%	20 <u>01</u> 6,043 1.50%	<u>2002</u> 6,779 1.50%	2003 7,542 1.50%	20 <u>04</u> 8,335 1.50%	2005 9,180 1,50%	2008	<u>2007</u>	2006	2009
3	Salaries and Wages - Employees	NA	NA	NA.	0	0	0	0				
4	Salaries and Wages - Officers	NA	ŇÁ	ÑÃ	ŏ	ň	ň	ň				
5	Emp Pensions & Benefits	NA	NA	NA.	ă	ŏ	ň	ň				
6	Purchased Water	NA	NA	ŇĀ	111,643	126,101	141,482	157,866				
7	Purchased Power	NA	ŇĀ	ÑÃ	849	959	1,076	1,200				
8	Fuel for Power Production	NA	NA	ÑÃ	ã	~~~	1,070	1,200				
9	Chemicals	NA	NA	NA	4,243	4,793	5,377	6,000				
10	Materials & Supplies	NA	NA.	NA	3,536	3,994	4,481	5,000				
- 11	Contr Svcs- Engineering	NA	ŇÁ	ŇÄ	7,168	7,277	7,388	7,500				
12	Contr Svcs-Acct	ŇÄ	ŇÁ	ÑÃ	4,301	4,366	4,433	4,500				
13	Contr Svcs- Legal	NA.	NA	ŇÁ	2,867	2,911	2,955	3,000				
14	Contr Svcs- Mgt Fees	NA	NA	NA	52,562	53,362	54,175	55,000				
15	Contr Svos-Other	ŇĀ	ÑĀ	NA	60,637	61,561	62,498	63,450				
16	Rental of Bidg / Real Prop	NA	ŇÄ	ÑÃ	11,468	11,643	11,820	12,000				
17	Rental of Equip	NA	NA	NA	,	,	11,020	12,000				
18	Trans Exp	NA	ŇĀ	NA.	ŏ	ŏ	ň	ň				
19	Insurance - Vehicle	NA.	NA	NA	ň	ň	ň	ň				
20	ins Gen Liab	NA	ÑĀ	ŇĀ	390	44Ŏ	494	55t				
21	Insurance - Work Comp	NA.	NA	ÑĀ	143	146	148	150				
22	Insurance - Other	· NA	NA	NA.	475	536	601	671				
23	Advertising Exp	NA	NA	NA.	770	- T	~	7/1				
24	Reg Comm Exp - Rate Case	NA	NA	ÑĂ	ŏ	ŏ	ň	ň				
25	Reg Comm Exp - Other	NA	NA	ÑĀ	ā	ň	ň	ň				
26	Bad Debt Exp	ŇÁ	NA	NA.	ŏ	ň	ň	ň				
27	Misc Exp	ŇÁ	NA	NA	707	799	896	1,000				
28	Total O&M - Nocatee Svc Area	0	0	0	260,968	278,886	297,824	317,888			<del></del>	

SOURCE: BURTON & ASSOCIATES C:DATA: 22NCIATESTIM-24FAMB530D, WK4

## INTERCOASTAL UTILITIES WATER & SEWER SYSTEM PRO-FORMA INCOME PROJECTIONS - SEWER SYSTEM

Scenario 2a - ICU Water and Sawer Rates with Nocatee's JEA Wholesale Plan - 100% Debt / 0% Equity

	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
<u>Sewer</u>	1990	2000	2001	2002	2003	2004	2005	2006	2007	2008	2000
Australia				_	_						
1 Rate Revenue:											
2 Raie Revenue	\$1,997,770	\$1,997,770	\$2,177,570	\$2,373,561	93 AAA D48		** *** ***				
3 Growth Percentage	NA.	9.00%	9,00%	22,32%	\$2,903,218 18,91%	\$3,452,110	83,462,907				
4 Rate Revenue from Growth	10	179,799	195,981	529,667	548,803	18.51%	14.74%				
5 Rale Revenue Prior to Rate Adjustment	\$1,997,770	\$2,177,570	\$2,373,551	\$2,903,218		589,849	510,307				
6 Percentage Rate Increase	0.00%	0.00%	0.00%	0,00%	\$3,452,110 0,00%	\$4,021,950 -13,90%	\$3,073,214				
7 Rate Revenue from Rate Adjustment	0.00.0	0.00%	V.5010	V.UUS	0.00%		-12.29%				
Total Rate Revenue	\$1,007,770	\$2,177,570	32,373,561	\$2,903,218	\$3,452,110	(569,052) \$3,482,907	(488,241)				
9	41,007,714	44,111,070	44,313,391	\$2,903,218	83,402,110	\$3,462,807	\$3,484,872				
C Other Revenue:											
1 Miss, Revenue	\$0	\$0	\$0	**	\$0	\$0					
2 Other Revenue	~	*0	*0	\$0 0	10	au au	\$0				
3 Total Other Revenue	50	30	30				0				
4 Your Revenue	\$1,997,770			\$0	80	\$0	\$0				
5	\$1,997,770	\$2,177,570	\$2,373,561	\$2,903,218	\$3,452,110	\$3,462,907	\$3,484,972				
6 Expenses											
7											
8 Additional CEM - Western Svc Area	••				A						
9 Operating Expenses- Eastern Svc Area	\$0	\$0	\$0	\$400,540	\$474,033	\$547,008	\$624,922				
0 Rate Case Expense	\$1,195,116	\$1,492,431	\$1,550,953	\$1,660,742	\$1,764,150	\$1,863,418	\$1,960,017				
1 Franchise Fee- PSC	56,006	65,996	56,996	56,996	52,247	NA.	NA				
		97,991	106,810	130,846	155,345	156,831	150,824				
	436,254	519,276	527,614	541,179	621,180	645,234	847,019				
	(262,148)	(271,850)	(283,298)	(269,021)	(310,138)	(323,644)	(328,100)				
	6,253	4,253	6,253	6,253	6,263	6,253	0.253				
	\$1,432,471	\$1,901,097	\$1,965,229	32,513,334	\$2,763,970	\$2,894,697	\$3,068,924		· · · · · · · · · · · · · · · · · · ·		
6 Operating Income 7	\$565,290	\$276,473	\$408,322	\$340,844	\$688,140	\$568,210	\$418,048				
8 Non Operating Income (Expenses):											
9 Non Oper Rev	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
O Taxes Other Than Income:				•	• •	• • •	•••				
1 Inlangible Tax	٥	0	0	0	a	0	0				
2 Other Taxes & Licenses	(75)	(75)	(76)	(96)	(102)	(109)	(116)				
1	••	(,	(, -,	(44)	(.02)	(102)	(114)				
Froperty Taxes:	(129,725)	(129,662)	(130,042)	(165,923)	(176,738)	(188,236)	(200,476)				
•	•	(,,	(	(100,000)	(1100100)	(100,200)	(200,470)				
Total Non Operating Expenses	(\$129,800)	(\$129,735)	(\$130,517)	(\$166,019)	(\$178,840)	(\$188,345)	(\$200,592)				
Het Income	\$435,499	\$140,738	\$278,205	\$223,365	\$511,300	\$379,885	\$215,456				
Taxable Income (See worksheet for taxable income below)	\$213,813	\$0	\$0	80	\$97,177	\$3/9 <sub>1</sub> 860	\$215,456				
9 Income Taxes	42.2,0.0	•••	**	••	407,177	***	20				
5.50%	11,760	0	٥		6,345	0	Ó				
1 34.00%	868,89	ŏ	ŏ	, v	31,223	V					
2 Total Income Taxes	\$80,458	50	10	50	\$38,568	\$0	0				
3 Net After Tax Income	\$355,041	\$146,736	\$278,206				\$0	···-			
	+400,041	9140,/30	+4/6,200	\$223,866	\$474,732	\$379,865	\$215,456				
Rate Base	\$4,979,232	24 402 404									
	94,818,232	\$4,602,108	\$4,183,875	\$5,061,493	\$4,618,173	\$3,960,816	\$3,115,937				
Rate of Return Achieved											
NEW OF NACION ACTIONS	7.13%	3,10%	6.65%	4.42%	10.26%	8,50%	6,91%				
E Allowed Return Amount	12.04%	7.13%	7.13%	6.92%	6.92%	6.92%	6.01%				
CONTRACTOR	\$599,500	8324,133	\$204,274	\$350,301	\$319,607	\$274,006	\$215,450				
									·		
Worksheet for Taxable Income:											
HARMAN IN LANGUAGE											
Interest Expense - Yotal											
	\$403,066	\$581,792	\$571,583	\$776,147	\$752,960	\$725,993	\$699,230				
	55.00%	55.00%	55.00%	55.00%	55.00%	55,00%	55,00%				
Allocated Interest Expense - Sewer	221,588	319,986	314,371	426,881	414,123	300,298	384,576				
				,_							
Restatement of Net Income Before Income Tax	\$435,400	\$148,736	\$278,205	\$223,385	3511,300	\$379,865	\$215,456				
7 LESS: interest Expense - Sewer	221,686	319,986	314,371	426,881	414,123	399,296					
Taxable Income - Sewer (2)	\$213,813	\$0	30	720,881 \$0			384,576				
, ,	42.0,014	•0	***	\$0	\$97,177	\$0	\$0				

<sup>(1)</sup> Allocation percentage based upon current water rate base as a percentage of total rate base.

<sup>(2)</sup> For simplicity, taxable income is calculated separately for water and wastewater, however, the tax return would be filed on a consolidated basis. Furthermore, taxable income is not allowed to go negative in this model for water or wastewater. Negative taxable income in either system could offset taxable income in its other system and a net negative taxable income would result in tax credits that could potentially be carried forward or back.

# intercoastal utilities Water & Sewer System Sewer O&M Expense Projections - Based on Debbie Swain's Analysis

### Scenario 2a - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 100% Debt / 0% Equity

1 2	ERCs Inflationary Multiplier	<u>1999</u> 2,857 1,50%	2000 2,857 1.50%	<u>2001</u> 3,114 1,50%	2002 3,395 1,50%	<u>2003</u> 4,152 1,50%	2004 4,937 1,50%	2005 5,752 1.50%	2006	2007	2008	2009
_		*******		1,00%	1,00%	1.00%	1.00.4	,				
3	Salaries and Wages - Employees	NA	NA	NA.	0	0	0	0				
4	Salaries and Wages - Officers	NA	NA	NA.	0	0	0	0	•			
5	Emp Pensions & Benefits	NA.	NA NA	NA.	0	0	0	0				
6	Purchased Sewage Treatment	NA.	NA	NA	245 594	304,973	368,156	435,450				
7	Sludge Removal Expense	NA	NA	NA	10,176	23,812	28,745	34,000				
8	Purchased Power	NA	NA	NA	282	350	423	500				
9	Fuel for Power Production	NA	NA.	NA	0	0	0	0				
10	Chemicals	NA	NA NA	NA	2,820	3,502	4,227	5,000				
11	Materials & Supplies	NA	NA.	NA.	4,230	5,253	6,341	7,500				
12	Contr Svcs- Engineering	NA.	NA	NA.	4,301	4,366	4,433	4,500				
13	Contr Svcs- Acct	NA.	NA	NA NA	2,867	2,911	2,955	3,000				
14	Contr Svcs- Legal	NA.	NA	NA.	52,562	53,362	54,175	55,000				
15	Contr Svcs- Mgt Fees	NA.	NA.	NA.	60,637	61,561	62,496	63,450				
16	Contr Svcs- Other	NA.	NA	NA	11,468	11,643	11,820	12,000				
17	Rental of Bidg / Real Prop	NA NA	NA.	NA	0	0	0					
16	Rental of Equip	NA NA	NA	NA	Õ	Ŏ	ő	Õ				
19	Trens Exp	NA	NA	NA.	Ō	0	Ō	Ö				
20	Insurance - Vehicle	NA	NA	NA	0	ō	Ö	Ö				
21	ins Gen Liab	NA	NA NA	NA	405	503	607	718				
22	Insurance - Work Comp	, NA	NA NA	NA	143	146	148	150				
23	Insurance - Other	. NA	NA.	NA NA	1,492	1,852	2,236	2,645				
24	Advertising Exp	NA	NA	NA.	0	0	Ö	0				
25	Reg Comm Exp - Rate Case	NA NA	NA NA	NA.	Ö	Ō	Ö	ō				
26	Reg Comm Exp - Other	NA.	NA.	NA.	Ō	ō	ō	ŏ				
27	Bad Debt Exp	NA NA	NA	NA	ō	ŏ	ă	Ŏ				
28	Misc Exp	NA.	NA	NA	564	700	845	1,000				
29	Total O&M - Nocatee Svc Area		0	0	408,540	474,933	547,608	624,922	• • • • • • • • • • • • • • • • • • • •		<del></del>	

SOURCE: BURTON & ASSOCIATES C-10ATA1123HOLATESTIM-24FAMS8300,WK4



# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM DEPRECIATION SCHEDULE - WATER

## Scenario 2a - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 100% Debt / 0% Equity

Water

Existing Asset Depreciation

	Existing Assets		Estimated									
4	Franchises	Year	Original Cost	Life (Years)								
ż		1980	\$34,630	NA								
3		1982	12,748	33 30								
ĭ	Other Pumping	1985	50,533	30								
- 2		1987	4,095	20 20 25 33 22 37								
6	Pumping Equip	1990	13,536	20								
9	A 21-01 (1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1	1985	536	25								
_ ′	Structures & Improvements	1993	35,424	33								
8		1986	992,638	22								
9		1992	310,310	37								
10		1989	3,310,401	45								
11		1991	745,443	40 20								
12		1992	344,873	20								
13		1992	403,951	45								
14		1986	33,635	25								
15		1991	1,392	25 35								
16	General	1980	2,190	33								
17		1994	3,688	15								
18		1987	732	10								
19		1992	3,720	15								
20	Acquaition	1983	187,303	40								
21	Total Estimated Original Cost		\$6,491,776									
22	Adjustment to 1998 Annual Report Utility Plant in Service		(29,167)									
23	Total Utility Plant In Service		\$6,462,600									
			40,402,000									
	Depreciation Schedule - Existing Assets	1999	2000	2001	2002	2000						
24				2001	2002	2003	2004	2005	2008	2007	2008	2009
25		\$388	\$386	\$386	\$386	\$386						
26		1,684	1,684	1,684	1,684		\$386	\$386				
27		205	205	205	205	1,684 205	1,684	1,684				
28	Pumping Equip	677	677	677			205	205				
29	Other Water Source Plant	21	21	21	677	677	677	677				
30	Structures & Improvements	1.073			21	21	21	21				
31		45,120	1,073	1,073	1,073	1,073	1,073	1,073				
32		8,387	45,120	45,120	45,120	45,120	45,120	45,120				
33			8,387	8,387	6,367	8,387	8,387	8,387				
34	Services	73,564 18,636	73,564	73,564	73,564	73,584	73,564	73,564				
35		16.636	18,638	18,636	18,636	18,636	18,636	18,636				
	Melors											
		17,244	17,244	17,244	17,244	17,244	17,244	17,244				
36	Hydrants	17,244 8,977	17,244 8,977	17,244 8,977	17,244 8,977	17,244 8,977	17,244 8,977	17,244 8,977				
36 37	Hydrants Other T&D	17,244 8,977 1,345	17,244 8,977 1,345	17,244 8,977 1,345	17,244 8,977 1,345	17,244 8,977 1,345	17,244	17,244				
36 37 38	Hydrants Other T&D Supply Mains	17,244 8,977 1,345 40	17,244 8,977 1,345 40	17,244 8,977 1,345 40	17,244 8,977 1,345 40	17,244 8,977 1,345 40	17,244 8,977	17,244 8,977 1,345 40				
36 37 38 39	Hydrants Other T&D Supply Mains General	17,244 8,977 1,345 40 66	17,244 8,977 1,345 40 66	17,244 8,977 1,345 40 66	17,244 8,977 1,345 40 66	17,244 8,977 1,345 40 66	17,244 8,977 1,345	17,244 8,977 1,345 40 66				
36 37 38 39 40	Hydrants Other T&D Supply Mains General Funiture	17,244 8,977 1,345 40	17,244 8,977 1,345 40	17,244 8,977 1,345 40	17,244 8,977 1,345 40	17,244 8,977 1,345 40	17,244 8,977 1,345 40	17,244 8,977 1,345 40				
36 37 38 39 40 41	Hydrants Other T&D Supply Mains General Funiture Power Equip	17,244 8,977 1,345 40 66 246	17,244 8,977 1,345 40 66 246	17,244 8,977 1,345 40 66 248	17,244 8,977 1,345 40 66 246	17,244 8,977 1,345 40 66	17,244 8,977 1,345 40 68	17,244 8,977 1,345 40 66				
36 37 38 39 40 41 42	Hydrants Other T&D Supply Mains General Furniture Power Equip Misc Equip	17,244 8,977 1,345 40 66 246	17,244 8,977 1,345 40 66 246	17,244 8,977 1,345 40 66 248	17,244 8,977 1,345 40 66	17,244 8,977 1,345 40 66	17,244 8,977 1,345 40 68 246	17,244 8,977 1,345 40 66 246				
36 37 38 39 40 41 42 43	Hydrants Other T&D Supply Mains General Furniture Power Equip Misc Equip Acousition	17,244 5,977 1,345 40 66 246 248 4,683	17,244 8,977 1,345 40 66 246 248 4,683	17,244 8,977 1,345 40 66 248 248 4,663	17,244 8,977 1,345 40 66 246	17,244 8,977 1,345 40 66 246	17,244 8,977 1,345 40 66 246	17,244 8,977 1,345 40 66 246				
36 37 38 39 40 41 42 43 44	Hydrants Other T&D Supply Mains General Furniture Power Equip Misc Equip Acquation Total Existing Depreciation	17,244 8,977 1,345 40 66 246 248 4,683 \$182,603	17,244 8,977 1,345 40 66 246	17,244 8,977 1,345 40 66 248 248 4,663	17,244 8,977 1,345 40 66 246 248 4,683	17,244 8,977 1,345 40 66 246 - 248 4,683	17,244 8,977 1,345 40 66 246 248 4,683	17,244 8,977 1,345 40 66 246 248 4,683				
36 37 38 39 40 41 42 43 44	Hydrants Other T&D Supply Mains General Furniture Power Equip Misc Equip Acquaition Total Existing Depreciation Adjustment to Reconcile to Accounting Records	17,244 5,977 1,345 40 66 246 248 4,663 \$182,603 3,831	17,244 8,977 1,345 40 66 246 248 4,683	17,244 8,977 1,345 40 66 248 248 4,663	17,244 8,977 1,345 40 66 246 248 4,683 \$182,603	17,244 8,977 1,345 40 66 246 248 4,683	17,244 8,977 1,345 40 66 246 248 4,683 \$182,603	17,244 8,977 1,345 40 66 246 246 4,683 \$182,603				
36 37 38 39 40 41 42 43 44	Hydrants Other T&D Supply Mains General Furniture Power Equip Misc Equip Acquation Total Existing Depreciation	17,244 8,977 1,345 40 66 246 248 4,683 \$182,603	17,244 8,977 1,345 40 66 246 248 4,683 \$182,603	17,244 8,977 1,345 40 66 248 248 4,663	17,244 8,977 1,345 40 66 246 248 4,683	17,244 8,977 1,345 40 66 246 - 248 4,683	17,244 8,977 1,345 40 66 246 248 4,683	17,244 8,977 1,345 40 66 246 248 4,683				

SOURCE: BURTON & ASSOCIATES C:\DATA\123\C\ATEST\M-2\FAMSS\0C\WK4

# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM DEPRECIATION SCHEDULE • WATER

### Scenario 2a - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 100% Debt / 0% Equity

#### Water

#### **New Asset Depreciation**

			Estimated	
	New Assets	Year	Original Cost	Life (Years)
1 -	Pumping Equipment	2002	\$100,000	20
2	Trans and Dist Mains (Plant)	2002	1.097.247	43
3	Office Furniture and Equipment	2002	10,000	15
4	Stores Equipment	2002	5.000	18
5	Communication Equipment	2002	2,500	10
6	Organizations	2002	15.000	40
7	Water Plant- East Svc Area	2000	1,500,000	26

<u> </u>	epreciation Schedule - New Assets	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
8	Pumping Equipment		•		•	\$2,500	\$5,000	\$5,000	\$5,000				
9	Trans and Dist Mains (Plant)					12,759	25,517	25,517	25,517				
10	Office Furniture and Equipment	i:	•			333	687	667	667				
11	Stores Equipment	**	•			139	278	278	278				
12	Communication Equipment		•		•	125	250	250	250				
13	Organizations			-		188	375	375	375				
14	Water Plant- East Svc Area			28,846	57,692	57,692	57,692	57,692	57,692				
47 _	CIAC Plant		-	2,102	4,582	12,023	12,473	12,963	13,497				
48 T	otal New Depreciation		-	\$30,948	\$62,274	\$85,759	\$102,252	\$102,742	\$103,278				
_	to deal Manager all and the second												

#### Total Depreciation - Water

49 Total Existing Depreciation 50 Total New Depreciation	\$182,603	\$182,603 30,948	\$182,603 62,274	\$182,603 85,759	\$182,603 102,252	\$182,603 102,742	\$182,603 103,276
51 Total Depreciation	\$182,503	\$213,551	\$244,877	\$268,362	\$284,855	\$285,344	\$285,878

52 Accumulated Depreciation \$1,635,149 \$1,817,752 \$2,031,302 \$2,276,179 \$2,544,541 \$2,829,395 \$3,114,740 \$3,400,618

SOURCE: BURTON & ASSOCIATES C:DATAH239CUTESTIM-2FAMSSOD,WKA



# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM DEPRECIATION SCHEDULE - SEWER

## Scenario 2a - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 100% Debt / 0% Equity

SEWER:

Existing Asset Depreciation

	Fullette - A t-		Estimated	
_	Existing Assets	Year	Original Cost	Life (Years)
3	Franchises	1980	\$34,630	NA.
2	Sewers-Force	1991	1,209,416	30
3	Sewers-Gravity	1989	4,843,762	45
4	Other	1985	75,209	40
5	Services	1991	737.204	
6	Receiving Well	1991		38
7	Pumping Equip		459,021	30
8		1992	996,960	18
9		1986	78,871	32
10		1990	1,840,940	18
11		1987	4,941	30
12		1991	13,265	18
13		1994	90,237	32
		1981	6,241	32
14		1986	711	15
15		1995	7,747	15
16	·	1983	732	12
17		1989	1,589	15
18		1983		
19	Total Estimated Original Cost	1903	243,854	39
20	Adjustment to 1998 Annual Report Utility Plant in Service		\$10,645,330	
21	Total Utility Plant In Service		308,909	
•			\$10.954 239	

Depreciation Schedule - Existing Assets	1999	2000	2004								
22 Franchises	1989	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
23 Sewers-Force	*****		•	•	•	•					
24 Sewers-Gravity	\$40,314	\$40,314	\$40,314	\$40,314	\$40,314	\$40,314	\$40,314				
25 Other	107,639	107,639	107,639	107,639	107,639	107,639	107,639				
26 Services	1,880	1,880	1,880	1,880	1,880	1,880	1,880				
	19,400	19,400	19,400	19,400	19,400	19,400	19,400				
	15,301	15,301	15,301	15,301	15,301	15,301	15,301				
28 Pumping Equip	55,387	55,387	55,387	55,387	55,387						
29 Structures	2,465	2,465	2,465			55,387	55,387				
30 Treat Equip	102,274			2,465	2,465	2,465	2,465				
31 Outfall Sewer	165	102,274	102,274	102,274	102,274	102,274	102,274				
32 Other Treatment		165	165	165	165	165	165				
33 Structures	737	737	737	737	737	737	737				
34 General	2,820	2,820	2,820	2,820	2,820	2,820	2,820				
35 Furniture	195	195	195	195	195	195	195				
	47	47									
	516	516	516	516	516	516	516				
	•	•	•		0,0	310	210				
38 Misc Equip	108	106	106	106	108	•	•				
39 Acquisition	6,253	6,253	6,253				•				
40 Total Existing Depreciation	\$255 TON			6,253	6,253	6,253	6,253				
41 Adjustment to Reconcile to Accounting Re		\$355,499	\$355,452	\$355,452	\$355,452	\$355,348	\$355,346				
42 Total Existing Depreciation		4,756	4,756	4,758	4,758	4,756	4,758				
	\$360,255	\$360,255	\$360,208	\$360,208	\$360,208	\$360,102	\$360,102				<del></del>

SOURCE: BURTON & ASSOCIATES
C:DATA(123VCU/TESTIM-2FAMSS)C,WK4

### **INTERCOASTAL UTILITIES WATER & SEWER SYSTEM DEPRECIATION SCHEDULE - SEWER**

## Scenario 2a - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 100% Debt / 0% Equity

#### SEWER:

#### New Asset Depreciation

	61 A b-		Estimated	
	New Assets	Year	Original Cost	Life (Years)
1	Organizations	2002	\$15,000	40
2	Structures and Improvements	2002	257,600	32
3	Collection Sewers - Force	2002	1,426,074	30
4	Flow Measuring Devices	2002	50,000	5
5	Pumping Equipment	2002	386,400	18
5	Office Furniture and Equipment	2002	10,000	15
7	Stores Equipment	2002	5,000	18
ě	Communication Equipment	2002	2,500	10
¥	WWTP Improvement East Svc Area	1999	3,343,962	22

	Depreciation Schedule - New Assets												
10	Organizations - New Assets	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
11			-	•	•	\$188	\$375	\$375	\$375				
	Structures and Improvements		•	•	-	4,025	8,050	8,050	8,050				
12	Collection Sewers - Force		-	•		23,768	47,536	47,536	47,536				
13	Flow Measuring Devices					5,000	10,000	10,000	10,000				
14	Pumping Equipment		-			10,733	21,467	21,467					
15	Office Furniture and Equipment			_	-	333	687		21,467				
16	Stores Equipment		-			139		667	667				
17	Communication Equipment		•	•	•		278	278	278				
18	WWTP Improvement East Svc Area		75.000	454.000		125	250	250	250				
19	CIAC Plant		75,999	151,998	151,998	151,998	151,998	151,998	151,998				
	Total New Depreciation		•	7,022	15,309	41,374	42,875	44,512	46,297				
	TOTAL TOTAL DODAY COUNTY		\$75,999	\$159,021	\$167,307	\$237,683	\$283,498	\$285,133	\$286,917				
	Total Depreciation - Sewer						-	•					
21	Total Existing Depreciation		\$360,255	\$360,255	\$360,208	\$360,208	\$360,208	\$360,102	\$360,102				
22	Total New Depreciation		75,999	159,021	167,307	237,683	283,496	285,133	286,917				
23	Total Depreciation		\$436,254	\$519,278	\$527.514	\$597,891				·			
	•		******	44 14 14	4051 14 14	4041 404 1	4043/103	\$645,234	\$647,019				

24 Accumulated Depreciation

\$2,768,561 \$3,204,815 \$3,724,091 \$4,251,605 \$4,849,496 \$5,493,199 \$6,138,433 \$6,785,452

**SOURCE: BURTON & ASSOCIATES** C:DATA1123VCUITESTIM-2VFAMS530D.WK4



# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - WATER

### Scenario 2a - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 100% Debt / 0% Equity

#### Water - Existing CIAC

#### Existing CIAC

	Existing CIAC-Plant	Year	Estimated Original Cost	Life (Years)
1	Other	1989	\$29,688	30
2	Dist Reservoirs & Standpipes	1992	24,490	37
3	Transmission & Dist Mains	1988	2,585,764	45
4	Services	1990	659,129	40
5	Meters & Meter Installs	1992	181,201	20
6	Hydrants	1990	307,505	45
7	Total Existing CIAC - Plant		\$3.687.777	

8	Existing CIAC - Cash Cash Total Existing CIAC - Cash	Estimated   Year Original Cost   Ufe (Years)   1991   \$1,318,550   30
10 11	Total Existing CIAC Adjustment to 1998 Annual Report Total Existing CIAC	\$5,006,427 130,062
14	FOR EXPRING CIAC	\$5 138 ARO

	Amortization Schedule - Existing Plant CIAC	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
13 14 15 16 17 18	Other Dist Reservoirs & Standpipes Transmission & Dist Mains Services Meters & Meter Instalis Hydrants Tolal Pant Amortization	\$990 662 67,461 13,978 9,060 6,833	\$990 662 67,461 13,978 9,060 6,833	\$990 682 57,461 13,978 9,060 6,833	\$990 862 57,461 13,978 9,060 6,833	\$990 662 57,461 13,978 9,060 6,833	\$990 562 67,461 13,978 9,060 6,833	\$990 662 67,461 13,978 9,060 6,833				
	I Almain and Alfabet	SXX UIV	SAR ORS	CON CRX	E 0 E 0 0 K	C23 DIK	981 11 12	F-6-1 (16)2				

Amortization Schedule - Existing Cash CIAC 20 Cash 21 Total Cash CIAC Amortization	\$43,958 \$43,956	\$43,958 \$43,958	\$43,955 \$43,955	\$43,955 \$43,955	\$43,955 \$43,955	\$43,956 \$43,966	\$43,965 \$43,965	
22 Total Existing CIAC Amerization 23 Adjustment to Reconcile to Accounting Records 24 Yotal Existing CIAC Amerization	\$132,940 \$10,373 \$143,313	\$132,940 \$10,373	\$132,940 \$10,373	\$132,940 \$10,373	\$132,940 \$10,373	\$132,940 \$10,373	\$132,940 \$10,373	

SOURCE: BURTON & ASSOCIATES CADATAM 23 WOLATESTIM-29 AMSSOCIAKA

Amortization of Existing CIAC



# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - WATER

### Scenario 2a - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 100% Debt / 0% Equity

#### **New CIAC**

		244.050	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1 2 3 4 5	New CIAC- Plant: Transmission & Dist Mains Services Meters & Meter Instals Hydrants Total New CIAC - Plant	CIAC PER Life ERC 43 \$489.63 40 \$101.55 20 \$32.91 45 \$55.85	:	\$120,761 \$26,113 \$8,463 \$14,361 \$169,697	\$131,630 \$25,463 \$9,224 \$15,654 \$184,970	\$345,416 \$74,690 \$24,206 \$41,077 \$485,389	\$358,328 \$77,483 \$25,110 \$42,613 \$503,535	\$372,403 \$80,526 \$26,097 \$44,287 \$523,313	\$387,745 \$83,844 \$27,172 \$46,111 \$544,872	<u>-</u> - ·			
6 7 8 9	New CIAC - Cash: New CIAC - Cash Life Total New CIAC - Cash	30		\$60,287 \$60,287	\$65,713 \$65,713	\$172,441 \$172,441	\$178,887 \$178,887	\$185,914 \$185,914	\$193,573 \$193,573				<del></del>
10	Total New CIAC		•	\$229,984	\$250,683	\$657,830	\$602,422	\$700,227	\$738,445				
	Amortization of New CIAC												
	Amortization Schedule - New CIAC Assets	4	1999	2000	2001	2002	2003	2004	2005				
11 12 13 14 15 16	New CIAC - Plant Amortization Trensmission & Dist Melns Services Meters & Meter Instals Hydrants Total New CIAC - Plant Amortization	*;		\$1,404 \$326 \$212 \$160 \$2,102	\$3,061 \$712 \$461 \$348 \$4,582	\$8,033 \$1,867 \$1,210 \$913 \$12,023	\$8,333 \$1,937 \$1,258 \$947 \$12,473	\$8,661 \$2,013 \$1,305 \$984 \$12,963	\$9,017 \$2,096 \$1,359 \$1,025 \$13,497				<del></del>
17	New CIAC - Cash Amortization Total New CIAC - Cash Amortization	<del></del>	<del></del>	\$1,006 \$1,005	\$2,190 \$2,190	\$5,748 \$5,748	\$5,963 \$5,963	\$6,197 \$5,197	\$6,452 \$6,452				
18	Total New CIAC Amerization		•	\$3,107	\$4,772	\$17,771	\$18,436	818,160	\$19,949				
	Summary of CIAC & CIAC Amortization	n - Water	. <u> </u>		<del></del>				<del></del>			· <u>·</u> ····	
19	CIAC Total Existing CIAC	Existing 1998 \$5,136,489	1998	2000	2001	2002	2003	2004	2005				
20 21	Total New CIAC Total Accumulated CIAC - Water	\$5,138,489	\$5,135,489	\$229,984 \$5,356,473	\$250,683 \$5,517,157	\$657,830 \$6,274,986	\$682,422 \$6,967,408	\$709,227 \$7,666,635	\$738,445 \$8,405,080		· · · · · · ·		
22 23 24	CIAC Americation Total Existing CIAC Annual Americation Total New CIAC Annual Americation Total CIAC Annual Americation - Water		\$143,313 \$143,313	\$143,313 3,107 \$146,419	\$143,313 6,772 \$150,085	\$143,313 17,771 \$161,084	\$143,313 18,436 \$161,748	\$143,313 19,160 \$162,473	\$143,313 19,949 \$163,262				
25	Accumulated CIAC Amerization	\$1,078,795	\$1,222,018	\$1,368,437	\$1,518,522	\$1,679,606	\$1,841,265	\$2,003,827	\$2,167,089				

SOURCE: BURTON & ASSOCIATES C:DATA(123VC)ATESTM-2FAMSS30C,WK/A



# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - SEWER

### Scenario 2a - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 100% Debt / 0% Equity

Sewer - Existing CIAC

Existing CIAC

		Est	meted	
	Existing CIAC - Plent	Year Origin	vel Cost	Life (Years)
1	Other	1992	573.594 °	30
2	Sewers - Force	1989	860.755	30
3	Sewers - Gravity		717,765	46
4	Other - Collecting	1985	62,148	40
5	Services		561,347	38
6	Structures	1997	5,500	32
7	Receiving Well		247,738	30
8	Pumping Equipment		501,274	18
8	Total Existing CIAC - Plant	38.	030.111	

	William Andreas	•	Estimeted	
	Existing CIAC - Cash	_, Year Or	riginal Cost	Life (Years)
10	Cash	1992	\$2,386,734	30
	Total Existing CIAC - Cash		\$2,386,734	
	Total Existing CIAC		\$8,416,845	
			185,922	
13	Total Existing CIAC		\$8,602,767	

Amorti	zation	of Ex	istina	CIAC
--------	--------	-------	--------	------

	Amortization Schedule - Existing Plant CIAC	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
14	Other	\$2,453	\$2,453	\$2,453	\$2,453	\$2,453	\$2,453	\$2,453				
15	Sewers - Force	28,692	28,692	28,692	28,692	28,692	25,692	28,692				
16	Sewers - Gravity	82,617	82,617	82,617	82,617	82,617	82,617	82,617				
17	Other - Collecting	1,554	1,554	1,554	1,664	1,554	1,564	1,554				
18	Sarvices	14,772	14,772	14,772								
19	Structures				14,772	14,772	14,772	14,772				
20	Receiving Well	172	172	172	172	172	172	172				
20		8,256	8,258	8,258	8,258	8,258	8,258	8,258				
21	Pumping Equipment	27,849	27,849	27,849	27,849	27,849	27,849	27,849				
22	Total Plant Amortization	\$166,366	\$165,368	\$166,368	\$166,366	\$ 166,368	\$166,368	\$168,368				

Amortization Schedule - Existing Cash CIAC								
23 Cash	\$79,558	\$79,558	\$79,568	\$79,558	\$79,558	\$79,558	\$79,558	 
24 Total Cash CIAC Amortization	\$79,558	\$79,558	\$79,558	\$79,556	\$79,558	\$79,558	\$79,558	 
25 Total Existing CIAC Amortization 26 Adjustment to Reconcile to Accounting Records 27 Total Existing CIAC Amortization	\$245,924 \$16,224	\$245,924 \$16,224	\$245,924 \$15,224	\$245,924 \$16,224	\$245,924 \$16,224	\$245,924 \$16,224	\$245,924 \$16,224	
27 TOTAL EXISTING CIPC AMORTIZATION	\$262,148	\$262,148	\$282,148	\$262,148	\$262,148	\$262,148	\$262,148	

SOURCE: BURTON & ASSOCIATES CADATANIZAYCLATESTIM-24FAMSSOC,WK4



# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - SEWER

### Scenario 2a - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 100% Debt / 0% Equity

#### New CIAC

			1999	2000	2001	2002	2003	2004	2005	2000	2007	2008	2009
	Name and Assets	CMC per	•										
	New CIAC - Plant: Structures & Improvements	Life ERĆ	_										
,	Severs - Force	32 \$23.60 30 \$301.20		\$6,089	\$6,637	817,936	\$18,587	\$19,297	\$20,071				
3	Sewers - Gravity	45 \$1,301.20		\$77,472 \$334,615	\$84,444 \$364,730	\$228,222 \$985,734	\$236,506 \$1,021,514	\$245,536 \$1,060,514	\$255,374				
4	Services	38 \$195,44		\$50,524	\$55.071	\$148,837	\$1,021,514 \$154,239	\$1,080,514 \$160,128	\$1,103,024 \$166,547				
5	Pumping Equip	18 \$175.45		\$45,117	\$49,177	\$132,909	\$137,733	\$142,992	\$148,723				
6	Ure	30	-	*	0.0,	*******	*****	0.46444	\$140,120				
7	Total New CIAC - Plant		•	\$513,816	\$560,059	\$1,513,638	\$1,588,580	\$1,628,468	\$1,593,743				
	New CIAC - Cash:												
	New CIAC- Cash			\$160,766	\$175,235	\$473,596	\$490,787	8509.524	2222 242				
9	Life	30	•	9 100,7 00	\$175,235	\$473,566	\$490,767	\$509,324	\$529,948				
10	Total New CIAC - Cash		•	3150,766	\$175,235	\$473,596	\$490,787	\$509,524	\$529,948				
- 11	Total New CIAC												
			•	\$674,581	\$735,294	\$1,987,234	\$2,058,366	\$2,137,991	\$2,223,891				
	Amortization of New CIAC												
	Another property												
	Amortization Schedule - New CIAC Assets		1999	2000	2001	2002	2001	2004	****	2000	2007	2004	
		į. a	1444	2000	2001	2002	<u>2003</u>	<u>2004</u>	2005	2006	<u>2007</u>	2008	2009
12													
13	Structures & improvements		•	\$95	\$207	\$561	\$581	\$603	\$627				
14 15	Sewers - Force Sewers - Gravity		•	\$1,291	\$2,815	\$7,607	\$7,884	\$8,185	\$8,513				
16	Services		-	\$3,718	\$8,105	\$21,905	\$22,700	\$23,567	\$24,512				
17	Pumping Equip	-	:	\$665 \$1,253	\$1,449 \$2,732	\$3,917 \$7,384	\$4,059	\$4,214 \$7,944	\$4,383				
13	Total New CIAC - Plant Amortization		<del></del>	\$7,022	\$15,30 <del>0</del>	\$41,374	\$7,652 \$42,875	\$44,512	\$8,262 \$48,297				
				0.,	V,-V	0.7,014	442,015	417,012	******				
18		•		\$2,679	\$5,841	\$15,787	\$16,360	\$18,984	\$17,665				
19	Total Cash Amortization			\$2,679	\$5.841	\$15,787	\$16,360	\$18,964	\$17,665 \$17,665				
20	Total New CIAC Amortization			·			•		V., p				
20	TO A NEW CONC. ASSURED TO THE SECOND		•	\$9,702	\$21,150	\$57,160	\$58,235	\$81,487	\$63,962				
_			· · · · · · · · · · · · · · · · · · ·			-			<del>.</del>				
	Summary of CIAC & CIAC Amortiz	<u>ration - Sewer</u>											
	CIAC	Existing 1998	1999	2000	2001	2002	2903	2004	2005	2006	2007	2008	2009
		\$8,602,767						1004	2443	2000	2001	2006	2003
22	Total New CIAC Total Accumulated CIAC - Sewer			674,581	735,294	1,987,234	2,059,366	2,137,991	2,223,691				
23	Total Accompand CIAC - Sewer	\$8,602,767	\$8,602,767	\$9,277,348	\$10,012,642	\$11,999,676	\$14,059,243	\$16,197,233	\$18,420,924				
	CIAC Amerization												
	Total Existing CIAC Annual Amortization		\$262,148	\$262,148	\$262,146	\$262,148	\$262,148	\$262,148	\$202.444				
				9,702	21,150	57,160	\$252,148 59.235	8202,148 61,497	\$262,148 63,962				
26	Total CIAC Annual Amortization - Sewer		\$262,148	\$271,850	\$283,298	\$319,308	\$321,383	\$323,644	\$326,109				
27	Accumulated CIAC Amortization	\$1,836,237	P3 400 302	<b>60</b> 470 CC 1	*****								
-		********	\$2,198,385	\$2,470,234	\$2,753,532	\$3,072,840	\$3,394,223	\$3,717,867	\$4,043,977				
	Total Water & Sewer												
28	Total Existing CIAC Annual Amortization - Water	& Sewer	\$405,461	\$405,481	\$405,461	\$405,461	\$405,461	\$405,461	\$405,461				
	Total New CIAC Annual Amortization - Water & St			12,808	27,922	74,932	77,671	80,656	83,911				
30	Total CIAC Annual Amortization - Water & Sewer		\$405,461	\$418,269	\$433,385	\$480,392	\$483,131	\$488,117	\$489,371			·	
									and the second second		· · · · · · · · · · · · · · · · · · ·	*******	

SOURCE: BURTON & ASSOCIATES C:DATAM229CLATESTEM-2FAMSS30C.WKA



# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM RATE BASE

## Scenario 2a - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 100% Debt / 0% Equity

		1998	2000	2001	2002	2003	2004	2005	2005	2007	2008	2009
1	Water Percent Contributed	84%	66%	68%	61%	66%	71%	76%				
2	Utility Plant in Service	\$5,462,600	\$8,132,306	\$8,317,276	\$10,032,412	\$10,535,947	\$11,059,260	\$11,604,132				
3	Include Construction Work in Progress? NO	0	0	0-,007,1270	O COLUMN	010,550,571	011,000,200	\$11,000,104 A				
4	Less: Accumulated Depreciation	(1,817,752)	(2,031,302)	(2,276,179)	(2,844,841)	(2,829,396)	(3,114,740)	(3,400,618)				
6	Utility Plant in Service less Accum Depr.	\$4,644,857	\$8,101,004	\$5,041,098	\$7,487,872	\$7,706,662	\$7,944,621	\$8,203,514	<del></del>			
6	Less: Accumulated CIAC	(5,136,489)	(5,366,473)	(5,617,157)	(6,274,986)	(6,957,408)	(7,686,635)	(8,405,080)				
7	Plus: Accumulated Amortization of CIAC	1,222,018	1,368,437	1,618,522	1,679,606	1,841,355	2,003,827					
8	Net Utility Plant in Service	\$730,386	\$2,102,968	\$1,942,463	\$2,892,492	\$2,590,499	\$2,281,713	2,167,089				
9	Plus or klinus:			01,010,100	44,084,484	42,000,400	04,401,713	\$1,965,524				
10	Acquisition Adjustments	\$187,303	\$187,303	\$187,303	#487 2A2	P/49 303		****				
11	Accumulated Amort of Acq Adjustments	(77,263)	(81,946)		\$187,303	\$187,303	\$187,303	\$187,303				
12	Working Capital Allowance 12.50% of OSM	93,517		(86,629)	(91,312)	(95,995)	(100,678)	(105,361)				
13	Other	43,017	96,317	99,250	103,759	108,235	112,704	117,185				
14	Het Utility Plant in Service		<u> </u>				0	0				
	wet online Limit to detailed	\$933,643	\$2,304,442	32,142,387	33,002,242	\$2,790,042	\$2,481,042	\$2,164,651				
15	U&U Percentage	100.00%	61.81%	65.12%	66.17%			=				
16	Rate Base					60.36%	65.79%	71,48%				
	. —	\$933,943	\$1,424,518	\$1,395,099	\$1,706,058	\$1,684,177	\$1,632,156	\$1,546,787				
					•							

47 0	
17 <u>Service:</u> Percent Contributed 58% 61% 65% 63% 71% 75% 84%	
18 Utiky Plant in Service \$14,296,201 \$14,512,017 \$15,372,078 \$19,038,286 \$20,606,867 \$22,235,324 \$23,020,077	
19 Include Construction Work in Progress? NO 0	
20 Less: Accumulated Depreciation (3,204.815) (3,724,091) (4,251,605) (4,849,495) (5,493,199) (6,138,433) (6,785,452)	
21 Itility Diant in Senare less Accum Dary (0,100,402)	
22 i.ess: Accumulated CIAC (8.602.767) (9.277.348) (10.0012.622) (11.000.878) (10.001.878) (10.001.878)	
23 Pius: Amortization of Class	
24 Net Utility Plant In Service 5,500,625 5,711,607 4,043,977	
25 Plus or Minus: \$4,639,004 \$4,280,812 \$3,61,360 \$5,281,765 \$4,448,649 \$3,617,634 \$2,766,877	
26 Acquisition Adjustments \$243,854 \$24	
27 Accumulated Amort of Aco Adjustments (100 Aug. 100 Aug	
28 Working Capital Allowance (133,499) (139,596)	
29 Violiting Capital Allowance 12.50% of O&M 149,389 186,554 193,869 207,593 220,519 232,627 245,002	
30 Med Millio Bland in Service	
30 Net Utility Plant in Service \$4,876,232 \$4,602,108 \$4,183,878 \$5,681,897 \$4,785,618 \$3,860,818 \$3,116,837	<del></del>
29 (1911 December 2	
100.00% 100.00% 100.00%	
33 Rate Base \$4,979,232 \$4,602,108 \$4,183,875 \$5,061,493 \$4,618,173 \$3,960,816 \$3,115,937	<del></del>

SOURCE: BURTON & ASSOCIATES C-VOATAI123VCUATESTIM-24FAMSS30C.WKA



## WITERCOASTAL UTILITIES WATER & SEWER SYSTEM UTILITY PLANT IN SERVICE - WATER & SEWER

Water

		Estimated Original Cost in St	re Date	1900	1802	2002	2001	2002	2002	2004	2005	2006	2007	2006	2000
	New Assets per CIP:														
1	Pumping Equipment	\$100,000	2002					\$100,000							
2	Trans and Dist Mains (Plant)	1,097,247	2002					\$1,007,247							
3	Office Furniture and Equipment	10,000	3002					10,000							
4	Stores Equipment	6,000	2002					E 000							
6	Communication Equipment	2,500	2002					5,000 2,600							
	Organizations	15,000	2002					15,000							
7	Water Plant- East Svc Area	1,500,000	2000			1,800,000									
	<b>Total Utility Plant in Service (not include</b>	ng CMC)		\$8,482,609	\$6,442,600	\$7,982,809	\$7,962,600	\$9,192,358	\$9,192,366	\$9,192,364	\$9,192,366		<del></del>		
								***************************************	**,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		**********				
	Now Plant Assets per CIAC:														
•	New Plant Assets (CIAC)														
10	Total New Plant Assets (CIAC)				\$0	\$189,007	\$184,970	\$485,380	\$503,535	\$623,313	3544,872				
	( over 1990 a.m. vetere (cost)			10	\$10	\$180,807	\$354,667	\$840,068	\$1,343,591	\$1,866,004	\$2,411,776				
11 To	tal Water Utility Plant in Service														
11 10	on sector critical Lateral to Selfaice			\$6,462,809	\$4,442,600	\$4,132,306	\$8,317,276	810,032,412	\$10,535,947	\$11,059,260	\$11,604,132				
										,	,				

#### Sewer:

		Lithnate	rd Orlginal													
	Non Assessment Street	c	ost b	Sve Date	1996	1886	2000	2001	2002	2002	2004	2006	2006	2007	2006	2000
	Now Assets per CIF:									SACOLOR		2000		AVAIL.	and.	ALC: U
12	Organizations	4 4	\$15,000	2002												
13	Structures and Improvements		257,600	2002					\$16,000							
14	Collection Sewers - Force								\$257,800							
15	Flow Measuring Devices		1,420,074	2002					1426074							
44			60,006	2002					50000							
10	Pumping Equipment		386,400	2002					386400							
17	Office Furniture and Equipment		10,000	2002												
18	Stores Equipment		\$,000	2002					10000							
19	Communication Equipment		2,500	2002					\$000							
20	WWTP Improvement East Svs Area		3,343,962	1999					2500							
21	Yotal Utility Plant in Service (not include	- PICKET	3,343,502	1900		3,343,962										
	And are a series and but the contract	<del>á coc</del> i			\$10,951,230	\$14,294,201	\$14,298,201	\$14,294,201	\$18,450,775	\$18,450,775	118 480 77K	118 480 778				
		- 1									0.00,000,00	0.0130001110				
	New Plant Assets per CIAC:															
22	New Plant Assets (CIAC)					\$0	****									
23	Total New Plant Assets (CIAC)						\$513,818	\$560,050	\$1,513,638	\$1,568,680	\$1,628,466	\$1,003,743				
					20	\$0	\$513,818	\$1,073,878	\$2,587,513	\$4,154,002	\$5,784,560	\$7,478,302				-

24 Total Sewer Utility Plant in Service

\$10,964,236 \$14,298,301 \$14,812,017 \$15,372,076 \$19,038,288 \$20,606,867 \$22,236,334 \$23,926,077

SOURCE: BURTON & ASSOCIATES
C:QATALIZECUTESTIM-ZYAMESIO.WKG



## INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CAPITAL IMPROVEMENTS PROGRAM

#### Scenario Za - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 100% Debt / 9% Equity

	AMOUNT			MONTHS			INCREASE.											
EGJECT TOTAL	PUMOED	PROJECT NAME		70 004			CAPACITY	1006	2000	2001	2002	2003	2004	2005	2004	2007	2008	200
Line				\$1100GT	PUNDER	473	(1460)		****	2001			200-					
\$100,000	\$100.000	Pumping Equipment	2002	12	100%	20	200				100,000							
1,007,247		Trans and Dist Mains (Plant)	2002	12		- 20	2.00 0.00	····	<del></del>		1,007,247							
10,006	10,000	Office Furniture and Equipment	2002		100%	18	0.00				10,000			· · · · · · · · · · · · · · · · · · ·				
\$,000	6,000	Stores Equipment	2002	12	100%	18	0.00				8,000		• • • • • • • • • • • • • • • • • • • •					
2,500		Communication Equipment	2002	12	100%	10	0.00				2,500				-			
15,000	15,000	Organizations	2002	12	100%	40	0.00				15,000							
1,500,000	1,600,000	Water Plant- East Svc Area	2000	24	100%	26	1,93		1,500,000			<del></del>					········	
\$2,720,747									\$1,800,000		1,220,747							
WERI		<del>-</del>						<del> </del>										
\$15,000		Organizations	2002	12		40	0.00				15,000							
\$18,000 257,500	267,600	Structures and improvements	2002	12	100%	40 32	0.00				15,000 257,600							
\$15,000 257,500 1,425,074	257,600 1,426,074	Structures and improvements Colection Sewers - Force	2002 2002	12 12	100%		6,00 0,00				257,600 1,426,074					Prince		
\$15,000 257,500 1,426,074 \$0,000	267,600 1,426,074 60,000	Structures and Improvements Collection Sewers - Force Flow Measuring Devices	2002 2002 2002	12 12 12	100% 100% 100%		00.0 00.0 00.0				257,600 1,426,074 50,500							
\$15,000 257,500 1,425,074 80,000 385,400	267,800 1,426,074 60,000 344,400	Structures and Improvements Collection Sewers - Force Flow Measuring Devices Pumping Equipment	2002 2002 2002 2002	12 12 12 12	100% 100% 100% 100%		0,00 0,00 0,00 1,00				267,600 1,426,074 50,000 366,400							
\$15,000 257,500 1,425,074 50,000 384,400 10,000	267,600 1,426,074 50,000 364,400 10,000	Structures and Improvements Colection Sewers - Force Flow Measuring Devices Pumping Equipment Office Furniture and Equipment	2002 2002 2002 2002 2002	12 12 12 12 12	100% 100% 100% 100%		6,00 6,00 6,00 1,00 6,00				257,600 1,426,074 50,000 386,400 10,000							
257,500 1,426,074 \$4,000 386,400 10,000 5,000	267,600 1,426,074 60,000 344,400 10,000 6,000	Structures and Improvements Colection Sewers - Force Flow Measuring Devices Pumping Equipment Office Furniture and Equipment Stores Equipment	2002 2002 2002 2002 2002 2002	12 12 12 12 12 12	100% 100% 100% 100% 100%		6,00 0,00 0,00 1,00 0,00 0,00				267,600 1,426,074 50,000 386,400 10,000 5,000							
\$15,000 257,500 1,425,074 \$0,000 385,400 10,000 5,000 2,500	267,600 1,426,074 60,000 364,400 10,000 6,000 2,600	Structures and Improvements Colaction Sewers - Force Flow Measuring Devices Pumping Equipment Office Furniture and Equipment Stores Equipment Communication Equipment	2002 2002 2002 2002 2002 2002 2002	12 12 12 12 12 12 12	100% 100% 100% 100% 100% 100%	32 30 6 18 15 18	0,00 0,00 1,00 1,00 5,00 0,00				257,600 1,426,074 50,000 386,400 10,000				Hite St.			
\$18,000 257,500 1,426,074 \$0,000 384,400 10,000 5,000 2,500 3,343,942	267,600 1,426,074 60,000 366,400 10,000 6,000 2,600 3,343,962	Structures and Improvements Colection Sewers - Force Flow Measuring Devices Pumping Equipment Office Furniture and Equipment Stores Equipment Communication Equipment WWTP Improvement East Svc Are	2002 2002 2002 2002 2002 2002 2002	12 12 12 12 12 12 12	100% 100% 100% 100% 100%		6,00 0,00 0,00 1,00 0,00 0,00	3,343,562			267,600 1,426,074 50,500 386,400 10,600 5,000 2,500							
\$18,000 257,500 1,426,074 80,000 384,400 10,000 5,000 2,500 3,343,962 85,486,538	257,600 1,426,074 60,000 364,400 10,000 6,000 2,600 3,343,962 35,495,538	Structures and Improvements Colection Sewers - Force Flow Measuring Devices Pumping Equipment Office Furniture and Equipment Stores Equipment Communication Equipment WWYP Improvement East Svc Are	2002 2002 2002 2002 2002 2002 2002	12 12 12 12 12 12 12	100% 100% 100% 100% 100% 100%	32 30 6 18 15 18	0,00 0,00 1,00 1,00 5,00 0,00	3,343,982 83,343,982	38	5.0	267,600 1,426,074 50,000 386,400 10,000 5,000	\$0	33					
\$18,000 257,500 1,426,074 80,000 386,400 10,000 5,000 2,500 2,500 3,343,962 85,468,538 7AL WATER	267,600 1,426,074 50,000 366,400 10,000 5,600 3,343,962 35,496,538	Structures and Improvements Colection Sewers - Force Flow Measuring Devices Pumping Equipment Office Furniture and Equipment Stores Equipment Communication Equipment WWYP Improvement East Svc Are	2002 2002 2002 2002 2002 2002 2002	12 12 12 12 12 12 12	100% 100% 100% 100% 100% 100%	32 30 6 18 15 18	0,00 0,00 1,00 1,00 5,00 0,00				267,600 1,426,074 50,500 386,400 10,600 5,000 2,500	\$6						

BOURCE: BUTTON & ARROCKITES / PREAJ

6/20/2008

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# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM USED AND USEFUL

## Scenario 2a - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 100% Debt / 0% Equity

		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Water											
2	Cepecity											
3	Capacity in ERC's	5,057	5,057	10,571	10,571	16,286	16,286	16,286				
4	Additional Capacity in ERC's	0	5,514	0	5,714	Ö	0	0				
5	Total Capacity	5,057	10,571	10,571	16,288	16,286	15,286	16,286				
6	Connection / Growth											
7	Connections in ERC's	5,506	5,506	5,763	6.043	6,779	7,542	8,335				
8	Annual Growth Percent	0.00%	4.67%	4.86%	12.17%	11.26%	10.51%	9.91%				
9	Additional Units	0	257	280	736	763	793	825				
10	Total Connections	5,505	5,763	6,043	6,779	7,542	8,335	9,160	<del></del>			
11	Raw U & U Percent	108,87%	54.51%	57.16%	41.62%	46.31%	51.18%	56.25%				
12	PLUS: Margin Reserve 36 Mos.	0	771	841	2.207	2.289	2,379	2,477				
13	Total Connections plus Margin Reserve	5,506	6,534	6,884	8,985	9,831	10,714	11,637			<del></del>	
14	U & U Percent	100.00%	61.81%	65.12%	65.17%	60,36%	65,79%	71.46%				
15	<u>SEWER:</u>											
16	Cepecity											
17	Capacity in ERC's	2,857	5,357	5,357	5,357	8,929	8,929	8,929				
18	Additional Capacity in ERC's	2,500	0	0	3,571	0	0	0				
19 20	Total Capacity	5,357	5,357	5,357	8,929	8,929	8,929	8,929		· · · · · · · · · · · · · · · · · · ·		
21	Connection / Growth											
22	Connections in ERC's	2,857	2,857	3,114	3,395	4,152	4,937	5.752				
23	Annual Growth Percent	0.00%	9.00%	9.00%	22.32%	18.91%	16.51%	14,74%				
24	Additional Units - Eastern Service Area	- 0	257	280	306	333	363	356		<del></del>		
25	Additional Units - Western Service Area	0	0	0	452	452	452	452				
26	Additional Units - Total	0	257	280	758	785	815	848				
27	Imputed ERC's from 1998 Rate Case											
28	Eastern Service Area Only	5,357	5,357	5,357	5,357	5,357	5,357	5,357				
29	Total Connections	5,357	5,357	5,357	5,809	6,261	6,713	7,165			<del></del>	<del></del>
30				•	-	·	-•					
31	Raw U & U Percent	100.00%	100.00%	100.00%	65.06%	70.12%	75,19%	80.25%				
32	PLUS: Margin Reserve 35 Mos.	0	771	841	2,273	2,355	2,445	2,543				
33	Total Connections plus Margin Reserve	5,357	5,357	5,357	8,082	8,616	8,929	8,929				
34	U & U Percent	100.00%	100.00%	100,00%	90.51%	96.50%	100.00%	100.00%				

SOURCE: BURTON & ASSOCIATES
C:\Data\123\cu\testim-2\fams330C.wk4

#### Scenario 2s - ICU Water and Sewer Rates with Nocates's JEA Wholesale Plan - 100% Debt / 9% Equity

					PY1900				PY2000					
Frei Unes Bark	Orig Leen Amount C	Oria Laga Data	Term i	nterest Rete	Beginning Balance \$3,836,646	Principal	interput 1370,444		Cost of Copital	Beginning Balance	Principal	interest	C Balanca	oet of Capital
2 Plantation Developers - WTP	\$663,486	01/01/05		7.27% 7.84%	\$3,836,446*** \$06,864	19,365	8240,461	19198	Cule \$278,837	\$3,836,448	Principal 802,384 20,843 2,015	interest	\$5,725, ruz	Calo \$272,128
3 Plantation Developers- Unit 8	94,051	12/23/94	26	7.84%	84,860	10,000	48,814 7,443	94,478 94,660	46,050 7,515	847,478 84,850	20,843	46,466 7,443	648,838 82,835	43,403 7,356
4 Croseroeds Land (Lid-Sesside Ut 2 5 Croseroeds Land (Lid-Sesside Ut 3	108,836	12/23/94	20	7,04%	100,002	2,857	7,900	87,145	7,713	97,146	3,179	7,706	83,866	7,481
6 TAW Hursery, Inc.	128,860	03/20/06	20	7.60%	121,143	2,867 3,257	0,331	117,006	9,030 8,501	117,000	3,403	9,095	114,393	8,762
7 BAT of Paint Valley - Tom West	112,847	12/23/94	20	7.94%	110,051	2,450	0,820	108,201	8,501	108,201	2,436	8,641	105,568	8,382
8 Odome Mil Ltd.	40,147 326,632	98/30/95 99/25/95	20 20	7.07% 7.00%	38,007	1,053	2,702	38,964	2,613	30,854	1,123	2,632	35,631	2,533 21,860
8 Marsh Dunes	00.517	84/09/95	20	6.33%	324,836 96,517	4,440	22,733 6,110	320,489 96,517	22,433 6,110	320,446 94,517	8,051	22,356 6,110	312,417	21,860
10 Anide-Saumii Lakee (Offste #1)	\$0,000	89/12/96	20	6.81%	\$0,000	ĭ	3,405	50,000	1.405	50,006		3,406	96,517 50,000	6,110 3,405
11 Anido-Seumii Laige (Oliste 82) 12 Anido-Seumii Laige IX 1	50,000	02/17/97	20	6.60%	\$0,000	ŏ	3,200	\$0,000	3,405 3,290	\$0,000	ĭ	3,200	50,000	3,290
13 Arvide- Second Lakes Ut 2	464,918	86/18/97	20	6.80%	450,792	11,001	31,225	439,131	30,256	430,131	12,418	30,467	420,712	29,400
14 Equity	100,030	99/06/67	20	6.77%	186,786	4,722	12,644	181,063	12,250	181,063	5,024	12,342	176,030	11,018
16 New Debt- In Service:	•			10.00%		0	0	•	이			0	. 0	0
18 1900			20	0.50%					اء			_	_	اء
17 2000	1,522,500		20	6.50%	ŏ	ĭ	ĭ	ĭ	, i	1,522,500	39,214	98,963	1,483,295	86.A14
18 2001 18 2002	0		20	6.50%	ě	ě	š	ī	ĭ	1,022,000			1,463,260	WA10
20 2003	3,433,060		20	6.50%	0	0	i	Ŏ	ō	i	ŏ	ŏ	ŏ	š
21 2004	:		20	6.50%	0	Ō	9	0	0	0	8	Ó	Ō	Ō
22 2005	i		20	6.50% 6.50%	2		9		91	•	0	Q	0	9
2008	Ď		20	8.50%	×	ŭ			21	:				일
24 2007 25 2008	0		20	8.50%	ŏ	ĭ		ĭ	ši	ă	×			21
20 2000			20	6.50%	Ŏ	Ď	ŏ	ě	Ĭ	ě	ĭ	ă	ă	ă l
27	U		20	6.50%	0	•	9	Ó	Ō	ě	Ŏ	ě	ŏ	ŏl
29 New Debt- Construction Work in Progress: 29 Include CWIP in WACC?			20	7.50%			0			0			0	0
30 New Equity	. 0			10.00%				0	اه				0	0
32 Weighted Average Cost of Capital					\$6,044,784	\$40,855	\$403,065	\$5,994,840	\$437,108 7.29%	· · · · · · · · · · · · · · · · · · ·	\$190,261	\$581,792	87,327,178	\$522,432 7.13%
SOURCE: BURTON & ARROCHATER														7.13%

SOURCE: BURTON & ASSOCIATES C'ENTAINEMENTESTRI-SFAMBENCHMA

### Scenario 2g - ICU Water and Sewer Rates with Nocates's JEA Wholesale Plan - 190% Debt / 9% Equity

						FY3	91				FY2	M2		
1 First Union Scale 2 Plantation Developers - W/TP 3 Plantation Developers - Unit 8 4 Croserosde Land Lid- Seaside Ut 2 5 Croserosde Land Lid- Seaside Ut 3 8 TAW Narsery, Inc. 7 BAT of Paint Valley - Tem West 8 Cdone Mil Lid. 9 March Dunes 10 Anvide- Seamell Lakes (Office 91) 11 Anvide- Seamell Lakes (Office 92) 12 Anvide- Seamell Lakes (Office 92) 13 Anvide- Seamell Lakes Ut 1 13 Anvide- Seamell Lakes Ut 2 14 Equity	Orig Leen Americ	83/28/96 12/23/94 08/30/96 08/25/96 04/08/98 08/12/98 08/15/97	7608 20 20 20 20 20 20 20 20 20 20 20 20 20	7.27% 7.84% 7.84% 7.84% 7.84% 7.84% 7.00% 8.33% 8.33% 8.81%	Beginning Balance 33,743,182 546,635 82,856 83,966 114,363 105,566 36,831 312,417 86,517 50,000 60,000 428,712 176,000	Principal \$100,162 2,161 3,779 2,862 2,861 3,479 2,862 1,205 8,533 2,461 1,246 1,246 1,340 1,340 1,340 1,340 5,375	interval 2327, 548 2327, 548 7, 277 7, 504 8, 818 8, 425 2, 550 21, 774 6, 536 3, 268 3, 268 3, 268 11, 901	Balanse 31, 128, 1258 834, 670 80,454 80,525 110,622 102,714 94,636 48,764 48,764 48,764 170,664	Sept of Capital Cap \$284,001 41,512 7,102 7,102 8,474 8,155 2,448 21,206 8,052 3,322 8,200 28,484 11,564	Regining Babrice \$1,839,839 \$0,464 \$0,525 \$110,822 \$2,794 \$4,036 \$4,784 \$4,784 \$4,784 \$13,410 \$170,664	Py 2s \$14,201 \$14,201 2,361 3,724 4,070 3,087 1,203 8,258 2,643 1,302 1,302 1,304 14,248 8,780	Internet 3310,188 41,461 7,067 7,221 8,19 6,190 2,482 21,150 5,277 3,282 3,196 38,536 31,516	\$1,000.00 \$3,207,429 490,859 490,859 90,827 33,332 294,526 91,363 47,442 47,417 390,181 194,814	Cost of Capital Cals 326,259 39,673 8,962 8,962 8,962 7,910 2,357 20,817 5,765 3,234 3,120 27,802 21,165
16 New Dabl- in Service: 18	1,822,500 3,433,08		20 20 20 20 20 20 20 20 20	4.50% 6.50% 6.50% 6.50% 6.50% 6.50% 6.50% 6.50% 6.50%	1,423,206	0 41,763 0 0 0 0 0 0	0 04,414 0 0 0 0 0 0 0	1,441,823 0 0 0 0 0 0 0 0 0	81,400 81,400 8 8 9 0 0 0 0 0	1,441,823 3,433,066 8 0 0 0 0 0	44,478 98,423 8 9 0	83,466 83,466 0 223,149 0 0 0 0	1,307,045 0 3,344,833 0 0 0 0	0 80,800 0 217,481 0 0 0 0
30 New Equity 31 32 Weighted Average Cost of Capital 80URCE: BURTON & ASSOCIATES CDATMIZHOUTESTM-29 MISSISSOCIAM				10.00%	·	\$213,581	\$571,583	57,113,598	8507,144 7.13%		\$320,500	8776,147	0 \$10,226,085	\$707,518 8.82%

05/30/2000

### Scenario 2a - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 100% Debt / 9% Equity

				_		PY20	47				FY2	784		
Lender  1 First Union Bank 2 Partistion Developers - WTP	Orig Lenn Ampust O	ric Linea Dute 01/01/06	<u>Term 1</u>	riarust Rate 7,27% 7,84%	Beginning Belence \$3,525,428	Principal \$122,774	Interest \$301,283	Baternos \$3,402,666	ent of Capital Calls \$347,373	Beginning Balance 11,402,666 473,230	Principal \$130,838	briorest \$280,580	Co.	oet of Capital Cale \$237,272
3 Plantation Devisioners- List 8 Croscroeds Land Lid- Sesside Ut 2 Croscroeds Land Lid- Sesside Ut 2 TANY Narvery, Inc. TANY Narvery, Inc. TBAT of Pain Valley - Tom West	84,651 109,636 128,660 112,847	12/23/94 12/23/94 83/28/96 12/23/94	20 20 20 20	7.84% 7.84% 7.84% 7.84%	400,850 90,004 84,801 100,553 90,627	2,566 4,031 4,302 3,341	36,870 6,903 6,914 6,196 7,836	473,220 95,539 82,770 102,160 94,287	37,574 6,762 6,572 7,825 7,845	473,230 86,538 82,776 102,180 84,287	28,606 2,765 4,363 4,741 3,818	37,604 6,803 6,382 7,847	444,826 82,774 78,406 87,410	36,303 6,872 6,225 7,462 7,368
Odoms Mil Ltd.     March Dunes     March Dunes     Avide- Severil Laines (Office #1)     Avide- Severil Laines (Office #1)	40,147 326,632 86,517 \$0,000	96/30/96 99/25/96 94/09/96 99/12/96	20 20 20 20	7.07% 7.00% 6.33% 6.81%	33,332 294,526 81,383 47,482	1,366 9,627 2,816 1,363	2,366 20,480 6,704 3,191	31,844 284,600 86,577 46,000	2,258 19,822 5,607 3,130	31,844 284,800 86,577 44,000	1,480 10,644 2,800 1,401	7,660 2,266 19,763 5,821 3,003	92,671 30,456 273,956 95,578 44,508	2,153 10,177 6,417
12 Anvide Several Lakes it 1 13 Anvide Several Lakes it 2 14 Equity 15 New Debt- in Service:	\$0,000 464,818 190,636 8	92/17/97 96/19/97 99/98/97	20 20 20	6.50% 6.80% 6.77% 10.00%	47,417 200,161 184,814 0	1,424 15,262 6,152 8	3,078 27,626 11,214 0	45,003 363,000 156,762 0	3,026 26,481 10,748 6	46,863 363,800 158,762	1,821 16,347 6,581 0	2,981 26,538 10,786 0	44,472 367,563 152,180	3,037 2,928 25,334 10,303
16 1888 17 2000 18 2001 18 2002	1,522,500		20 20 20 20	6.50% 6.50% 6.50% 6.50%	0 1,397,046 0 3,344,633	0 47,360 0 94,171	0 80,808 0 217,401	0 1,348,877 0 3,250,442	67,729 0	1,240,677	50,442	0 87,729 0	0 1,299,229 0	84,450 0
20 2005 21 2004 22 2005 23 2008 24 2007			20 20 20 20	0.50% 0.50% 0.50% 6.50%	0	0	0	0 0 0	211,280 9 9	3,250,462	100,292 0 0 0	211,280 0 0 0	3,150,170 0 0	204,761 0 0
25 2008 26 2008 27	0		30 30	6.50% 6.50% 6.50%	0 0 0	0 0 0	0 0	0	•			0	0	0
29 New Debt- Construction Work in Progress: 29 Instants CWIP in WACC? 30 New Equity 31			20	7.50% 10.00%			0	0				0	0	0
32 Weighted Average Cost of Capital SOURCE: BURTON & ASSOCIATES COATMISMOUTERTM-SEAMBLOCKMA						\$343,221	\$782,960	\$0,002,644	\$85,542 6.82%	. <del></del> .	\$374,841	\$726,993	\$0,507,803	\$657,742 6.92%

05/30/2000

#### Scenario 2a - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 100% Debt / 9% Equity

Intralian Developers - WTP Intralian Developers						_		FY30	<b>06</b>		
127294   20   7,84%   62,714   2,865   62,714   2,865   62,714   2,865   62,714   2,865   62,714   2,865   62,714   2,865   62,714   7,846   4,722   62,22   73,884   8,351   3,841   3,945   3,845	First Union Bank		Orig Laus Ameunt Or	ia Loan Data	Term	internet Rate	Beginning Bejamer	Principal	interest	Salence C	ook of Capital Cale
Supplied	Plantalion Developers - Unit 9 Crossroads Land Lide Seaside Ut 2 Crossroads Land Lide Seaside Ut 3 TAW Harray, Line BAT of Poin Valley - Tom West Octoms MS Lid. Marsh Dance Avides-Saverell Lakes (Offside 81) Avides-Saverell Lakes (Offside 82) Avides-Saverell Lakes (Lt 1 Avides-Saverell Lakes (Lt 1 Avides-Saverell Lakes (Lt 2		84.85 100.538 128,850 112,847 40,147 328,832 84,817 80,009 80,009	91/01/96 12/23/94 12/23/94 93/26/96 12/23/94 96/30/96 96/25/96 96/12/96 92/17/97 96/16/97	20 20 20 20 20 20 20 20 20	7,84% 7,84% 7,84% 7,84% 7,87% 7,07% 7,00% 8,32% 8,86% 8,86%	62,774 70,406 67,419 82,671 30,465 273,856 86,678 44,808 44,472 367,663	4,722 6,117 3,814 1,506 11,414 3,104 1,500 1,424 17,510	8,223 7,471 7,363 2,158 18,903 8,326 2,988 2,878 26,377	83,114,333 413,684 79,781 73,684 82,302 96,767 28,867 28,867 82,364 41,003	8,228,418 8,336 8,361 7,070 7,047 2,040 18,378 8,216 2,828 2,818 24,118
2005 3006 0 20 6.10% 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Equity New Debt- in Service: 1968 2000 2001 2002 2002		0 1,622,500	09/06/97	20 20 20 20	10.00% 6.50% 6.50% 6.50%	1,200,220	6 63,727	10,325 0 84,450	0 1,246,502 0	9,826 0 80,856
## Equity 0 10.00% 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	2005 2006 2007 2008 2009		0		20 20 20 20 20	6.50% 6.50% 6.50% 6.50% 6.50% 6.50%		0 0 0 0	0	0 0 0 0	0
	Include CMIP In WACC?	NO	·						0	0	0
DURCE: BURTON & ASSOCIATES	Weighted Average Cost of Capital SOURCE: SURTON & ASSOCIATES							\$401,804	\$600,230	\$8,108,198	\$429,660 6.91%

06/30/2000

Scenario 2a - ICU Water and Sever Rates with Houston's JEA Wholesale Plan - 100% Debt / 0% Equity

		<del></del>
Lender Fire Union East	Origitaen Amount Origitaen Date Term Interest Rate	
2 Particion Developers - WTP 2 Particion Developers- Unit 9 3 Provision Developers- Unit 9 4 Creseroads Land Lid-Sasakie Ut 2 5 Creseroads Land Lid-Sasakie Ut 3 5 TAV Mursey, Iss. 7 BAT of Pairs Valley - Ten West 9 Odoms Mis Lid. 8 Marsh Dunes 10 Arvids-Saucett Lalues (Office \$1) 11 Arvids-Saucett Lalues (Office \$2) 2 Arvids-Saucett Lalues (Office \$2) 2 Arvids-Saucett Lalues (Office \$1) 2 Arvids-Saucett Lalues (Office \$1)	3643,486 81.01/95 20 7.34% 84.861 12/23/94 20 7.34% 109.355 12/23/94 20 7.34% 128.660 83/28/95 20 7.84% 1128.660 83/28/95 20 7.84% 40,147 98/20/95 20 7.07% 201.823 89/23/95 20 7.07% 89.517 84.0998 20 7.05% 80,000 89/12/94 20 6.81% 80,000 89/12/97 20 6.88% 80,000 89/12/97	
13 Andon-Several Leises Ut 2 14 Equity 15 New Debt- In Service; 16 1908 17 2000	444,918 94/16/97 26 8.89% 180,030 66/08/97 20 9.77% 8 10.00% 9 20 6.50% 1,822,500 20 6.50% 0 20 6.50%	
10 2001 10 2002 20 2003 21 2004 22 2005 24 2007 25 2008	3,433,046 20 6,50% 0 20 6,50% 0 20 6,50% 0 20 6,50% 0 20 6,50% 0 20 6,50%	
26 27 28 New Date- Construction Work is Progress: 42 Include CMIP is WACC? NO	9 20 6.50% 0 20 6.50% 20 7.50% — 0 10.00%	
32 Weighted Average Cost of Capital	· · · · · · · · · · · · · · · · · · ·	
SOURCE: BURTON & ASSOCIATES		•

SOURCE: BURTON & ASSOCIATES
C:DATA(129)CUTESTM-2FAMBASC:W44



Figure 14
Page 6 of 6
INTERCOASTAL UTILITIES
WATER & SEWER SYSTEM
Weighted Average Cost of Capital Analysis

### Scenario 2a - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 100% Debt / 0% Equity

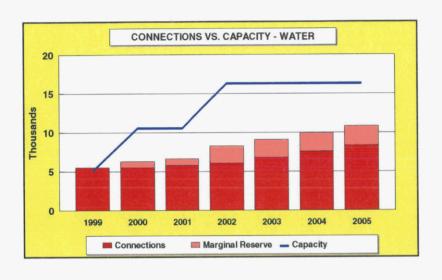
Lender First Union Kents	Orig Lean Ameunt Or	ie Lose Date	. Term	nternet Rate	
Plantation Developers - WTP	\$463,486	91/01/96		7.27%	
Plantation Developers- Link B	94,061	12/22/04	20 20	7.04% 7.04%	
Crossreeds Land Lid-Seeside Ut 2	100,536	12/22/04	ã	7.84%	
Croseroads Land Lid- Seaside Lt 3	128,660	03/24/95	20	7.40%	
TAW Harvery, Inc.	112,847	12/23/94		7.84%	
BAT of Paim Valley - Test West	40,147	09/30/95	20 20 20 20	7.07%	
Odome NE L14.	326,832	09/25/96	26	7.00%	
Marsh Dunes	94,517	84/06/94	20	8.33%	
Anida- Soumii Lakes (Office #1)	\$0,000	09/12/98	20 20 20	0.81%	
Anida- Smertil Lakes (Offsite 82)	\$0,000	02/17/67	20	0.50%	
Anida- Saumil Lakes III 1	464,910	04/19/97	20	8.80%	
Arida- Saumii Lakee Ut 2	190,030	00/00/87	20	6.77%	
Equity New Debi- in Service:	. 0			10.00%	
1909					
2000			20 20	6.50%	
2001	1,822,800		20	6.50%	
2002	A		20	6.50%	
2003	3,433,056		20	6.50%	
2004	2		20	6.50%	
2005	Ţ		20	6.50%	
2006	ĭ		20	6.50%	
2007			20 20 20 20 20 20 20 20	6.50%	
2006	1		20	0.50%	
2000	i i		20	6.50% 6.50%	
i.	•		20	4.30%	
Virus Debis- Construction Work in Progress:			20	7.50%	
noted CAMP in WACC?			_		
New Equity				10.00%	

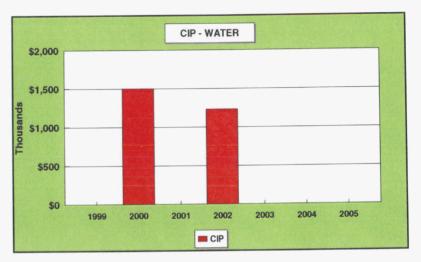
SOURCE: BURTON & ASSOCIATES CYDATAI 12HICLATESTIM-3FAMSGIOC, MAI

05/30/2000

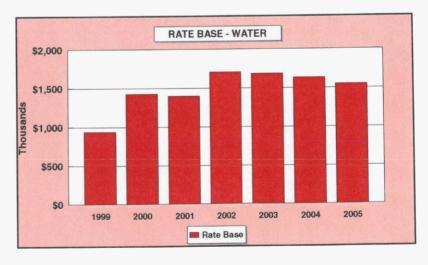
# INTERCOASTAL UTILITIES WATER SYSTEM GRAPHS OF KEY INDICATORS

Scenario 2a - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 100% Debt / 0% Equity









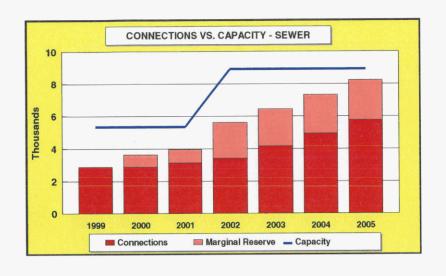
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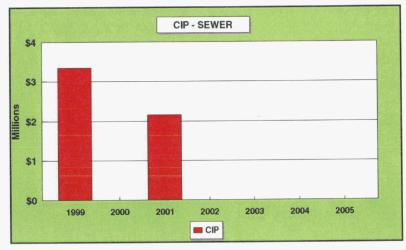
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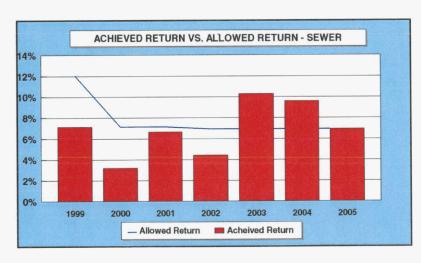
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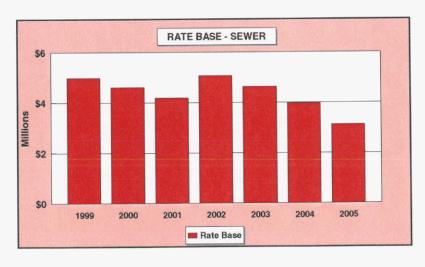
#### INTERCOASTAL UTILITIES SEWER SYSTEM GRAPHS OF KEY INDICATORS

Scenario 2a - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 100% Debt / 0% Equity





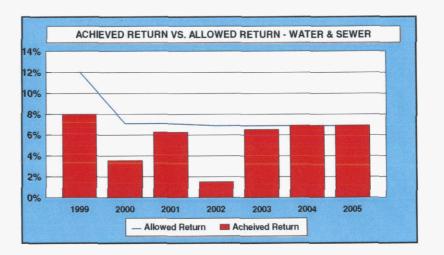




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#### INTERCOASTAL UTILITIES WATER AND SEWER SYSTEM GRAPHS OF KEY INDICATORS

Scenario 2a - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 100% Debt / 0% Equity





# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CASH FLOW PROJECTIONS - TOTAL WATER AND SEWER SYSTEM

#### Scenario 2a - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 100% Debt / 0% Equity

		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
- 2	Sources of Funds		225 427	100 701								
1	Beginning Year Balance	85,284	385,167	403,781	583,148	613,555	1,046,437	1,441,355				
2	Net Income	471,475	212,763	349,707	101,829	411,044	386,957	322,411				
3	Add:											
4	Depreciation	618,857	651,273	686,976	689,240	793,130	832,948	851,298				
5	Amort of Utility Plant Acq Adj	10,935	10,935	10,935	10,935	10,935	10,935	10,935				
6	Amort of Rate Case Expense	56,996	56,996	56,996	56,996	52,247	0	0				
/	Less:	(405 404)	(200 050)	(004 004)	(077 005)	(407 775)	(400 507)	(440 774)				
8	Amort of CIAC	(405,461)	(362,353)	(381,031)	(377,895)	(407,775)	(430,527)	(442,771)				
40	Net Income adjusted for non-cash items Additional Cash	752,803	569,615	723,583	481,106	859,580	800,314	741,873				
10			204 052	040.040	0.40.007	000 074	005 400	700 504				
11	CIAC Cash	0	221,053	240,948	646,037	669,674	695,438	723,521				
12 13	Total additional Cash	0	221,053	240,948	646,037	669,674	695,438	723,521				
14	Total Sources of Funds	000.007	4 475 004	4 200 244	4 740 004	0.4.40.000	0.540.400	0.000.740				
15	Total Sources of runds	838,087	1,175,834	1,368,311	1,710,291	2,142,809	2,542,189	2,906,749				
16	Uses of Funds											
17	Less:											
18	Principal	(49,855)	(190,261)	(213,581)	(320,588)	(343,421)	(374,841)	(401,604)				
19	Interest	(403,065)	(581,792)	(571,583)	(776,147)	(752,950)	(725,993)	(699,230)				
20	Working Capital Reserve	(242,907)	(282,871)	(293,119)	(311,352)	(328,754)	(345,631)	(362,187)				
21	Equity Investment	0	(202,07.1)	(200,110)	(011,002)	(020,704)	(0-10,001)	(002,107)				
22	Total Uses of Funds	(695,827)	(1,054,925)	(1,078,283)	(1,408,087)	(1,425,125)	(1,446,465)	(1,463,022)	<del></del>			
23		(000,02.7	(1,001,020)	(1,010,200)	(1,100,001)	(1, 120, 120)	(1,410,400)	(1,400,022)				
24	Excess (Deficit)	142,260	120,910	290,028	302,203	717,683	1,095,724	1,443,727				
25		,	,	200,020	002,200		1,000,121	1,110,121				
26	Annual subsidy required from stockholders	0	0	0	0	0	0	0				
27	Net Cash Flow	142,260	120,910	290,028	302,203	717,683	1,095,724	1,443,727				
28	Add Back: Working Capital Reserve	242,907	282,871	293,119	311,352	328,754	345,631	362,187				
29	Ending Balance	385,167	403,781	583,148	613,555	1,046,437	1,441,355	1,805,915				
30					*****	4*** ** <b>1</b>	u* - pr. 67, 1990 9					
31	Cumulative subsidy required from stockholders	0	0	0	0	0	0	0				

SOURCE: BURTON & ASSOCIATES CADATA(123)/CUATESTIM-29/FAM8530E.WK4

06/01/2000



#### Scenario 2b

# Intercoastal "Standing in NUC's Shoes" 60% Debt and 40% Equity Financing

This scenario analyzes the impact upon customer's rates of Intercoastal Utilities implementing NUC's plan to meet the water and sewer demands of the projected growth in the area for which Intercoastal's service area extension application is filed assuming NUC's capital plan and plan for wholesale water and wastewater service from the JEA. It assumes that capital projects will be funded with 60% debt and 40% equity financing.

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INTERCOASTAL UTILITIES

**BURTON & ASSOCIATES** 

### INTERCOASTAL UTILITIES WATER & SEWER SYSTEM SUMMARY

Scenario 2b - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 60% Debt / 40% Equity

Average Monthly Cost per ERC assumes 10,000 Gallons per Month Average Water Usage per ERC

	Average Monthly Cost pe	er enc assu	mes 10,000	Gallotis per	WOULT AVE	laye wate	i Usaye pe	LITE				
1	Water	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
2	Rate Plan	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%				
3	Achieved Return	12.47%	4.64%	5.13%	-7.15%	-3.78%	0.43%	7.42%		BERKELLINE E		
4	Allowed Return	12.04%	7.13%	7.13%	7.38%	7.40%	7.41%	7.42%				
5	Avg Mo.Cost / ERC	\$15.81	\$15.81	\$15.81	\$15.81	\$15.81	\$15.81	\$16.14				
6	Achieved Return (Millions)	\$0.116	\$0.066	\$0.072	(\$0.122)	(\$0.064)	\$0.007	\$0.115				
7	Allowed Return (Millions)	\$0.112	\$0.102	\$0.099	\$0.126	\$0.125	\$0.121	\$0.115				
8	Rate Base (Millions)	\$0.934	\$1.425	\$1.395	\$1.706	\$1.684	\$1.632	\$1.547				
9	Sewer											
10	Rate Plan	0.0%	0.0%	0.0%	0.0%	0.0%	-12.4%	-13.4%				
11	Achieved Return	7.13%	3.19%	6.65%	4.42%	9.89%	10.24%	7.42%				
12	Allowed Return	12.04%	7.13%	7.13%	7.38%	7.40%	7.41%	7.42%				
13	Avg Mo.Cost / ERC	\$63.89	\$63.89	\$63.89	\$63.89	\$63.89	\$55.97	\$48.48				
14	Achieved Return (Millions)	\$0.355	\$0.147	\$0.278	\$0.224	\$0.457	\$0.406	\$0.231				
15	Allowed Return (Millions)	\$0.600	\$0.328	\$0.298	\$0.374	\$0.342	\$0.293	\$0.231				
16	Rate Base (Millions)	\$4.979	\$4.602	\$4.184	\$5.061	\$4.618	\$3.961	\$3.116				
17	Water & Sewer											
18	Rate Effect	NA	0.0%	0.0%	0.0%	0.0%	-9.9%	-10.0%				
19	Achieved Return	7.97%	3.53%	6.27%	1.50%	6.24%	7.38%	7.42%				
20	Allowed Return	12.04%	7.13%	7.13%	7.38%	7.40%	7.41%	7.42%				
21	Avg Mo.Cost / ERC	\$79.70	\$79.70	\$79.70	\$79.70	\$79.70	\$71.78	\$64.62				
22	Achieved Return (Millions)	\$0.471	\$0.213	\$0.350	\$0.102	\$0.393	\$0.413	\$0.346				
23	Allowed Return (Millions)	\$0.712	\$0.430	\$0.398	\$0.500	\$0.466	\$0.414	\$0.346				
24	Rate Base (Millions)	\$5.913	\$6.027	\$5.579	\$6.768	\$6.302	\$5.593	\$4.663				

SOURCE: BURTON & ASSOCIATES C:\DATA\123\ICU\TESTIM~2\FAMS530C.WK4

06/01/2000

#### INTERCOASTAL UTILITIES WATER & SEWER SYSTEM **ASSUMPTIONS**

### Scenario 2b - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 60% Debt / 40% Equity

	Assumptions	Actual	Projected	Projected 2008	Projected 2009							
	Water	<u> 1999</u>	2000	2001	2002	2003	2004	2005	2004	2007	ALK	ann
1	Capacity in ERC's	5,057	5,057	10,571	10,571	18,286	16,286	16,286				
ż	Additional Capacity in ERC's	3,007	5,514	10,571	5.714	19,200	10,400	10,200				
3	Total Capacity	5.057	10,571	10,571	16,286	16,286	16,288	16,286				
4	GPD = 1 ERC	350	350	350	350	350	350	350				
5	Connected ERC's	5,506	5.506	5,763	6,043	6,779	7,542	8,335				
ě	Additional Connected ERC's	0,500	5,500	0,763	0,043	0,779	7,542	0,330				
7	Walden Chase	o	0	٥	0	0	0	0				
8	Marsh Harbour	ŏ	ŏ	ă	14	14	14	14				
ē	Nocates	ŏ	ň	ŏ	416	418	418	416				
10	East Svc Area	ŏ	257	280	306	333	363	396				
11	Total Additional Connected ERC's	<u> </u>	257	280	738	763	703	828				
12	Total Connected ERC's	5,508	5,763	6.043	6,779	7,542	8,335	9.180				
13	Percent Growth in Connected ERC's	0.00%	4.67%	4.80%	12.17%	11.20%	10.51%	9.91%				
14	Percent of Growth Applied to Expenses	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25,00%				
15	Effective Multiplier for Growth	0.00%	1,17%	1.22%	3.04%	281%	2555%	2.48%				
16	Inflationary Multiplier	1.50%	1,50%	1.50%	1.50%	1.50%	1.50%	1,50%				
17	Growth and Inflationary Multiplier	1.50%	2.67%	2.72%		4.31%	4,13%	3.98%				
			2.01.70		7,07.4	7.018	4.10%	0.00 70				
18	Sewer											
19	Capacity in ERC's											
20	Additional Capacity in ERC's	2,857	5,357	6,357	5,357	8,929	8,929	8,929				
21	Total Capacity	2,500	0	0	3,571	0						
22	GPO = 1 ERC	5,357	5,357	5,357	8,929	8,029		8,929				
23	Connected ERC's	280	280	280	280	280		280				
24	Additional Connected ERC's	2,857	2,857	3,114	3,395	4,152	4,937	5,752				
25	Walden Chase	_	_	_	_		_	_				
26	Marsh Harbour	0	0	0	0	0						
27	Nocates	Ō	0	0	14	14						
28	Fast Svc Area	Ō	0	0	438	438						
29	Total Additional Connected ERC's	0	257	280	306	333	363	306				
30		0	257	280	758	785						
31	Imputed ERC's from 1998 Rate Case	5,357	5,357	5,357	5,357	5,357	5,357	5,357				
32	Total Used & Useful ERC's	5,357	5,357	5,357	5,809	6,261	6,713					
33	Percent Growth in Connected ERC's	0.00%	9.00%	9.00%	22.32%	18.91%	16.51%	14,74%				
33	Percent of Growth Applied to Expenses	25.00%	25.00%	25.00%	25,00%	25,00%	25.00%	25.00%				
	Effective Multiplier for Growth	0.00%	2.25%	2.25%	5.58%	4.73%	4.13%	3.68%				
35 36	inflationary Multiplier	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%				
30	Growth and Inflationary Multiplier	1.50%	3.75%	3.75%	7.08%	6.23%	5.63%	5.18%				

#### New Debt Assumptions

37 38 39 40 41 Term 1.50% 6.50% Issuance Costs Interest Rate

42 43	OLM Reserves Water	Months	Percent of Annual Q&M
44 45	Minimum Reserves Level Sewer	1.5	12.50%
46 47	Minimum Reserves Level  Rates & Charpes	1.5	12.50%
48	Current Service Availability Charge	\$234	\$625

SOURCE: BURTON & ASSOCIATES C:DATA/129VCUATESTIM-2VFAMS630C,WK/A

#### INTERCOASTAL UTILITIES WATER & SEWER SYSTEM PRO-FORMA INCOME PROJECTIONS - WATER SYSTEM

#### Scenario 2b - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - \$0% Debt / 40% Equity

	Astroj	Projected	Projected	Projected	Projected	Projected	Projected	Frejected	Projected	Projected	Projected
Water	1111	2000	2001	2002	2000	2004	2005	200	2407	200	2000
Revenue:											
Rate Revenue:											
Rate Revenue	\$000,541	3005,541	\$1,034,711	\$1,005,004	81,217,000	\$1,364,002	81,484,470				
Growth Percentage	NA	4,07%	4.00%	12,17%	11,20%	10.51%	0.01%				
Rate Revenue from Growth		46,170	50,326	132,000	136,997	142,378	148.243				
Kale Revenus Prior to Rate Advanced	- 100L321	81,034,711	81,086,036	\$1,217,096	\$1,364,082	\$1,496,470	81,844,713				
Persentage Rate Incresse	6,00%	0.00%	8,00%	0.00%	8,00%	8,00%	2.11%				
Rate Revenue from Rate Adustment							34,733				
Total Rate Revenue	SH.31	\$1,254,711	\$1,000,000	\$1,217,098	81,364,082	\$1,496,470	81,878,448				
	V	**,,***,	*********	41,211,200	41,500,500	01,000,000	01/01/0/110				
Other Revenue:											
Mat. Reviews	\$1,230	\$1,206	81,360	\$1,524	\$1,806	81,874	\$2,066				
Other Revenue		******		******	*****	41,017					
Yolai Other Revenue	81,236	\$1,296	81,360	\$1,524	\$1,866	\$1,974	52,080		····		
Total Revenues	3040,778	\$1,038,007	81.006.205	\$1,218,620	81,366,788	\$1,494,344	81,861,808				
		V-,,	**,,	V-,=,	4.12221.22	4.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	4.,,				
Expenses:											
Additional CAM - Western But Area		**		4044 444	5000 000	***	444 544				
Operating Expenses- Eastern See Area	8740 444			\$200,000	\$270,866	\$267,824	\$317,000				
Rale Case Expanse	8748,138	8770,530	8784,001	\$436,071	\$805,800	9001,828	8037,483				
Francisca Fee- PSC	NA.	, NA	, MA	, NA	NA.	NA.	NA.				
Depreciation (U & U Aret Only)		46,562	48,827	54,700	60,834	67,341	78,576				
Amort of CIAC (U & U Ant Cody)	102,003	131,007	150,461	140,061	171,940	187,714	204,270				
Ament of Acq Ad	(143,213)	(90,503)	(97,734)	(86,874)	(87,438)	(106,863)	(116,661)				
Total Expenses	4,683	4,683	4,003	4,683	4,883	4,683	4,883				
Total Expenses	\$792,110	\$863,278	\$909,238	\$1,200,608	\$1,284,605	\$1,352,306	81,423,247				
Operating Income	\$197,000	\$172,729	\$177,357	\$8,921	\$71,093	\$146,036	\$251,251				
Non-Contains Income (Frances)											
	\$0	\$0	30	\$0	\$6	80	90				
Taxes Other Then Income:	•		ā	ő	Ĭ	Ĩ	ã				
Intergible Tex	(496)	(851)	(845)	(800)	(023)	(848)	(876)				
Other Taxes & Licenses	(75)	(90)	(96)	(121)	(124)	(120)	(132)				
_	, .,	,	(,	()	,. <u></u> ,	,,	1.00				
Property Taxes:	(80,864)	(106,052)	(104,912)	(130,037)	(133,834)	(137,967)	(142,466)				
York New Operation Systems	•	,	(	(,	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(101,001)					
Yolal Non Operating Expenses	(\$41,235)	(\$108,702)	(\$105,654)	(\$130,967)	(\$134,782)	(\$138,644)	(3143,473)				
Hel Income	\$116,434	\$66,027	871,502	(3122,036)	(363,688)	\$7,092	\$154,766				
Taxable income (See worksheet for taxable income below)	20	90	10	80	90	10	20				
Income Taxes;	•••	•	-	_	-						
State 6.50%				•							
Federal 34,00%	i	ě	ă	i	ĭ	ž.					
Total Income Taxes	30	30	10	-		<u>~</u>	36				
Net After Tax Income	\$114.434	\$64,027	\$71,502	(\$122,034)	(\$43,440)	87,002	\$114,788				
	******		41 1,000	(4.55030)	(+-1,1)	41,042	0114100				
Rato Base	\$933,943	\$1,424,518	\$1,305,000	\$1,704,058	\$1,004,177	81 812 154	84 848 900				
	***********	41,000,000	4 (	01,104,000	pt,004,1//	81,832,156	\$1,846,767				
Rate of Roturn Achieved	12.47%	40,44									
Aloued Return		4.64%	8.13%	-7.16%	-3.70%	9.43%	7,42%				
Allowed Return Amount	12.04%	7.13%	7.13%	7.30%	7.40%	7.41%	7,42%				
	\$112,447	\$101,500	100,440	\$125,963	8134,548	\$120,896	\$114,786				
Worksheet for Taxable income:		<del></del>								· · · · · · · · · · · · · · · · · · ·	
Interest Expense - Tatai	\$403,006	8681,782	8671.643	2454 544	0000	****	***				
Alocation Percentage to Weter (1)	45.00%			\$404,000	\$466,800	8641,481	9817,326				
Alocaled Starest Expense - Water	181,378	45,00%	45.00%	45.00%	45.00%	45.00%	45.00%				
	101,370	281,307	787,212	300,100	250,804	294,165	277,796				
Restatement of Nat Income Before Income Tax	***	***	and a								
Restatement of Net Income Sofore Income Tax LESS: Interest Expense - Water	\$116,434	\$46,027	\$71,802	(\$122,034)	(\$43,000)	\$7,002	\$114,700				
Taxable Income - Water (2)	101,370	261,807	257,212	300,100	299,695	200,000	277,796				

SOURCE: BURTON & ASSOCIATES CHDATALIZENCUTESTIN-ZFAMESSOC.WKG

For simplety, leastly become is estudated expensively for water and westerooter, however, the tex return would be their on a executated basis. Furthermore, tamble income is not allowed to go regality in this model for vector or westerooter. Regular texable become in either system sould offset tamble income in the other system and a not regular texable income would result in tax credits that could potentially be carried forward or back.

# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM Water O&M Expense Projections - Based on Debbie Swain's Analysis

### Scenario 2b - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 60% Debt / 40% Equity

4	ERCs	<u>1999</u> 5,506	<u>2000</u> 5,763	<u>2001</u> 6,043	<u>2002</u> 8,779	2003	200 <u>4</u> 8,335	<u>2005</u> 9,160	2006	2007	2008	2009
2	Inflationary Multiplier		0,/63	6,043	5,779	7,542	8,330	V,10U				
2	инаволагу мопериог	1.50%	1.50%	1.50%	1,50%	1.50%	1.50%	1.50%				
3	Salaries and Wages - Employees	NA.	NA	NA.	0	0	0	0				
- 4	Salaries and Wages - Officers	NA NA	NA.	NA.	0	0	0	0				
5	Emp Pensions & Benefits	NA.	NA.	NA NA	0	0	C	0				
6	Purchased Water	NA NA	NA.	NA	111,643	126,101	141,482	157,866				
7	Purchased Power	NA.	NA.	NA	849	959	1,075	1,200				
8	Fuel for Power Production	NA	NA.	NA	0	0	0	. 0				
9	Chemicals	NA	NA.	NA.	4,243	4,793	5,377	6,000				
10	Materials & Supplies	NA	NA.	NA.	3,536	3,994	4,481	5,000				
11	Contr Svcs- Engineering	NA.	NA	NA	7,168	7,277	7,388	7,500				
12	Contr Svcs- Acct	NA.	NA	ŇÁ	4,301	4,366	4,433	4,500				
13	Contr Svcs- Legal	NA	NA	ŇA	2,867	2,911	2,955	3,000				
14	Contr Svcs- Mgt Fees	NA	NA.	ÑĀ	52,562	53,362	54,175	55,000				
15	Contr Svcs- Other	NA	ŇA	ÑĂ	60,637	61,561	62,498	63,450				
16	Rental of Bidg / Real Prop	NA	NA	ÑĀ	11,468	11,643	11,820	12,000				
17	Rental of Equip	NA.	NA	ŇĀ	,	,	,0.20	1700				
18	Trens Exp	NA	NA.	ÑÃ	ŏ	ň	ŏ	ň				
19	Insurance - Vehicle	NA.	ŇA	ÑÃ	ŏ	ŏ	ŏ	ŏ				
20	ins Gen Lisb	NA	NA.	ÑĀ	390	440	494	551				
21	Insurance - Work Comp	NA	NA	ÑĀ	143	146	148	150				
22	Insurance - Other	¹- NA	NA	NA	475	536	601	671				
23	Advertising Exp	NA	NA	NA.		~~	ò	¥ŏ				
24	Reg Comm Exp - Rate Case	NA	NA	ÑĀ	ň	ň	ŏ	ň				
25	Reg Comm Exp - Other	NA.	NA	ÑĀ	ō	ň	Ď	ŏ				
26	Bad Debt Exp	NA.	NA.	ŇÁ	ŏ	ň	ň	ŏ				
27	Misc Exp	NA.	NA	NA.	707	799	896	1,000				
28	Total C&M - Nocates Svc Area	0	0	0	260,988	278,886	297,824	317,888		·····		
		•	•		,	,	,0	J,000				

SOURCE: BURTON & ASSOCIATES CADATA1123NCUATESTIM-24FAMS5300,WK4

05/31/2000

## INTERCOASTAL UTILITIES WATER & SEWER SYSTEM PRO-FORMA INCOME PROJECTIONS - SEWER SYSTEM

Scenario 2b - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 60% Debt / 40% Equity

	Antoni	Projected	Prological	Prejected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Sewer	1000	2008	2001	2002	2003	2004	2005	2006	2007	2008	2000
Reserves	_	_	_	_			_				
Rate Revenue:											
Rate Revenue	81,997,770	\$1,997,770	\$2,177,670	82,373,561	\$2,003,218	83,462,110	83,623,236				
Growth Percentage	NA.	9,00%	9.00%	22,3/3,561	18,91%	10.51%	14.74%				
Rate Revenue from Growth	~	179,799	196,981	\$29.667	548,803	500,840	619,197				
Rate Revenue Prior to Rate Adjustment	\$1,997,770	\$2,177,570	32 373 33	\$2,003,218	83.462.110	\$4,021,969	84,042,433				
Percentage Rate Increese	0.00%	0.00%	0.00%	9.00%	0.00%	-12.40%	-13.36%				
Rate Revenue from Rate Adjustment	B		0	A	0	(498.723)	(540,942)				
Total Rate Revenue	\$1,907,770	\$2,177,870	82,373,561	\$2,903,218	\$3,462,110	83,823,236	\$3,501,401				
Other Revenue											
Other Revenue Mas. Revenue	••						**				
Other Revenue	\$0 0	80	\$0	10	\$ <u>0</u>	10	10				
Total Other Revenue	30	30-	30	30	- <u>să</u>	30	<del></del>				
Tatal November	81,997,770	\$2,177,870	\$2,373,361	82,803,218	53,482,110	83,823,238	\$3,501,491				
	**,***	42,177,B7U	84,079,001	\$2,803,218	\$3,402,110	*3,023,230	93,001,401				
Expenses:											
Additional CRIA Mindows Bus Assa											
Additional O&M - Western Bus Area	\$0	10	\$0	\$408,540	8474,933	\$547,808	\$624,822				
Operating Expenses-Eastern Sve Area Rate Case Expense	\$1,196,116	\$1,402,431	\$1,550,953	\$1,600,742	\$1,764,160	\$1,863,416	\$1,980,017				
Rate Case Expense Franchise Fee- PSC	56,006	66,005	56,008	\$8,006	62,247	NA	NA.				
	0	97,991	106,810	130,646	166,346	188,540	167,567				
Depreciation (U & U Ant Only) Amort of CIAC (U & U Ant Only)	436,254	610,276	\$27,514	641,179	621,180	645,234	647,019				
	(262,148)	(271,860)	(283,298)	(289,021)	(310,138)	(323,644)	(326,109)				
Amort of Acq Adj Yolel Expenses	0,253	6,253	0,253	6,253	0,253_	0,263	6,253				
Operating Income	\$1,432,471 \$565,260	\$1,901,097 \$274,473	\$1,966,229 \$408,322	\$2,513,334 \$340,444	\$2,763,970 \$648,140	82,407,411 3425,125	\$3,089,888 \$431,834				
	4500,200	44/4,4/4	8408,322	\$300,554	\$068,140	\$425,429	8431,634				
Non-Operating Income (Expenses):											
Non Oper Rev	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Taxes Other Then Income:	•-	•••	*-	•	•••	•••	•-				
	0	0		0	٥	0	0				
Other Taxon & Licenses	(75)	(75)	(75)	(90)	(102)	(109)	(116)	ii.			
B. 16 .			• • •	• • •	• •	• •	•				
Property Taxos:	(129,726)	(129,662)	(130,042)	(165,923)	(170,738)	(188,236)	(200,476)	l .			
Total Non Operating Expenses	(\$129,800)	(\$129,736)	-								
Het Income	\$435,460	\$146,736	(\$130,117) \$278,206	(\$186,010) \$223,465	(\$176,840)	(\$188,345)	(\$200,592	·			
Taxable Income (See worksheet for taxable income below)	\$213,813	\$140,730		\$223,800	\$511,300	\$437,480	\$231,231				
Income Texas:	4414,010	***	10	\$0	\$145,006	\$84,006	\$0				
6.50%	11,760				7 042	4.007					
34.00%	68,506	· ·	0	0	7,975 48,500	4,667 27,203	0				
Total Income Taxes	180,458	30		30	\$54,566	131,460	10				
Net After Tax Income	\$366,041	\$146,736	\$278,208	\$223,866	\$456,734	\$406,820	\$231,231				
San B		2.44,44	40.0100	7227,700	*****	*******	404 (104)				
Rate Bene	\$4,979,232	\$4,002,106	\$4,183,875	\$5,061,403	\$4,618,173	\$3,000,816	\$3,115,937				
Rate of Return Achieved											
Alcund Return	7.13%	3.10%	6.05%	4,42%	0.80%	10.24%	7.42%				
Allowed Return Amount	12.04%	7.13%	7.13%	7,34%	7.40%	7.41%	7,42%				
	\$500,500	\$328,133	1204,278	\$373,763	\$341,814	\$293,361	1231,231				
										<del></del>	
Worksheet for Taxable Income:											
trierest Expense - Total	\$400 DOS	4554 700	A ##4 # **								
Alocation Percentage to Sewer (1)	\$403,065	\$581,702	\$571,583	\$650,000	\$666,900	3441,461	\$817,325				
Alocated Interest Expense - Source	65.00%	\$6.00%	65.00%	65.00%	\$5.00%	\$6,00%	66.00%				
· · · · · · · · · · · · · · · · · · ·	221,546	319,544	314,371	377,788	386,294	367,814	330,629				
Restatement of Net Income Sefore Income Text	\$435,400	2440 700	4474.00	****							
LESS: Interest Expense - Sewer	221,646	\$146,736	\$278,206	\$223,465	\$511,300	8437,480	8231,231				
Taxable Income - Sewer (Z)	\$213,813	319,946	314,371	377,788	366,294	362,814	330,520				
	44.010		10	20	\$145,008	\$84,565	\$0				

<sup>(1)</sup> Alocation percentage based upon current water rate base as a percentage of total rate base.

<sup>(2)</sup> For simplicity, turnable income is oriculated separately for water and westewater, however, the tax return would be filed on a consolidated basis. Furthermore, taxable income is not allowed to go negative in this model for water or westewater. Negative taxable income in either system could offset taxable income in the other system and a net negative taxable income would result in tax credits that could potentially be serried forward or back.

# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM Sewer O&M Expense Projections - Based on Debbie Swain's Analysis

## Scenario 2b - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 60% Debt / 40% Equity

1 2	ERCs Inflationary Multiplier	<u>1909</u> 2,857 1.50%	2000 2,857	2001 3,114	2002 3,395	2003 4,152	2004 4,937	<u>2005</u> 6,762	2006	2007	2008	2002
-	инасска у инпорти	1.00%	1.50%	1.50%	1,50%	1.50%	1.50%	1.50%				
3	Salaries and Wages - Employees	NA.	NA.	NA	0	n	0	•				
4	Salaries and Wages - Officers	ÑĀ	ŇÄ	ŇÁ	ň	ň	ň	ň				
5	Emp Pensions & Benefits	ÑĀ	NA.	NA.	ň	ň	Ž	ž				
6	Purchased Sewage Treatment	NA	NA NA	NA NA	245,594	304,973	368,155	435,459				
7	Sludge Removal Expense	NA	NA.	ÑÃ	19,176	23,812	28,745	34,000				
8	Purchased Power	NA.	NA.	ŇĀ	282	360	423	500				
9	Fuel for Power Production	NA	NA.	NA.		~~~	7.0	~~~				
10	Chemicals	NA NA	NA.	NA.	2,820	3,502	4,227	5,000				
11	Materials & Supplies	NA	NA	ÑĀ	4,230	5,253	6,341	7,500				
12	Contr Svcs- Engineering	NA	ÑĀ	ÑĀ	4,301	4,366	4,433	4,500				
13	Contr Svcs- Acct	NA NA	NA.	NA	2,867	2,911	2,955	3,000				
14	Contr Svcs- Legal	NA.	NA	NA	52,562	53,362	54,175	55,000				
15	Contr Svcs- Mgt Fees	NA	NA	ÑĂ	60,637	61,561	62,498	63,450				
16	Contr Svcs- Other	NA.	NA	NA	11,468	11,643	11,820	12,000				
17	Rental of Bidg / Real Prop	NA NA	NA	NA	0	,	.,,,0					
18	Rental of Equip	NA NA	NA	NA	ŏ	ŏ	ŏ	ň				
19	Trans Exp	NA.	NA.	NA	Ď	ŏ	ŏ	ŏ				
20	Insurance - Vehicle	NA NA	NA.	NA	Ò	õ	Ŏ	ŏ				
21	ins Gen Liab	NA	NA	NA	405	503	607	718				
22	Insurance - Work Comp	NA NA	NA	NA	143	146	148	150				
23	Insurance - Other	NA NA	NA.	NA	1,492	1,852	2,236	2,645				
24	Advertising Exp	NA NA	NA.	NA	0	. 0	0	0				
25	Reg Comm Exp - Rate Case	NA.	NA	NA	0	Ö	Ō	Ö				
26	Reg Comm Exp - Other	NA NA	NA	NA NA	0	0	Ó	Ō				
27	Bad Debt Exp	NA	NA.	NA NA	0	Ó	Ō	Ŏ				
26	Misc Exp	NA	NA.	NA	564	700	845	1,000				
29	Total O&M - Nocates Svc Area		0	Ö	406,540	474,933	547,508	624,922				

SOURCE: BURTON & ASSOCIATES
C:DATA:1234CLATESTWA-24FAMSS300,WKA

05/31/2000

# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM DEPRECIATION SCHEDULE - WATER

### Scenario 2b - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 80% Debt / 40% Equity

Water

Existing Asset Depreciation

=	xisting Assets		Estimated	
ᇈ	Franchises	Year	Original Cost	Life (Years)
2		1980	\$34,630	
	Structures	1982	12,748	33
3	Wells & Springs	1985	50,533	30
4	Other Pumping	1987	4,095	20
5	Pumping Equip	1990	13,536	20
	Other Water Source Plant	1985	536	25
7	Structures & Improvements	1993	35,424	33
8	Treatment	1986	992,638	22
0	Dist Reservoirs	1992	310,310	37
10	Mains	1989	3,310,401	45
11	Services	1991	745,443	40
12	Meters	1992	344.873	
13	Hydrants	1902		20
14	Other T&D		403,951	45
15	Supply Mains	1986	33,635	25
16	General	1901	1,392	35
17	Furniture	1980	2,190	33
18		1994	3,685	15
	Power Equip	1987	732	10
10	Misc Equip	1992	3,720	15
20	Acqueition	1983	187,303	40
21 To	otal Estimated Original Cost		\$6,491,776	
22 A	djustment to 1998 Annual Report Utility Plant in Service		(29,167)	1
23 To	otal Utility Plant In Service		\$6,482,609	-

	epreciation Schedule - Existing Assets	1990	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
24 =	Franchises	-										
25	Structures	\$386	\$366	\$386	\$386	\$386	\$386	\$386				
26	Wells & Springs	1,684	1,684	1,684	1,684	1,684	1,684	1,684				
27	Other Pumping	205	205	205	205							
28	Pumping Egulp	677				205	205	205				
29	Other Water Source Plant		677	677	677	677	677	677				
30	Structures & Improvements	21	21	21	21	21	21	21				
31	Treatment	1,073	1,073	1,073	1,073	1,073	1,073	1,073				
		45,120	45,120	45,120	45,120	45,120	45,120	45,120				
32	Dist Reservoirs	8,387	8,387	8,387	8,387	8,387	8,387	8,387				
33	Mains	73,564	73,564	73,564	73,564	73,564	73,564	73,564				
34	Services	18,636	18.636	18,636	18,636	18,636	18,636	18,636				
35	Meters	17,244	17,244	17,244	17,244	17,244	17,244	17,244				
36	Hydranta	8,977	8,977	8,977	8,977	8,977						
37	Other T&D	1,345	1,345	1,345	4.945		8,977	8,977				
38	Supply Mains	40			1,345	1,345	1,345	1,345				
39	General		40	40	40	40	40	40				
40	Furniture	66	66	66	66	80	86	65				
41		248	248	246	246	248	246	246				
	Power Equip	•		•		•		•				
42	Misc Equip	248	248	248	248	248	248	248				
43_	Acqueition	4,683	4.683	4,683	4,683	4,683	4,683	4,683				
44 TO	otal Existing Depreciation	\$182,603	\$182,603	\$182,603	\$182,603	\$182,603	\$182,603	\$182,603				
45 A	djustment to Reconcile to Accounting Records	3,831	3,831	3,831	3,831	3,831	3,831	3,831				
46 To	otal Existing Depreciation	\$186,434	\$186,434	\$186,434	\$186,434	\$188,434	\$188,434	¥188,434				
_			0.00, 101	#100/TOT	#100,707	#100 <sub>1</sub> 404	#100,404	#100 <sub>1</sub> 434				

SOURCE: BURTON & ASSOCIATES C:DATA122NCLATESTIM-24/AMSSIDC.WK4

# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM DEPRECIATION SCHEDULE - WATER

## Scenario 2b - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 60% Debt / 40% Equity

#### Water

#### New Asset Depreciation

			Estimated	
	New Assets	Year	Original Cost	Life (Years)
1	Pumping Equipment	2002	\$100,000	20
2	Trans and Dist Mains (Plant)	2002	1,097,247	43
3	Office Furniture and Equipment	2002	10,000	15
4	Stores Equipment	2002	5,000	18
5	Communication Equipment	2002	2.500	10
6	Organizations	2002	15,000	40
7	Water Plant- East Svc Area	2000	1,500,000	26

	ciation Schedule - New Assets	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	umping Equipment	·	•	•	•	\$2,500	\$5,000	\$5,000	\$5,000				
9 ]	rans and Dist Mains (Plant)		-		-	12,759	25,517	25,517	25,517				
	Office Furniture and Equipment	1	•	•	-	333	667	667	667				
	Stores Equipment	"4	•		-	139	278	278	278				
	Communication Equipment					125	250	250	250				
	Organizations					188	375	375	375				
	Water Plant- East Svc Area			28,846	57.692	57,692	57,692	57,692	57,692				
	CIAC Plant			2,102	4,582	12,023	12,473	12,963	13,497				
48 Total l	New Depreciation		-	\$30,948	\$62,274	\$85,759	\$102,252	\$102,742	\$103,276				
					,-··	400,100	V102,202	\$102,1°C	4100,210				
IOLA	Depreciation - Water	1.											
49 Total I	Edisting Depreciation		\$182,603	\$480 <b>6</b> 00	<b>e</b> 400 000	2400 000	0400 000	****	4400 000				
50 Total I	New Depreciation		a 102,003	\$182,603	\$182,603	\$182,603	\$182,603	\$182,603	\$182,603				
51 Total	Depreciation		F405 BA4	30,948	62,274	85,759	102,252	102,742	103,276				
			\$182,603	\$213,551	\$244,877	\$268,362	\$284,855	\$285,344	\$285,878				
52 Accur	mulated Depreciation	\$1,635,149	\$1,817,752	\$2,031,302	\$2,276,179	\$2,544,541	\$2,829,395	\$3,114,740	\$3,400,618				

SOURCE: BURTON & ASSOCIATES
C:0ATA\123VCUTESTIM-2FAM65300,WK4

# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM DEPRECIATION SCHEDULE - SEWER

### Scenario 2b - iCU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 60% Debt / 40% Equity

#### SEWER:

#### Existing Asset Depreciation

			Estimated	
	Existing Assets	Year	Original Cost	Life (Years)
- 1	Franchises	1980	\$34,630	NA.
2	Sewers-Force	1991	1,209,416	30
3	Sewers-Gravity	1989	4,843,762	45
- 4	Other	1985	75.200	40
5	Services	1991	737,204	38
6	Receiving Well	1991	459,021	30
7	Pumping Equip	1992	996,960	18
8	Structures	1986	78,871	32
9	Treat Equip	1990	1,840,940	18
10	Outfall Sewer	1987	4,941	30
11	Other Treatment	1991	13,265	18
12	Structures	1994	90,237	32
13		1981	6,241	32
14	Funiture	1966	711	15
15		1995	7,747	15
16		1983	732	12
17		1989		
18			1,589	15
19		1983	243,854	39
			\$10,645,330	
20			308,909	
21	Total Utility Plant In Service		\$10,954,239	

Depreciation Schedule - Existing Assets	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
22 Franchises	•										
23 Sewers-Force	\$40,314	\$40,314	\$40,314	\$40,314	\$40,314	\$40,314	\$40,314				
24 Sewers-Gravity	107,639	107,639	107,639	107,639	107,639	107,639	107,639				
25 Other	1,880	1,880	1,880	1,880	1,880	1,880	1,880				
26 Services	19,400	19,400	19,400	19,400	19,400	19,400	19,400				
27 Receiving Well	15,301	15,301	15,301	15,301	15,301	15,301	15,301				
28 Pumping Equip	55,387	55,387	55,387	56,387	55,387	55,387	55,387				
29 Structures	2,465	2,465	2,465	2,465	2,465	2,485	2,465				
30 Treat Equip	102,274	102,274	102,274	102,274	102,274	102,274	102,274				
31 Outfall Sewer	165	102,274	165	102,274	102,274	102,274	102,274				
32 Other Treatment	737	737	737	737	737	737	737				
33 Structures	2,820										
34 General	195	2,820 195	2,820 195	2,820	2,820	2,820	2,820 195				
35 Furniture	47		190	195	195	195	180				
36 Laboratory	516	47				***					
37 Power Equip	310	516	516	516	516	516	516				
38 Misc Equip	400			*		•	•				
39 Acquisition	106	106	106	106	106	•					
40 Total Existing Depreciation	6,253	6,253	6,253	6,253	6,253	6,253	6,253				
	\$355,499	\$355,499	\$355,452	\$355,452	\$355,452	\$355,346	\$355,348				
41 Adjustment to Reconcile to Accounting Records	4,758	4,758	4,756	4,756	4,758	4,756	4,758				
42 Total Existing Depreciation	\$360,255	\$360,255	\$360,208	\$360,208	\$360,208	\$360,102	\$360,102				

SOURCE: BURTON & ASSOCIATES C:DATA\123\CU\TESTIM-2\FAM85300.WK4

# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM DEPRECIATION SCHEDULE - SEWER

#### Scenario 2b - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 60% Debt / 40% Equity

#### SEWER:

#### New Asset Depreciation

			<b>Estimated</b>		
	New Assets	Year	Original Cost		
1 -	Organizations '	2002	\$15,000		
2	Structures and improvements	2002	257,600	32	
3	Collection Sewers - Force	2002	1,426,074	30	
4	Flow Measuring Devices	2002	50,000	5	
5	Pumping Equipment	2002	386,400	18	
6	Office Furniture and Equipment	2002	10,000	15	
7	Stores Equipment	2002	5,000	18	
8	Communication Equipment	2002	2,500		
9	WWTP Improvement East Svc Area	1999	3,343,962	22	

D	epreciation Schedule - New Assets	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
10	Organizations		•	•	•	<b>\$188</b>	\$375	\$375	\$375				
11	Structures and Improvements		•	•	•	4,025	8,050	8,050	8,050				
12	Collection Sewers - Force			•	•	23,768	47,536	47,536	47,536				
13	Flow Measuring Devices		•			5,000	10,000	10,000	10,000				
14	Pumping Equipment				•	10,733	21,487	21,467	21,467				
15	Office Furniture and Equipment					333	667	667	667				
16	Stores Equipment					139	278	278	278				
17	Communication Equipment					125	250	250	250				
18	WWTP Improvement East Svc Area		75,990	151,998	151,998	151,998	151,996	151,998	151,998				
19	CIAC Plant		,	7,022	15,309	41,374	42,875	44,512	46,297				
20 To	otal New Depreciation		\$75,999	\$159,021	\$167,307	\$237,683	\$283,496	\$285,133	\$286,917				
I	otal Depreciation - Sewer												
21 To	otal Existing Depreciation		\$360,255	\$360,255	\$360,208	\$360,208	\$360,208	\$360,102	\$360,102				
22 To	otal New Depreciation		75,999	159,021	167,307	237,683	283,496	285,133	286,917				
23 T	otal Depreciation		\$436,254	\$519,276	8527.534	2507 801	\$643,703	\$845,234	\$647,019				

24 Accumulated Depreciation

\$2,768,561 \$3,204,815 \$3,724,091 \$4,251,605 \$4,849,496 \$5,493,199 \$6,138,433 \$6,785,452

SOURCE: BURTON & ASSOCIATES
C:0ATA1123VCUATESTIM-2FAMS5300.WK4

05/31/2000



# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - WATER

#### Scenario 2b - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 60% Debt / 40% Equity

#### Water - Existing CIAC

#### **Existing CIAC**

			Estimated	
	Existing CIAC- Plant	Year	Original Cost	Life (Years)
1	Other	1989	\$29,685	30
2	Dist Reservoirs & Standpipes	1992	24,490	37
3	Transmission & Dist Mains	1968	2,685,764	45
4	Services	1990	659,129	40
5	Meters & Meter Installs	1992	181,201	20
6	Hydrants	1990	307,505	46
7	Total Existing CUC - Plant		\$3,587,777	

_	Existing CIAC - Cash	Estimated Year Original Cost	Life (Years)
- 5	Cash	1991 \$1,318,650	30
9	Total Existing CIAC - Cash	\$1,318,650	
10	Total Existing CIAC	\$5,008,427	
- 11	Adjustment to 1998 Annual Report	130,062	
12	Total Existing Clac	81 (32 (10	

Amortization of Existing CIAC											
Amortization Schedule - Existing Plant CIAC	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
13 Other 14 Dist Reservoirs & Standpipes 15 Transmission & Diet Mains 16 Services 17 Moters & Meter Instalis 18 Hydranis 19 Total Plant Amortization	\$990 662 57,461 13,978 9,060 6,833 \$88,985	\$990 652 57,451 13,978 9,060 6,833 \$88,985	\$990 662 67,461 13,976 9,060 6,833 \$88,986	\$900 662 57,461 13,978 8,060 6,833 \$35,985	\$990 862 67,461 13,978 9,060 6,833 \$88,585	\$000 562 57,461 13,976 9,060 6,833 \$88,985	\$990 662 67,461 13,978 9,060 6,833 \$88,986				
Amortization Schedule - Existing Cesh CIAC  Cash Cash Cash	\$43,966	\$43,966	\$43,955	\$43,955	\$43,965	\$43,965	\$43,955	<del></del>			

\$43,956 \$43,966 20 Cash CIAC Amortzaton \$43,955 \$43,955 \$43,965 \$43,966 22 Total Existing CIAC Amortization
23 Adjustment to Reconcile to Accounting Records
24 Total Existing CIAC Amortization \$132,940 \$10,373 \$143,313 \$132,940 \$10,373 \$143,313 \$132,940 \$132,940 \$132,940 \$132,940 \$132,940 \$10,373 \$143,313 \$10,373 \$143,313 \$10,373 \$143,313 \$10,373 \$143,313 \$10,373 \$143,313

SOURCE: BURTON & ASSOCIATES CHDATAN 23 NO LATEST MAN - 24 AMBESIOC MANA



# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - WATER

#### Scenario 2b - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 60% Debt / 40% Equity

	New CIAC												
			1222	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
		CIAC PER											
	New CIAC- Plant: Transmission & Dist Mains	Life ERC 43 \$489.63	_	\$120,761	\$131,630	£345,416	\$358,328	\$372,403	\$387,745				
ż	Services	40 \$101,55	•	\$26,113	\$28,463	\$74,690	\$77,483	\$80,526	\$83,844				
3	Meters & Motor Installs	20 \$32.91 45 \$55.85	•	\$8,463	\$9,224	\$24,205	\$25,110 \$42,613	\$26,097 \$44,287	\$27,172 \$46,111				
5	Hydrants Total New CIAC - Plant	45 \$55.85	<del></del>	\$14,361 \$169,697	\$15,664 \$184,970	\$41,077 \$485,389	\$42,613 \$503,635	8023,313	\$544,872				
				V,	• • • • • • • • • • • • • • • • • • • •								
6	New CIAC - Cash:												
7	New CIAC - Cash		•	\$60,287	\$66,713	\$172,441	\$178,887	\$185,914	\$193,573				
8	Life Yotal New CIAC - Cash	30		\$60.287	\$85,713	\$172.441	\$178,887	\$185,914	\$193,573				
			_			*							
10	Total New CIAC		•	\$229,964	\$250,683	\$657,830	\$682,422	\$700,227	\$738,445				
	Amortization of New CIAC												
	Amortization Schedule - New CIAC Assets		1999	2000	2001	2002	2003	2004	2005				
11	New CIAC - Plant Ameritzation												
12	Transmission & Dist Mains		•	\$1,404	\$3,061	\$8,033	\$5,333	\$8,661	\$9,017				
13 14			•	\$326 \$212	\$712 · \$461	\$1,867 \$1,210	\$1,937 \$1,256	\$2,013 \$1,305	\$2,096 \$1,359				
15	Hydrants		•	\$160	\$348	\$913	\$947	\$984	\$1,025				
15	Total New CIAC - Plant Amortization		•	\$2,102	\$4,582	\$12,023	\$12,473	<b>512,963</b>	\$13,497				
	New CIAC - Cash Amortization			\$1,005	\$2,190	\$5,748	\$5,963	\$8,197	\$6,452				
17	Total New CIAC - Cash Amortization		-	\$1,005	\$2,190	\$5,748	\$5,963	\$6,197	\$6,462				
18	Total New CIAC Amortization		•	\$3,107	\$6,772	\$17,771	\$16,436	\$18,160	\$19,949				
	· · · · · · · · · · · · · · · · · · ·												
	Summary of CIAC & CIAC Amortization	-Water											
	CIAC	Existing 1996	1996	2000	2001	2002	2003	2004	2006				
	Total Existing CIAC	\$5,136,489											
20 21		\$5,135,489	\$5,136,489	\$229,984 \$5,366,473	\$260,683	\$657,830 \$6,274,986	\$682,422 \$8367,408	\$700,227 \$7,666,636	\$738,445 \$8,405,080				
٠.		4-1 sami sea	#41 100140B	<del></del>	40,011,101	12,00	40,001,1400	±1/manlang	70,100,000				
22	CIAC Amortization Total Edisting CIAC Annual Amortization		F//414/					*****	\$143,313				
23			\$143,313	\$143,313 3,107	\$143,313 6,772	\$143,313 17,771	\$143,313 18,435	\$143,313 19,160	\$143,313 19,949				
24	Total CIAC Annual Amortization - Water	·	\$143,313	\$145,419	\$150,085	\$161,084	\$161,748	\$182,473	\$163,262	<u> </u>			
25	Accumulated CIAC Amortization	\$1,078,706	81,222,018	\$1,368,437	\$1,510,522	\$1,679,806	81,841,365	\$2,003,827	82,167,088				
		* 'B	·	7 .,	4.10.000	V 1/21 OFFICE	4 -1 1 -1		44,3,420				

SOURCE: BURTON & ASSOCIATES C:DATAX1234CUATESTIM-2YAMBESOCIATA



# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - SEWER

### Scenario 2b - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 60% Debt / 40% Equity

#### Sewer - Existing CIAC

#### Existing CIAC

	Existing CIAC - Plent	Year	Estimated Original Cost	Life (Years)
- 1	Oher	1992	\$73,504	35
2	Sewers - Force	1989	860,756	30
3	Sewers - Gravity	1988	3,717,756	46
4	Other - Collecting	1985	62,148	40
5	Barvices	1990	661,347	38
6	Structures	1997	6,500	32
7	Receiving Well	1991	247,738	30
8	Pumping Equipment	1990	501,274	18
9	Total Existing CIAC - Plant	1880	\$8,030,111	10

Existing CL 10 Cash		Estimated Year Original Cost 1992 \$2,386,734	Life (Years)
Total Exist	ng CIAC - Caeh	\$2,386,734	
11 Total Exist	ng CIAC o 1998 Annual Report	\$8,416,845	
13 Total Exist		185,922 \$8,602,767	

#### Amortization of Existing CIAC

44	Amortization Schedule - Existing Plant CIAC . Other	1999	2000	2001	2002	2003	2004	2006	2006	2007	2008	2009
- 12	Sewers - Force	\$2,453	\$2,453	\$2,453	\$2,453	\$2,453	\$2,453	\$2,453				
14	Sewers - Grevity	28,692	28,692	28,692	28,592	28,692	28,692	28,692				
17		82,617	82,617	82,617	82,517	82,617	82,617	82,617				
!!	Other - Colecting	1,654	1,554	1,564	1,564	1,554	1,554	1,554				
18	Services	14,772	14,772	14,772	14,772	14,772	14,772	14,772				
19	Structures	172	172	172	172	172	172	172				
20	Receiving Weil	8.258	8,258	8,258	8,258	8,258	8,258	8,258				
21	Pumping Equipment	27.849	27,849	27,849	27,849	27,849	27,849	27,849				
22	Total Part Amortzation	\$166,366	\$168,368	\$165,365	\$166,368	\$166,366	\$166,366	\$166,366				

Amortization Schedule - Existing Cash CIAC 23 Cesh								
24 Total Cash CIAC Americation	\$79,558	\$79,558	\$79,558	879,558	\$79,558	879,558	\$79,568	 
24 THE CONTINUE MICHESTON	\$79,558	\$79,55\$	\$79,565	\$79,568	\$79,558	\$79,558	\$79,558	 
26 Total Existing CIAC Ameritzation 26 Adjustment to Reconcile to Accounting Records 27 Total Existing CIAC Ameritzation	\$245,924 \$16,224	\$245,924 \$16,224	8245,924 \$16,224	\$245,924 \$16,224	\$245,924 \$16,224	\$245,924 \$16,224	\$246,924 \$16,224	
e out mound over visioustation	*\$262,748	3282.148	1212.148	1202.148	1262.148	1989 340	E20 100	 **

SOURCE: BURTON & ASSOCIATES C:OATAM 23 WCLATEST NA-25 AMSESSOCIANG



# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - SEWER

#### Scenario 2b - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 60% Debt / 40% Equity

#### New CIAC

March   Use   Class   State				1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Beneral-New   12   12   12   13   14   15   15   15   15   15   15   15		Name Old Co. Blands												
2 Beneri - Force   30   \$201-23   \$177.72   \$844.44   \$222.22   \$258.500   \$246.258   \$25.578   \$1.00.0000   \$1.00.0000   \$1.00.0000   \$1.00.0000   \$1.00.0000   \$1.00.0000   \$1.00.0000   \$1.00.0000   \$1.00.0000   \$1.00.0000   \$1.00.0000   \$1.00.0000   \$1.00.0000   \$1.00.0000   \$1.00.0000   \$1.00.0000   \$1.00.0000   \$1.00.0000   \$1.00.0000   \$1.00.00000   \$1.00.00000   \$1.00.00000   \$1.00.00000   \$1.00.00000   \$1.00.00000   \$1.00.00000   \$1.00.000000   \$1.00.000000   \$1.00.000000   \$1.00.0000000   \$1.00.000000000000000000000000000000000	1			•	\$5,060	26,637	\$17,936	\$18.567	819,297	\$20,071				
## 1984-04   1984-05   198	Ź	Sewers - Force		•			\$228,222	\$236,506						
Princip State   16	3			•										
Us	•			•	850,524			\$154,239						
New CAAC - Cambr	•	Life .		*										
Note CAC Cash   \$180,786   \$175,225   \$473,886   \$440,787   \$500,254   \$520,944     Total New CAC   \$180,786   \$175,225   \$473,886   \$440,787   \$500,254   \$520,944     Total New CAC   \$180,786   \$7182,255   \$473,886   \$440,787   \$500,254   \$520,254     Total New CAC   \$180,786   \$7182,255   \$473,886   \$440,787   \$500,254   \$520,254     Total New CAC   \$180,886   \$200	7			•	\$513,818	\$560,050	\$1,513,636	\$1,568,580	\$1,626,466	\$1,663,743				
10   10   10   10   10   10   10   10				_	\$160 786	8175 216	8473 508	\$400.787	8509.524	\$579,948				
## Total New CIAC  ## Service Striptowners  ## Strip		Life	30			•	•	*	•	*				
Amortization of New GIAC  Amortization fichedule - Horu CIAC Assets  1989 2000 2001 2002 2003 2004 2005 2008 2007 2008 2008  10 New CIAC - Pinet Amortization  11 Rever CIAC - Pinet Amortization  12 Revers - Force				•										
## CAC- Pent Amortization ## CAC- Pent Amort	11	Total New CIAC		•	\$674,521	\$735,294	\$1,967,234	\$2,054,366	<b>\$2,137,961</b>	\$2,223,691				
New CAC Plant Amontization   15		Amortization of New CIAC												
Service - From   Service - From   Service - Service   Service -		Amortization Schedule - New CIAC Assets		1999	2000	2001	2002	¢ 2003	2004	2005	2008	2007	2008	2002
Severs - Force   .   1,291   \$2,815   \$7,807   \$7,844   \$8,105   \$8,215   \$8,215   \$8,215   \$8,215   \$8,215   \$8,215   \$8,105   \$8,21,805   \$8,21,805   \$2,27,00   \$2,27,57   \$2,451   \$1,505   \$1,241   \$4,355   \$1,505   \$1,241	12	New CIAC - Plant Amortization	i i											
15   Bervers - Gravity					\$95	\$207	\$561	3581						
Best   Services   Se				•										
17   Pumping Equip				•										
18 New CIAC - Plant Amortization - \$7,022 \$15,339 \$41,374 \$42,875 \$44,587 \$44,587 \$18,480 \$15,865 \$17,865 \$17,665 \$17,				•										
18   New CIAC Cash Amortization   - \$2,879										\$0,202				
Total New CIAC Amortization   \$2,878   \$5,941   \$15,787   \$16,380   \$16,384   \$17,865	••			•	47,024	610,200	94154	442,010	***,014	********				
20 Total New CAC Ameritzation - \$88,762 \$21,150 \$57,160 \$66,236 \$81,487 \$523,652  Summary of CIAC & CIAC Ameritzation - Sewer  CIAC Existing CAC Existing 1988 1980 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009  21 Total Estiming CAC \$8,802,767 \$8,207,734 \$10,012,662 \$11,606,276 \$14,052,243 \$16,107,233 \$16,420,824  23 Total Accumulated CIAC - Sewer \$8,802,767 \$8,207,734 \$10,012,662 \$11,606,276 \$14,052,243 \$16,107,233 \$16,420,824  CIAC Ameritzation \$262,146 \$262,14			1,	•	\$2,679									
Summary of CIAC & CIAC Amortization - Sewer  CIAC Edeting 1988 1989 2000 2001 2002 2003 2004 2005 2008 2007 2008 2008  Total Residing CIAC \$4,502,767 \$4,502,767 \$82,777,348 \$10,012,842 \$11,969,876 \$14,059,243 \$16,197,233 \$16,197,233 \$16,20,284  CIAC Amortization  \$1,802,767 \$82,777,348 \$10,012,842 \$11,969,876 \$14,059,243 \$16,197,233 \$16,20,284  CIAC Amortization  \$1,802,148 \$282				•	\$2,679	** \$5,841 **	\$15,787	\$16,360	\$16,984	\$17,665		•		
CIAC   Editing 1988   1989   2000   2001   2002   2003   2004   2006   2008   2007   2008   2009	20	Total New CIAC Amerization			\$9,702	\$21,150	\$57,100	\$59,235	\$61,497	\$63,862				
Total Esisting CAC   SESSING			ization - Sewer	· .			<u>.</u>				••			
22 Total New CIAC - 874.581 735.294 1,967.234 2,059.366 2,137.991 2,223.691 23 Total Accumulated CIAC - Sever 88,802,767 88,802,767 89,277,348 810,012,642 811,909,245 816,1059,243 816,107,233 816,420,924  CIAC Amountation 24 Total Esisting CIAC Annual Amortization 8282,144				1999	2000	2001	2002	2003	2004	2006	2004	2007	2006	2008
23 Total Accumulated CAC - Sever \$8,802,787 \$9,277,348 \$10,012,642 \$11,369,276 \$18,107,233 \$18,107,233 \$18,420,624 \$  CIAC Amentication  24 Total Estating CAC Annual Ameritzation  25 Total New CIAC Annual Ameritzation  26 Total CAC Annual Ameritzation  27 Accumulated CAC - Sever \$1,850,277,348 \$282,148 \$282,			88,602,767				4 445 544							
24   Total Estating CIAC Annual Amortization   \$262,148   \$262,1			\$8,802,767	\$8,602,767										
24   Total Estisting CIAC Annual Amortization   \$282,148   \$282,		CIAC Amortization												
25 Total New CIAC Annual Amortization - 9,702 21,150 57,160 59,235 61,497 63,962 26 Total CIAC Annual Amortization - 81,836,237 82,196,386 82,476,234 82,763,532 83,197,867 84,843,977  27 Accumulated CIAC Amortization 81,836,237 82,196,386 82,476,234 82,763,532 83,872,846 83,384,223 83,717,867 84,843,977  **Total Water & Sewer**  26 Total Existing CIAC Annual Amortization - Water & Sewer**  27 Accumulated Amortization - Water & Sewer**  28 Total Existing CIAC Annual Amortization - Water & Sewer**  29 Total New CIAC Annual Amortization - Water & Sewer**  20 Total New CIAC Annual Amortization - Water & Sewer**  27 Total New CIAC Annual Amortization - Water & Sewer**  28 Total Residence CIAC Annual Amortization - Water & Sewer**  29 Total New CIAC Annual Amortization - Water & Sewer**  20 Total New CIAC Annual Amortization - Water & Sewer**  20 Total New CIAC Annual Amortization - Water & Sewer**  21 Total New CIAC Annual Amortization - Water & Sewer**  29 Total New CIAC Annual Amortization - Water & Sewer**  20 Total New CIAC Annual Amortization - Water & Sewer**  20 Total New CIAC Annual Amortization - Water & Sewer**  21 Total New CIAC Annual Amortization - Water & Sewer**  22 Total New CIAC Annual Amortization - Water & Sewer**  23 Total New CIAC Annual Amortization - Water & Sewer**  24 Total New CIAC Annual Amortization - Water & Sewer**  25 Total New CIAC Annual Amortization - Water & Sewer**  26 Total New CIAC Annual Amortization - Water & Sewer**  27 Total New CIAC Annual Amortization - Water & Sewer**  28 Total New CIAC Annual Amortization - Water & Sewer**  29 Total New CIAC Annual Amortization - Water & Sewer**  20 Total New CIAC Annual Amortization - Water & Sewer**  27 Total New CIAC Annual Amortization - Water & Sewer**  28 Total New CIAC Annual Amortization - Water & Sewer**  29 Total New CIAC Annual Amortization - Water & Sewer**  20 Total New CIAC Annual Amortization - Water & Sewer**  20 Total New CIAC Annual Amortization - Water & Sewer**  28 Total New CIAC Annual Amortization - Water & Sewer**	24			2262 144	\$363 146	\$282 148	\$363 444	2262 144	\$363 144	5367 145				
26 Total CIAC Annual Amerization - Sever \$282,148 \$271,850 \$283,298 \$319,368 \$321,383 \$325,644 \$326,108  27 Accumulated CIAC Amerization \$1,834,237 \$2,194,385 \$2,478,234 \$2,763,532 \$3,872,848 \$3,384,223 \$3,717,867 \$4,843,877  Total Water & Sewer \$405,461				***************************************										
Total Water & Server  26 Total Estating CIAC Annual Ameritzation - Water & Server  5405,481 8	26	Total CIAC Annual Amortization - Sewer		\$262,148										
26 Total Existing CIAC Annual Amortization - Water & Sewer \$405,481 \$405,48	27	Accumulated CIAC Amortization	\$1,834,237	\$2,196,365	\$2,470,234	\$2,763,532	\$3,072,840	\$3,364,223	\$3,717,867	\$4,843,377				
29 Total New CIAC Annual Amortization - Water & Sewer - 12,808 27,822 77,871 80,656 83,911														
tales tales tales asist														
				\$405,481										

SOURCE: SURTON & ASSOCIATES C:DATANIZHCIATESTNI-SYAMSSINCHIA



# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM RATE BASE

### Scenario 2b - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 60% Debt / 40% Equity

		1200	2000	2001	2002	2002	2004	2005	2006	2007	2008	2009
1	Water Percent Contributed	84%	66%	68%	61%	00%	71%	70%				
2	Utility Plant in Service	86,462,609	\$8,132,306	\$8,317,276	\$10,032,412	\$10,535,947	\$11,059,280	\$11,604,132				
3	Include Construction Work in Progress?	0	0	0	0	0	0	0				
4	Less: Accumulated Depreciation	(1,817,752)	(2,031,302)	(2,276,179)	(2,544,541)	(2,829,395)	(3,114,740)	(3,400,618)				
5	Utility Plant in Service less Accum Depr.	\$4,844,857	\$8,101,004	\$8,041,008	\$7,487,872	\$7,705,552	\$7,944,521	\$8,203,514				
6	Lees: Accumulated CIAC	(5,136,489)	(5,366,473)	(5,617,157)	(6,274,986)	(6,957,406)	(7,666,636)	(8,405,060)				
7	Plus: Accumulated Amortization of CIAC	1,222,018	1,368,437	1,518,522	1,679,506	1,841,355	2,003,827	2,167,089				
	Net Utility Plant in Service	\$730,386	\$2,102,968	\$1,942,463	\$2,892,492	\$2,590,499	\$2,281,713	\$1,965,524				
9	Plus or Alinus:											
10 11	Acquisition Adjustments Accumulated Amort of Acq Adjustments	\$187,303	\$187,303	\$187,303	\$187,303	\$187,303	\$187,303	\$187,303				
12		(77,263)	(81,946)	(86,629)	(91,312)	(96,996)	(100,678)	(105,361)				
13	Working Capital Allowance 12.50% of O&M Other	93,517	96,317	99,250	103,759	106,236	112,704	117,185				
14	Net Utility Plant in Service		0		0	0	<u>D</u>					
14	har could break at desiring	\$933,343	\$2,304,842	\$2,142,387	\$3,00 <u>2,242</u>	\$2,750,042	\$2,481,042	\$2,184,861				
15	U&U Percentage	100.00%	61.81%	66,12%	55,17%	60.36%	65.79%	71.48%				
16	Rate Base	\$933,943	\$1,424,518	\$1,395,099	\$1,706,058	\$1,684,177	\$1,632,156	\$1,546,787				
17	Sewer: Percent Contributed	58%	61%	65%	63%	71%	78%	84%				
18	Utility Plant in Service	\$14,298,201	\$14,812,017	\$15,372,076	\$19,038,288	\$20,606,867	\$22,235,334	\$23,929,077				
19	Include Construction Work in Progress? NO	0	0	0	C.0,000,000	0	0	0				
20	Less: Accumulated Depreciation	(3,204,815)	(3,724,091)	(4,251,605)	(4,849,496)	(5,493,199)	(6,138,433)	(6,785,452)				
21	Utility Plant in Service less Accum Depr.	\$11,093,386	\$11,087,926	\$11,120,470	\$14,188,792	\$15,113,668	\$16,096,901	\$17,143,625		***		<del></del>
22	Less: Accumulated CIAC	(8,602,767)	(9,277,348)	(10,012,642)	(11,999,876)	(14,059,243)	(16, 197, 233)	(18,420,924)				
23	Plus: Amortization of CIAC	2,198,385	2,470,234	2,753,532	3,072,840	3,394,223	3,717,867	4,043,977				
24	Net Utility Plant in Service	\$4,689,004	\$4,280,812	\$3,861,360	\$5,261,756	\$4,448,649	\$3,617,534	\$2,766,677	<del></del>			
25	Plus or Minus:											
26	Acquisition Adjustments	\$243,854	\$243,854	\$243,854	\$243,854	\$243,854	\$243,854	\$243,854				
27 28	Accumulated Amort of Acq Adjustments Working Capital Allowance 12,50% of Other	(103,015)	(109,112)	(115,209)	(121,306)	(127,403)	(133,499)	(139,596)				
28	Working Capital Allowance 12.50% of O&M	149,389	186,554	193,869	207,593	220,519	232,927	246,002				
30	Hel Utility Plant in Service	0	0	0	0	0	0_	0				
31	·	\$4,870,232	\$4,002,108	\$4,183,878	\$5,501,887	\$4,785,818	\$3,540,516	\$3,116,837				
32	U&U Percentage	100.00%	100.00%	100.00%	90,51%	96,50%	100,00%	100,00%				
33	Rate Base	\$4,979,232	\$4,602,108	\$4,183,875	\$5,061,493	\$4,618,173	\$3,960,816	\$3,115,937		<del></del>	<del> </del>	



## INTERCOASTAL UTILITIES WATER & SEWER SYSTEM UTILITY PLANT IN SERVICE - WATER & SEWER

Water

		Estimated Original Cost in Svs	Date	1802	1202	2000	2001	2002	2002	2004	2006	2205	2007	2000	2002
1 2 3 4 8 6 7	New Assets per CIP: Pumping Equipment Trans and Diet Mains (Plant) Office Furniture and Equipment Stores Equipment Communication Equipment Organizations Water Plants East Svc Area Yotal Uliking Plant in Service (pict include	\$100,000 1,097,247 10,000 8,000 2,500 15,000 1,500,000	2002 2002 2002 2002 2002 2002 2002	\$6.442.600	58,482,808 <sup></sup>	1,500,000 \$7,982,609	\$7,962,808	\$100,000 \$1,007,247 10,000 \$,000 2,500 15,000	16 187 14	\$0,102,36 <b>6</b>	86 (67 MA)				
10 11 <b>T</b> C	New Plant Assets per CIAC: How Plant Assets (CIAC) Total New Plant Assets (CIAC) Stal Water Utility Plant in Service	ng cocu		\$0 \$6,462,000	\$0 \$0 \$0 \$6,462,600	\$160,667 \$160,667 \$6,132,308	\$184,970 \$354,667 \$8,317,276	\$485,389 \$840,084 \$10,032,412	\$503,636 \$1,343,591 \$10,636,947	\$623,313 \$1,866,804	\$544,872 \$2,411,776		· · ·		

Sewer:

		Estim	ated Original Cost	in Svc Date	1998	1996	2000	2001	2002	2002	2004	2006	2005	200T	2008	2008
	How Assets per CIP:															
12	Organizations	3.1	\$15,000						\$15,000							
13	Structures and improvements		267,600						\$257,600							
14	Collection Sewers - Force		1,426,074	2002					1426074							
15	Flow Measuring Devices		\$0,000	2002					50000							
16	Pumping Equipment		386,400	2002					385400							
17	Office Furniture and Equipment		10,000						10000							
18	Stares Equipment		5,000						8000							
19	Communication Equipment		2,500						2500							
20	WWTP Improvement East Svp Area		3,343,902			3 343 962										
21	<b>Yotal Utility Plant in Service (not including</b>	يلاع ق	3)		110,964,230	\$14,294,201	814,294,201	114,264,261	\$16,450,778	\$15,450,775	816,460,775	\$16,450,775				
	· · · · · · · · · · · · · · · · · · ·		•		***************************************	**********	• • • • • • • • • • • • • • • • • • • •	,	***********							
	How Plant Assets per CIAC:															
22	New Plant Assets (CIAC)					\$0	\$513,810	\$500,059	\$1,513,638	\$1,558,580	\$1,628,466	\$1,693,743				
23	Total New Plant Assets (CIAC)				80	30	\$513,816	81,073,876	\$2,587,513	\$4,156,002	\$5,784,560	\$7,478,302				
	,				•••	•••	***************************************	0.,0.0,0.0	44,000,1000	4 11 10-10-0	00,100,1000	4.,				

24 Total Sewer Utility Plant in Service

\$10,864,230 \$14,298,201 \$14,812,017 \$16,372,076 \$19,038,288 \$20,608,867 \$22,236,334 \$23,929,077

SOURCE: BURTON & ASSOCIATES CHOATA129NOUTESTRI-29FAMSSIOUWA

#### INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CAPITAL IMPROVEMENTS PROGRAM

#### Scenario 2h - ICU Water and Sewer Rates with Nocates's JEA Wholesale Plan - 60% Debt / 40% Equity

	AMOUNT		e	1		INCOME AND											
	DEST		70 000		*****	CARACITY											
PROJECT TOTAL	FUNDED PRO		STRUCT			(460)	1998	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Water																	
\$100,000		ment 200	2 12	60%	20	2.00				100,000							
1,087,247			2 12	80%	45	2.00 0.00				1,007,247							
1 10,000			2 12	60%	15	0.00		·		10,000			<del></del>				
5,000				80%	18	0.00				5,000		-					
2,500				60%	10	0.00				2,500							
15,006				60%	40	0.00				15,000							
1,500,000	1,500,000 Water Plant-	ast Svc Area 200	0 24	100%	26	1.93		1,500,000									
\$2,725,747																	
SEWER	<del> </del>																
w \$15,000	\$8,000 Organizations	200	2 12	60%	40	0.00				45.000							
11 257,600			2 12			0.00				15,000							
17 1,426,074				60%	34	0.00				257,600							
9 \$0,000				60%	- 30	0.00				1,426,074							
14 356,400		ment 200			- 48	1.00				50,000 386,400							
					10					386.400							
H 10,000	6.000 Office Furnitur	e and Equipment 200	2 12	R/AZ	46	7 77											
4 10,000 4 8,000				60%	16	0.00				10,000							
W 8,000	3,000 Stores Equipm 1,500 Communicatio	ent 200 n Egyloment 200	2 12	60%	18	0.00				10,000 5,000							
W 8,000	3,000 Stores Equipm 1,500 Communicatio 3,343,962 WWYP Improv	ent 200	2 12 2 12		15 18 10		3,343,962			10,000							

\$1,343,942 \$1,500,000

\$0 \$1,342,321

SOURCE BLITTON & ASSOCIATES / PROLI

- \$8,224,283 \$8,228,283 YOTAL WATER AND SENSE

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# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM USED AND USEFUL

## Scenario 2b - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 60% Debt / 40% Equity

		1999	2000	2001	2002	2003	2004	2006	2006	2007	2008	2009
1	Water											
2	Capacity											
3	Capacity in ERC's	5,057	5,057	10,571	10,571	16,286	16,286	16,286				
4	Additional Capacity in ERC's	0	5,514	0	5,714	0	0	0				
5	Total Capacity	5,057	10,571	10,571	16,285	15,285	16,286	16,286		•		
6	Connection / Growth											
7	Connections in ERC's	5,506	5,506	5,763	6,043	6,779	7,542	8,335				
8	Annual Growth Percent	0.00%	4.67%	4.86%	12,17%	11.26%	10.51%	9.91%				
9	Additional Units	0	257	280	736	763	793	826			_	
10	Total Connections	5,506	5,763	6,043	6,779	7,542	8,335	9,160				
11	Raw U & U Percent	108.87%	54.51%	57.16%	41.62%	46.31%	51.18%	56.25%				
12	PLUS: Margin Reserve 36 Mos.	0	771	841	2,207	2,289	2,379	2,477				
13	Total Connections plus Margin Reserve	5,508	6.534	6.884	8.985	9.831	10,714	11,637		<del></del> -		<del></del>
14	U & U Percent	100.00%	61.81%	65.12%	55.17%	60.36%	65.79%	71.46%				
15	SEWER:											
16	Capacity											
17	Capacity in ERC's	2,857	5,357	5,357	5,357	8,929	8,929	8,929				
18	Additional Capacity in ERC's	2,500	0	0	3,571	0	0	0				
19 20	Total Capacity	5,357	5,357	5,357	8,929	8,929	8,929	8,929				
21	Connection / Growth											
22	Connections in ERC's	2,857	2.857	3,114	3,395	4.152	4,937	5.752				
22 23	Annual Growth Percent	0.00%	9.00%	9.00%	22.32%	18.91%	16.51%	14.74%				
24	Additional Units - Eastern Service Area	<del>0.00 A</del>	257	280	306	333	363	396				
25	Additional Units - Western Service Area	ŏ	20,	200	452	452						
26	Additional Units - Total	<del>- 5</del>	257	280	758	785	452 815	452 848				
27	Impuled ERC's from 1998 Rate Case	<u> </u>	201		700	700	010	040				
28	Eastern Service Area Only	5,357	5,357	5,357	5,357	6,357	E 257	5,357				
29	Total Connections	5,357	5,357	5,357	5,809	5,357 5,261	5,357 6,713	7,165				
30		0,001	0,001	2,001	0,000	0,201	0,713	7,100				
31	Raw U & U Percent	100.00%	100.00%	100.00%	65.06%	70.12%	75,19%	80.25%				
32	PLUS: Margin Reserve 36 Mos.	0	771	841	2.273	2.355	2,445	2.543				
33	Total Connections plus Margin Reserve	5,357	5,357	5,357	8,082	8,616	8,929	8,929				
34	U & U Percent	100.00%	100.00%	100.00%	90.51%	96.50%	100.00%	100.00%				

SOURCE: BURTON & ASSOCIATES

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#### Scenario 2h - ICII Water and Sewer Rates with Hocatee's JEA Wholesale Plan - 60% Debt / 40% Equity

				_		PY	N#				EY34	00		
Leader 1 Pirat Union Senio	Orig Lean Amount C	irja Laun Dule	Termle	larest Rote	Beginning Balance	Principal	injered EMO/ABA	tine.	ook of Capter Cale 8278,837	Registring Relation \$3,830,446	Principal	bijereet \$123,827	Balance	Colo
2 Plantation Developers - WTP	2003,400	01/01/06	20	7,27%	\$3,835,A45 \$06,844	18,365	44,914	\$3,535,446 \$67,479	46,050	\$3,830,440 \$67,479	302,264	45,454	\$3,743,102 646,636	43,403
3 Plantation Developers-Unit 8	94,051	12/23/94	20	7.44%	84,460	10,550	7.443	84,460	7.515	94,650	20,843 2,016	7,443	82,435	7.365
4 Creamends Land Ltd. Sesside Ut 2	109,536	12/23/94	20	7.54%	100,002	2,867 3,257	7,000	87,145	7.713	97,145	2,179	7,766	83,066	7,461 8,762 8,382 2,533 21,800
5 Creenveds Land Ltd- Sesside Ut 3 6 TAW Nursery, Inc.	128,650	03/20/96	20	7.00%	121,143	3,257	0.331	117,006	9,030 8,501	117,306	3,483	8,005	114,303	8,762
7 BAT of Poin Voley - Tom West	112,847 40,147	12/23/94 04/30/96	22	7.84% 7.07%	110,061	2,450 1,063	0,820 2,702	100,201 36,954	0,301	108,201 36,864	2,635 1,123	6,641 2,632	106,566 35,831	9.552
6 Odoma Mili Ltd.	324,832	09/25/95	20	7.00%	324,938	4.440	22,733	120,444	22,433	320,400	8.061	22,364	312.417	21,860
9 March Cutos	94,517	04/09/96	20	6.33%	84,317	7,776	6,110	86,517	2,613 22,433 6,110	90,517	-,;	6,110	96,817	8,110
10 Anido- Enumii Lakes (Offolia #1)	\$0,000	09/12/98	20	6.81%	\$0,000	Ò	3,405	\$0,000	3,405 3,290 30,254 12,256	\$0,000	ġ.	3,405	50,000	3,406
11 Arvide-Saumii Laine (Officia 62) 12 Arvide-Saumii Laine Ut 1	60,000	02/17/97	20	6,50%	\$0,000		3,200	50,000	3,290	\$0,000	45.44	3,280	50,000	3,290
13 Anida- Saverali Lakee Lt 2	444,818 190,030	96/19/97 96/06/97	20	6.99% 6.77%	450,782 165,785	11,001 4,722	31,225 12,644	439,131 181,043	30,250	430,131 181,063	12,418 5,024	30,467 12,342	420,712 176,030	29,400
14 Equity	0	OH/OHO)	-	10,00%	100,100	7,122	14,044	101,000	10,000	101,003	9,000	12,572	175,000	11,0.0
15 New Debt- In Service:	•				•	•	•	•	1	•	•	_	•	1
16 1990	•		20	6.50%	0	0	0		0		0	0	0	0
17 2000 18 2001	1,522,500		20	6.50%	Ō	Ō	Ō	. 0	0	1,522,500	38,214	94,963	1,483,296	95,414
19 2002	2,060,833		20	6.50% 6.50%		9			2		2	ò	9	
20 2003	4,000,033		20	6.50%	ĭ		×		اة	ň	×	×	š	ő
21 2004	ŏ		20	0.50%	š	ă	ĭ	i	ă i	ě	ă	ă	ŏ	ă
22 2005	Ō		20	6.50%	ě	Ď	Ō	į	Ō	ō	ò	ō	0	Ŏ
23 2006 24 2007			20	4.50%	ė		ē		<u>0</u> }	9	P	Ō	0	0)
25 2000			20	6.50% 6.50%	9	•	9	•	2	9		Ď		2
26 2009	š		26	6,50%	ă	×	ă	ĭ	- i	ă	ĭ	ŏ	ĭ	أذ
<b>37</b>	-		-	<b>1-1</b>	-	•	•	•	1	•	•	-	•	7
28 New Debt- Construction Work in Progress: 28 Include CAMP in WACC?			20	7.50%			0	•	0	0		0	•	9
30 How Equity	1,352,920			10.00%		_								. 0
32 Weighted Average Cost of Capital				·······	\$6,044,794	\$40,855	\$403,086	85,964,940	\$437,108 7.29%		\$180,281	\$581,792 "	87,327,178	7.13%

SOURCE: BURTON & ASSOCIATES C'OATMIZNOLITESTIM-DEMISSIOCIMO

### Scenario 2b - ICU Water and Sewer Rates with Nocates's JEA Wholesale Plan - 50% Debt / 40% Equity

			_		FYX	101				FYX	4		
Lender  Pirel Union Barel Pinetation Developers - WTP Pinetation Developers - WTP Processed Land List-Seaside Ut 2 Crosersede Land List-Seaside Ut 2 Crosersede Land List-Seaside Ut 3 TANY Narreny, Inc. Far's Pain Valley - Tom Woot Odone Mill List. Marsh Dunes Avides-Sawmill Laises (Offste S1) Avides-Sawmill Laises (Offste S2)	3643,486 6 84,861 100,535 1 128,660 6 112,860 6 112,847 0 326,932 0 84,517 0 80,000 0	840 Data Term b 61/01/65 20 12/22/64 20 03/28/65 20 03/28/65 20 06/28/65 20 06/28/65 20 06/28/65 20 06/12/65 20 06/12/65 20 06/12/65 20	7.27% 7.84% 7.84% 7.84% 7.86% 7.86% 7.00% 8.33% 6.81%	Boginsing Balence \$2,742,182 \$46,636 \$3,966 \$1,966 \$14,363 \$6,631 \$36,631 \$12,417 \$6,517 \$6,000	Principal \$100,462 22,560 2,181 3,441 3,770 2,652 1,206 8,633 2,481 1,216	internet \$120,848 \$1,736 \$1,277 7,594 \$,816 \$,426 2,560 21,774 \$,038 3,346	\$1,636,636 \$24,676 \$0,454 \$0,525 \$110,622 \$102,744 \$4,626 \$03,764 \$4,636 44,764	not of Combar Cale 44,801 41,812 7,162 7,160 8,474 8,155 2,448 21,265 5,862 3,322	Beginning 9-40-0- 9-40-0- 9-40-0- 90,455 90,525 110,822 102,714 34,628 303,784 94,038 48,734	Privated \$114,001 24,418 2,361 3,734 4,070 3,067 1,293 8,268 2,843 1,302	310,100 41,001 7,007 7,221 8,519 8,185 2,462 21,155 5,877 3,202	490,054 490,054 98,094 96,807 106,563 96,627 33,332 294,526 91,393 47,442	Cost of Copital Cult 32:62,396 39,673 4,902 8,162 7,910 2,357 20,817 8,785 3,234
12 Arvide- Several Lakes IX 1 13 Arvide- Several Lakes IX 2 14 Equity 15 New Debt- in Service: 16 17 2000 17 2000 18 2001 19 2002 20 2003 21 2004 22 2005 23 2006 24 2006	444,818 0	00/12/96 20 20/17/97 20 00/18/97 20 00/06/97 20 20 20 20 20 20 20 20 20 20 20 20 20 2	6.50% 6.80% 6.70% 10.00% 6.50% 6.50% 6.50% 6.50% 6.50% 6.50% 6.50% 6.50%	\$0,000 426,712 176,030 0 1,483,286 0 0 0	1,348 13,302 8,375 8 41,783 8 8	3,253 20,844 11,861 0 0 0 0 0 0 0	48,751 413,410 170,844 0 1,441,823	3,322 3,206 38,484 11,864 11,864 8 8 83,406 9 63,406	48,781 413,410 170,004 0 1,441,523 2,050,833	1,334 14,346 8,750 0 44,478 53,054 0	3,160 20,636 11,618 0 81,600 6 133,600	47,417 300,161 184,814 0 0 1,307,045 0 2,006,780	3,120 27,502 11,165 0 90,808 93,441 0
25 2008 26 2009 27 28 New Cebt- Construction Work in Progress: 29 Include CWMP in WACCT NO New Equity 30 New Equity 31 32 Weighted Average Cost of Capital SOURCE: BURTON & ASSOCIATES	1,352,928	20 20 30	6.50% 6.50% 7.50% 10.00%		\$213,561	0 0 30/1,843	0 0 37,113,508	0 8507,144 7.13%		8285,218	0 0 0	0 0 1,352,828 \$10,241,141	135,293 8756,251 7.38%

C'OATAITEMOLATEETH-SFAMSSOCWA



### Scenario 2h - ICH Water and Sewer Rates with Hocatee's .HA Wholesale Plan - 80% Debt / 40% Equity

				-		PYS	Wt				PYD	64		
Under Union Bank	Orig Lean Amount	Orio Loso Data	Teres  c	iarnst Rate	Beginning Balance	Principal	istanus	Bahasa (	cost of Capital	Beginning Belevee	<b>S</b> -fested			Cost of Coptai
2 Piretzion DevelopersWTP 3 Piantzion Developers-Unit 0 4 Croseroade Land Lid-Seaside Ut 2 5 Croseroade Land Lid-Seaside Ut 3 6 YAW Narsery, Inc. 7 BAT of Point VolleyTern Weet Odome Mill Lid. 9 March Dunes 10 Arvide-Seasid Lakes (Offitz 61) 11 Arvide-Seasid Lakes (Offitz 62) 2 Arvide-Seasid Lakes Ut 1 13 Arvide-Seasid Lakes Ut 2 14 Equity	\$863,496 84,655 109,536 129,660 112,647 40,147 326,532 86,517 50,000 60,000 464,518 190,030	01/01/86 12/23/94 12/23/94 83/28/96 12/23/94 04/30/95 04/25/96 04/01/90 02/12/90 82/17/97 04/18/97 04/18/97	20 20 20 20 20 20 20 20 20 20 20 20 20 2	7.27% 7.84% 7.84% 7.84% 7.80% 7.80% 7.00% 6.33% 6.81% 6.80% 6.80%	\$2,526,428 400,850 90,004 96,801 106,853 96,827 33,332 294,526 91,393 47,402 47,417 300,161 194,914	Principal 8122,774 38,428 38,428 4,031 4,362 3,341 1,360 8,277 2,818 1,360 1,434 16,242 6,152	\$301,363 \$301,363 \$,003 \$,003 \$,166 \$,166 \$7,935 2,366 20,460 \$,761 3,072 37,625 \$11,214	347,256 473,256 473,250 86,536 82,776 102,140 96,247 31,844 284,000 45,567 44,006 45,563 281,800 158,762	Cala \$247,373 \$7,574. \$,782 \$,782 \$,784 \$,256 \$8,67 \$,130 \$,027 \$8,461 \$10,748	23,200 473,220 65,539 62,779 102,160 91,287 31,844 284,600 98,577 44,000 46,903 363,800	Printed \$134,839 28,806 2,746 4,363 4,741 3,816 1,486 10,844 2,906 1,401 1,521 16,347	Interest \$280,360 \$7,864 6,663 6,562 7,867 7,860 2,266 10,765 6,521 3,063 2,061 26,536	\$1,650,718 444,025 62,774 78,404 67,419 87,871 30,455 273,955 65,578 44,598 44,472 347,553	Cale \$237,272 36,303 6,572 6,225 7,462 7,358 2,153 18,177 8,417 3,037 1,037 25,324
15 New Debt- in Service: 16 1200 17 2000 18 2001 18 2001 20 2003 21 2004 22 2006 23 2006 24 2007 25 2008 24 2007 25 2008 26 2009 27 2008	0 1,522,500 2,056,633 0 0 0 0 0 0 0 0		20 20 20 20 20 20 20 20 20 20	10.00% 6.50% 6.50% 6.50% 6.50% 6.50% 6.50% 6.50% 6.50% 6.50%	1,367,645 2,006,780 8	84,802 0 0 84,802 0 0 0	8 90,808 90,808 0 130,441	1,348,477 0 1,960,277 0 0	10,728 0 87,728 0 128,788	1,348,877 1,960,277	6,561 0 0 50,448 0 00,175 0 0 0 0	10,765 0 0 07,729 0 126,768 0 0	152,180 0 1,298,228 0 1,800,102 0 0 0	10,303 0 84,450 0 122,857 0 0 0 0
28 New Delts-Construction Work in Progress: 29 Include CMIP in WACCT NO New Equity 30 New Equity	1,352,828		20	7.50%	-	•	•	•	•	•	•	•	•	0
32 Weighted Average Cost of Capital SOURCE: BURTON & ASSOCIATES		·		10.00%		\$306,763	\$65,900	1,352,929 80,835,388	135,293 \$734,723 7,40%		\$334,725	\$641,481	1,352,928 32,600,663	135,293 \$711,130 7,41%

CIDATAILENCLATESTM-2FAMES30CHICA

### Scenario 2h - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 80% Debt / 40% Equity

				-		PYX	<u> </u>			
Lender Pint Union Bank	Orig Lean Amount	Orio Less Date	Temp_in	tacest Rate	Beginning Balance \$1,283,718	Principal 8148,363	Interval \$278,118	\$3,114,233 413,864 78,781 73,984 82,302 86,787 28,287 28,284 43,003 42,848 360,043 146,130	Cole	
Plantation Developers - WTP Plantation Developers - Unit \$	8463,486	81/01/06	20	7.27%	444,626	\$148,363	\$276,716	\$2,114,333	228,412 32,845 6,335 8,851 7,070 7,047 2,040 16,378 5,215 2,828 2,819	
Creenveds Land U.S. Seeside Ut 2	84,851	12/23/94	20	7.84%	62,774	30,961 2,965 4,722 5,117	35,338	413,884 78.781	32,845 4 135	
Croseroads Land Ltd. Sesside Ltt 3	100,836 129,050	12/23/94 63/28/95	20	7.84%	78,406	4,722	8,465 8,223 7,471	73,004	8,851	
TAW Harvery, Inc.	112,847	12/23/94	29 20 20 20 20 20	7.00% 7.94%	97,419 92,871	5,117 3,914	7,471	82,302	7,070	
BAT of Palm Valley - Tom West Oxform Mil Ltd.	40.147	06/30/06	20	7.07%	30,456	1,500	7,363 2,158 18,903 5,328	98,787 28.957	7,047	
Marsh Dunes	326,632 96,517	89/25/96 84/09/96	20	7.00%	273,866	11,414 3,194	18,993	262,541	10.378	
Anide-Sawmii Lakee (Office #1)	\$0,000	09/12/96	20	6.33% 6.01%	95,578 44,500	3,194	5,320	62,364	5,215	
Arido- Soumii Lakee (Oduke #2) Arido- Soumii Lakee (2 1	80,000	02/17/07	20	0.50%	44,472	1,506 1,634	2,000 2,678 25,377 10,325	43,903	2,928	
Ankle- Spand Lake Ut 2	464,818	04/19/07	20	8.80%	347,563	17,510	25,377	360,043	24,110	
Equity	180,030	09/08/97	20	8.77% 10.00%	152,180	7,041	10,325	148,130	9,826	
New Debt- in Service:	•			10.00%	•	•	e e	0	•	
1986 2000 2001 2001 2002 2003 2004 2006 2006	1 477 478		20	6.50%	•	•	•			
2001	1,522,500		20	6.50% 8.50%	1,200,220	63,727	84,480	1,245,502	80,868	
2002	2,066,833		20	0.50%	1,800,102	64,006	122,857	1,826,016	44449	
2004	•		20	0.50%	,,,,,,,,		142,007	1,826,016	118,661	
2005	:		20	6.50% 6.50%	•	•	ě	ŏ	ŏ	
2006	i		20	6.50%			9		•	
2006	•		20	0.50%	i	i	ä	ĭ	XI.	
2009	ě		20 20 20	6.50% 6.50%	•	į	ě	ě	ě	
New Debt- Construction Work is Progress:	•		20	4.50%	•	•	•	•	이	
Include CWIP is WACC?			20	7.50%			۰	•	اه	
New Equity	1,352,020			48.00			•	•	٦	
Walablad Assessed Control Control	1,002,020			10.00%		\$361,880		1,352,928	135,293	
Weighted Average Cost of Capital							\$817,325	80,241,783	\$685,826	
SOURCE: BURTON & ASSOCIATES									7.42%	

SOURCE: BURTON & ASSOCIATES
C:OATM12MCLITESTM-2FAMSS30CMM



#### Scenario 2h - ICU Water and Sewer Rates with Nocates's JEA Wholesale Plan - 60% Debt / 40% Equity

	Adalass.			
Londor	Orig Loop Amount Orig Loop Date	Term Interest Reta		
1 First Union Bank		777		
2 Plantation Developers - WTP	\$463,486 \$1/01/96			
3 Plantation Developers- Unit 9	84,861 12/23/94	20 7.84%		
4 Croseroede Land Ltd- Sesside Lt 2	100,536 12/22/94	20 7.34%		i e
5 Croseroade Land Ltd- Sesside Ut 3	128,850 63/26/96 112,847 12/23/94	20 7.86%		
TAW Harsery, Inc.	112,847 12/23/94	20 7.54% 20 7.54% 20 7.54% 20 7.56% 20 7.56% 20 7.57%	•	
7 BAT of Paim Valley - Tom West	40,147 06/30/96	20 7.07%		
Odoms Mill Ltd.     March Dunes	326,832 00/25/06	20 7.00% 20 6.33%	•	
10 Anida- Saumii Lakes (Offsite #1)	96,517 04/09/96	20 0.33%		
11 Avida- Saumii Lakes (Ottube \$2)	\$0,005 00/12/96	20 0.01%		
12 Avids-Southil Lakes Ut 1	80,000 02/17/07 464,018 04/19/07	20 0.91% 20 0.50% 20 0.50%		
13 Arvide-Scornil Lakes Ut 2	464,918 06/19/97 190,630 06/06/07	20 0.77%		
14 Equity	Inchise carcers:	10,00%		
15 New Debt- in Service:	•	14.441		
16 1999		20 6.50%		
17 2000	1,522,500	20 6.50%		
16 2001	8	20 6.50%		
10 2002	2,064,833	20 0.50%		
20 2003		20 6.50%		
21 2004	Ŏ	20 6.50%		
22 2005	Ō	20 6.50%		
23 2004	0	20 6.50%	•	
17 2000 18 2001 10 2002 20 2002 21 2004 22 2006 22 2006 24 2007 25 2000 26 2000	0	20 6.50%		
25 2008 28 2008	•	20 6.50%		
2008	0	20 6.50%		
27 28 New Debt- Construction Work in Progress;				
		20 7.50%		
30 New Equity	1 343 550	45 554		
31	1,352,926	10.00%		
32 Weighted Average Cost of Capital				
w and trans consists above or makers;				

SOURCE: BURTON & ASSOCIATES C'OATANIENCATESTIM-REAMESIOC.WAG

05/30/2000

#### Figure 14 Page 6 of 6 INTERCOASTAL UTILITIES WATER & SEWER SYSTEM Weighted Average Cost of Capital Analysis

### Scanario 2h - ICU Water and Sewer Rates with Nocates's JEA Wholesale Plan - 80% Debt / 40% Equity

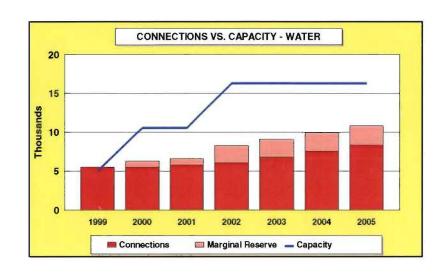
Lander	Orig Loon		
First Union Bank	Amount Original Description	<ul> <li>Torre Interest Rus</li> </ul>	<u>le</u>
Plantation Developers - W/TP	****	1.27	
Plantation Developers- Unit 8	3043,486 01/01/		<b>%</b>
Croserceds Land (Ltd. Sesside Lt 2	84,861 12/23/	4 20 7,841	<b>%</b>
Croseroade Land Ltd. Sessids Lt 3	100,536 12/23/		
TAW Mursery, Inc.	128,860 63/26/		<b>%</b>
BAT of Pain Valley - Tom West	112,847 12/23/		
Odome Mil Lid.	40,147 06/30/	6 20 7.071	<b>%</b>
Marsh Dutes	326,812 00/25/	<b>6 20 7.00</b> 1	<b>%</b>
Anido- Saumii Lakes (Offsite #1)	96,517 84/00/		
Arvids-Savarill Lakes (Offste #2)	\$0,000 69/12/	6 20 6,819	<b>%</b>
Arvide- Sewmit Lakes Ut 1	\$0,000 62/17/	7 20 <b>6.58</b> 5	<b>%</b>
Arvide- Sevenii Lakes (# 2	464,918 06/184		<b>L</b>
Equity	190,030 09/09/	7 20 0.771	
Herer Debt- In Service:		10.001	
			••
1998	0	20 6.501	<b>K</b>
2000	1,822,600	20 6,501	
2001	· •	20 6.501	Ĩ.
2002	2,054,833	20 6.501	
2003	• • •	20 6.501	
2004	•	20 6.501	
2006	i	20 4.501	
2006	ō	20 0.501	<b>.</b>
2007	i	20 6,501	
2000	i	20 6,501	
2000	Ò	20 4.501 20 6.501 20 6.501 20 6.501 20 6.501 20 6.501 20 6.501 20 6.501 20 6.501	
Harry Bolds, Constanting March 1, 18			-
New Debt- Construction Work in Progress: Include CWIP is WACC?		20 7,501	4
PRODUCE COMP IN WACCT		1.001	•
New Equity	1,352,926	10.001	•

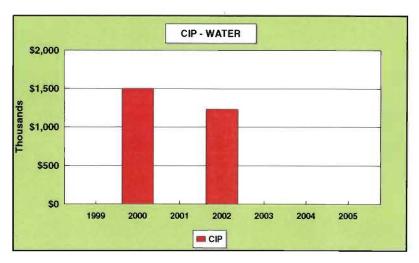
SOURCE: BURTON & ASSOCIATES CIDATAI(2)MCLATESTIM-2/FAMSSINC, MK4

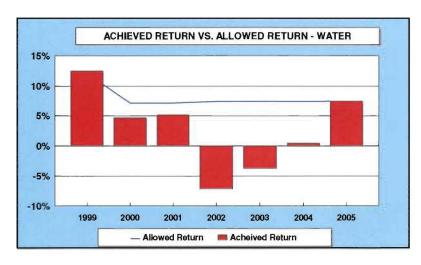


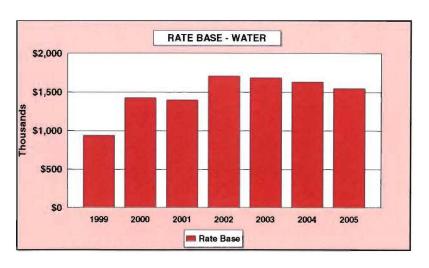
# INTERCOASTAL UTILITIES WATER SYSTEM GRAPHS OF KEY INDICATORS

Scenario 2b - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 60% Debt / 40% Equity







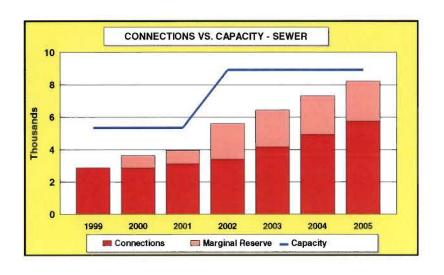


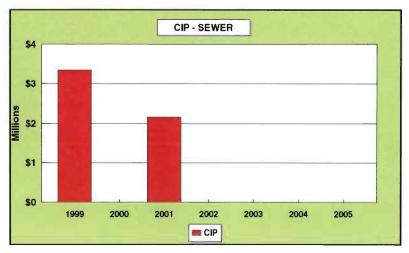
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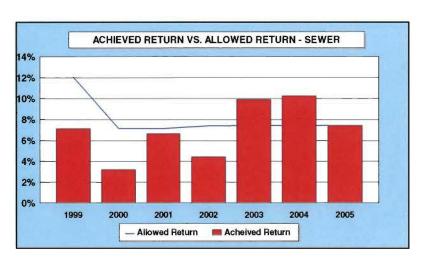


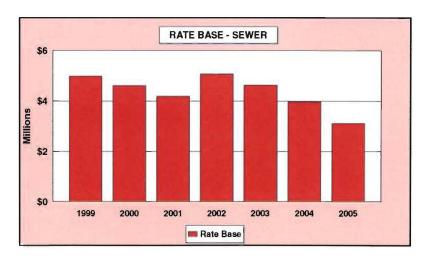
## INTERCOASTAL UTILITIES SEWER SYSTEM GRAPHS OF KEY INDICATORS

Scenario 2b - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 60% Debt / 40% Equity





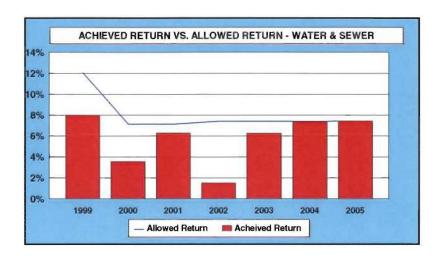




SOURCE: BURTON & ASSOCIATES C WATANIZERGUITESTIM-2#FAMS530C,WK4

## INTERCOASTAL UTILITIES WATER AND SEWER SYSTEM GRAPHS OF KEY INDICATORS

Scenario 2b - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 60% Debt / 40% Equity





# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CASH FLOW PROJECTIONS - TOTAL WATER AND SEWER SYSTEM

## Scenario 2b - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan - 60% Debt / 40% Equity

		<u> 1999</u>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	Sources of Funds											
1	Beginning Year Balance	85,284	385,167	403,781	583,148	311,352	328,754	470,069				
2	Net Income	471,475	212,763	349,707	101,829	393,046	412,712	346,017				
3	Add:											
4	Depreciation	618,857	651,273	686,976	689,240	793,130	832,948	851,298				
5	Amort of Utility Plant Acq Adj	10,935	10,935	10,935	10,935	10,935	10,935	10,935				
6	Amort of Rate Case Expense	56,996	56,996	56,996	56,996	52,247	0	0				
7	Less:											
8	Amort of CIAC	(405,461)	(362,353)	(381,031)	(377,895)	(407,775)	(430,527)	(442,771)				
9	Net Income adjusted for non-cash items	752,803	569,615	723,583	481,106	841,582	826,069	765,479				
10	Additional Cash											
11	CIAC Cash	0	221,053	240,948	646,037	669,674	695,438	723,521				
12	Total additional Cash	0	221,053	240,948	646,037	669,674	695,438	723,521				
13												
14	Total Sources of Funds	838,087	1,175,834	1,368,311	1,710,291	1,822,607	1,850,260	1,959,069				
15												
16	Uses of Funds											
17	Less:											
18	Principal	(49,855)	(190,261)	(213,581)	(285,219)	(305,753)	(334,725)	(358,880)				
19	Interest	(403,065)	(581,792)	(571,583)	(686,888)	(665,990)	(641,481)	(617,325)				
20	Working Capital Reserve	(242,907)	(282,871)	(293,119)	(311,352)	(328,754)	(345,631)	(362,187)				
21	Equity Investment	0	00	0	(1,352,928)	0	0	0				
22	Total Uses of Funds	(695,827)	(1.054,925)	(1,078,283)	(2,636,387)	(1,300,497)	(1,321,836)	(1,338,393)				
23												
24	Excess (Deficit)	142,260	120,910	290,028	(926,096)	522,111	528,424	620,677				
25												
26	Annual subsidy required from stockholders	0	0	0	926,096	(522,111)	(403,986)	0				
27	Net Cash Flow	142,260	120,910	290,028	0	0	124,439	620,677				
28	Add Back: Working Capital Reserve	242,907	282,871	293,119	311,352	328,754	345,631	362,187				
29	Ending Balance	385,167	403,781	583,148	311,352	328,754	470,069	982,864				
30	-											
31	Cumulative subsidy required from stockholders	0	0	0	926,096	403,986	0	0				
	• •			-								

SOURCE: BURTON & ASSOCIATES

Appendix 3

INTERCOASTAL UTILITIES

BURTON & ASSOCIATES

## Scenario 3a

## Reclaimed Water Rates

## 100% Debt and 0% Equity Financing

This scenario determines the reclaimed water rates of Intercoastal Utilities implementing Intercoastal's plan to meet the reclaimed water demands of the projected growth in the area for which Intercoastal's service area extension application is filed. It assumes that capital projects will be funded with 100% debt and 0% equity financing.

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Figure 4	Not Used
Figure 5	Depreciation Schedule - Reclaimed Water
Figure 6	Not Used
Figure 7	Contributions in Aid of Construction (CIAC) - Reclaimed
	Water
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# INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM SUMMARY

Scenario 1Ra- Intercoastal Utility's Reclaimed Water Rates w/ Intercoastal Capital Plan - 100% Debt / 0% Equity

Average Monthly Cost per ERC assumes 10,000 Gallons per Month Average Water Usage per ERC

Average monthly oost po	LITO GOOD	11100 101000	and the pro-			30 10					
Reclaimed Water	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Rate Plan				0.0%	0.0%	-7.6%	-10.1%	-8.8%	0.0%	0.0%	-0.9%
Achieved Return				5.57%	5.73%	6.50%	6.50%	6.50%	4.09%	5.02%	6.50%
Allowed Return				6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
Avg Mo.Cost / ERC				\$15.48	\$15.48	\$14.30	\$12.85	\$11.72	\$11.72	\$11.72	\$11.61
Achieved Return (Millions)				\$0.214	\$0.206	\$0.218	\$0.203	\$0.187	\$0.182	\$0.208	\$0.248
				\$0.249	\$0.234	\$0.218	\$0.203	\$0.187	\$0.290	\$0.269	\$0.248
Rate Base (Millions)				\$3.837	\$3.598	\$3.359	\$3.119	\$2.880	\$4.464	\$4.141	\$3.822
	Reclaimed Water Rate Plan Achieved Return Allowed Return Avg Mo.Cost / ERC Achieved Return (Millions) Allowed Return (Millions)	Reclaimed Water 1999  Rate Plan Achieved Return Allowed Return Avg Mo.Cost / ERC Achieved Return (Millions) Allowed Return (Millions)	Reclaimed Water 1999 2000  Rate Plan Achieved Return Allowed Return Avg Mo.Cost / ERC Achieved Return (Millions) Allowed Return (Millions)	Reclaimed Water 1999 2000 2001  Rate Plan Achieved Return Allowed Return Avg Mo.Cost / ERC Achieved Return (Millions) Allowed Return (Millions)	Reclaimed Water         1999         2000         2001         2002           Rate Plan         0.0%	Reclaimed Water         1999         2000         2001         2002         2003           Rate Plan         0.0%         0.0%         0.0%           Achieved Return         5.57%         5.73%           Allowed Return         6.50%         6.50%           Avg Mo.Cost / ERC         \$15.48         \$15.48           Achieved Return (Millions)         \$0.214         \$0.206           Allowed Return (Millions)         \$0.249         \$0.234	Reclaimed Water         1999         2000         2001         2002         2003         2004           Rate Plan         0.0%         0.0%         -7.6%           Achieved Return         5.57%         5.73%         6.50%           Allowed Return         6.50%         6.50%         6.50%           Avg Mo.Cost / ERC         \$15.48         \$15.48         \$14.30           Achieved Return (Millions)         \$0.214         \$0.206         \$0.218           Allowed Return (Millions)         \$0.249         \$0.234         \$0.218	Reclaimed Water         1999         2000         2001         2002         2003         2004         2005           Rate Plan         0.0%         0.0%         -7.6%         -10.1%           Achieved Return         5.57%         5.73%         6.50%         6.50%           Allowed Return         6.50%         6.50%         6.50%         6.50%           Avg Mo.Cost / ERC         \$15.48         \$15.48         \$14.30         \$12.85           Achieved Return (Millions)         \$0.214         \$0.206         \$0.218         \$0.203           Allowed Return (Millions)         \$0.249         \$0.234         \$0.218         \$0.203	Reclaimed Water         1999         2000         2001         2002         2003         2004         2005         2006           Rate Plan         0.0%         0.0%         -7.6%         -10.1%         -8.8%           Achieved Return         5.57%         5.73%         6.50%         6.50%           Allowed Return         6.50%         6.50%         6.50%         6.50%           Avg Mo.Cost / ERC         \$15.48         \$15.48         \$14.30         \$12.85         \$11.72           Achieved Return (Millions)         \$0.214         \$0.206         \$0.218         \$0.203         \$0.187           Allowed Return (Millions)         \$0.249         \$0.234         \$0.218         \$0.203         \$0.187	Reclaimed Water         1999         2000         2001         2002         2003         2004         2005         2006         2007           Rate Plan         0.0%         0.0%         -7.6%         -10.1%         -8.8%         0.0%           Achieved Return         5.57%         5.73%         6.50%         6.50%         6.50%         4.09%           Allowed Return         6.50%         6.50%         6.50%         6.50%         6.50%         6.50%           Avg Mo.Cost / ERC         \$15.48         \$15.48         \$14.30         \$12.85         \$11.72         \$11.72           Achieved Return (Millions)         \$0.214         \$0.206         \$0.218         \$0.203         \$0.187         \$0.182           Allowed Return (Millions)         \$0.249         \$0.234         \$0.218         \$0.203         \$0.187         \$0.290	Rate Plan         0.0%         0.0%         -7.6%         -10.1%         -8.8%         0.0%         0.0%           Achieved Return         5.57%         5.73%         6.50%         6.50%         6.50%         4.09%         5.02%           Allowed Return         6.50%

SOURCE: BURTON & ASSOCIATES
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# INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM ASSUMPTIONS

# Scenario 1Ra- Intercoastal Utility's Reclaimed Water Rates w/ Intercoastal Capital Plan - 100% Debt / 0% Equity

		Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	Assumptions	<u> 1999</u>	2000	2001	<u> 2002</u>	2003	<u> 2004</u>	<u> 2005</u>	2006	<u> 2007</u>	2008	2009
	Reclaimed Water											
1	Capacity in ERC's					5,748	5,748	5,748	5,748	5,748	9,580	9,580
2	Additional Capacity in ERC's				5,747	0	0	0	0	3,831	0	<u> </u>
3	Total Capacity				5,748	5,748	5,748	5,748	5,748	9,580	9,580	9,580
4	GPD = 1 ERC				261	261	261	261	261	261	261	261
5	Connected ERC's					2,728	3,240	3,752	4,264	4,776	5,433	6,090
6	Additional Connected ERC's											
7	Walden Chase				0	0	0	0	0	0	0	Q
8	Marsh Harbour				14	14	14	14	14	14	14	0
9	Nocatee				2,713	498	498	498	498	643	643	643
10	East Svc Area				0	0	0	0	0	. 0	0	<u>0</u>
11	Total Additional Connected ERC's				2,727	512	512	512	512	657	657	643
12	Total Connected ERC's				2,728	3,240	3,752	4,264	4,776	5,433	6,090	6,733
13	Percent Growth in Connected ERC's					18.77%	15.80%	13.65%	12.01%	13.76%	12.09%	10.56%
14	Percent of Growth Applied to Expenses				25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
15	Effective Multiplier for Growth					4.69%	3.95%	3.41%	3.00%	3.44%	3.02%	2.64%
16	Inflationary Multiplier				1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
17	Growth and Inflationary Multiplier		····			6.19%	5.45%	4.91%	4.50%	4.94%	4.52%	4.14%

18 New Debt Assumptions

19 20 Term

20 ce Costs 1.50%

21 Issuance Costs22 Interest Rate

6.50%

23	O&M Reserves	Months	Percent of Annual O&M
24 25	Water Minimum Reserves Level	1.5	12.50%
26 27	Rates & Charges Current Service Availability Charge	\$234	\$625

SOURCE: BURTON & ASSOCIATES
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### INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM PRO-FORMA INCOME PROJECTIONS - RECLAIMED WATER SYSTEM

Scenario 1R(s)- intercoastal Utility's Reclaimed Water Rates W Intercoastal Capital Plan - 100% Debt / 0% Equity

Recialmed Water	Actual	Projected	Projected	Protested	Projected	Prejected	<b>O</b> nelested				
ACCOUNTS HIRE	1146	2000	2001	3462	2011	204	****	Projected	Projected	Projected	Projected
Revenues:			_	_		ARE		200	2007	200	2002
Rate Revenue:											
Rate Revenue											
Greats Percentage				\$186	9506,500	8001,806	\$643,760	\$467,306	9671 527	\$763,804	****
Rate Revenue from Growth Rate Revenue Prior to Kulé Adjustment				808,404	10.77%	16.00%	13.05%	12.01%	13.70%	12.00%	10.56
Percentage Rate Increase		·		BOX 100	96,670 9801,648	95,078	67,848	74,637	02,377	\$2,377	90,40
Rate Revenue from Rate Adustment				8,00%	8,00%	7664,748 -7.80%	5731,808 -10,14%	8730,335	\$763,904	3858,201	1014 R
Total Rate Revenue						(52,986)	(74,210)	-8.80% (64,809)	8.00%	0.00%	-0.46
			<u> </u>	3604,350	\$401,000	\$643,760	887,300	867 (.527	\$763,804		(8,84
Other Revenue: Mine Revenue									4140,000	3809,281	\$437,74
Other Reverse				90							
Total Other Review				7	\$0	<b>\$</b> 0	10	80	80	\$0	1
ola Revenues				30	10	30	<u>.</u>				_ `
				3508,580	\$401,866	\$843,760	3007.350	\$671,527		30	
Spanees:						V-13,733		401 (384)	\$761,804	\$456,281	\$637,74
Additional O&M - Western Sve Area				***							
Operating Expenses-Eastern Sve Area Rate Case Expense				923,054	\$34,481	\$25,814	\$27,064	\$28,303	\$29,701	\$31,044	832,32
Franchice Fee- PSC				\$91,340 NA	8114,146 MA	\$137,510	\$141,420	\$105,836	\$217,821	\$348,843	\$32,32 \$290,86
Degraciation /U.S.U.Ave CoAA				22.797	27.076	, NA	, NA	NA	NA	NA.	N.
Ament of CIAC (U.S. U. Ame Chia.)				95,362	134,514	28,900 134,514	29,583 134,510	30,218 134,518	34,376	30,533	42,19
Amort of Acq Acq				(32,945)	(12,371)	(12,371)	(12,371)	(12,371)	102,445	188,004	187,771
Operating Income					0	. 0		(۱۲۵٫۵۱۱)	(15,874)	(15,874)	(15,63
busing actions				\$185,608	\$267,846	\$314,448	\$340,231	\$366,502	\$427,888	\$490,548	
ion Operating Income (Expenses):				2218,862	\$313,822	\$129,314	\$317,167	\$305,025	\$336,236	\$366,732	\$527,441 \$410,294
Hoe Oper Rev										*****	
Taxes Other Thes Insome:				\$0	80	80	20				
Intangble Tex				0	Ĭ	~	~	\$0	80	\$0	\$0
Other Taxes & Licenses				0	(725)	(748)	(770)	(783)	(1,034)	(6.000)	
Property Tauxs:				•	(100)	(104)	(107)	(110)	(144)	(\$,063) (147)	(1,000
• • • • • • • • • • • • • • • • • • • •				(103,407)	(106,782)	///A 1570	M40 F045			(147)	(161)
etal Non Operating Expenses					- (100,100)	(110,157)	(113,531)	(116,906)	(182,801)	(158,876)	(180,801)
avalis become /floorus dube et de c	<del></del>		···	(\$103,407)	(\$107,607)	(\$111,000)	(\$114,409)	(\$117,500)	(3153,760)		
scattle Income (See worksheet for taxable income below)				\$213,575	\$208,714	\$218,306	\$202,768	\$187,218	\$182,466	(\$157,567) \$207,545	(3161,842 \$248,452
State 5.50%				80	\$0	\$0	30	80	20	20	9248,45Z \$0
Federal 34.00%					•			_	•	~	-
olal Income Taxes				0		i		2		0	•
et After Tax Income			<del></del>	\$0 \$0.44 455	\$50	30	- 3Ú	- 80	- 0		0
Mr Base				\$213,676	\$204,214	\$218,306	\$202,760	\$187,215	\$182,464	\$207,845	\$248,452
·				\$3,837,166	\$3,507,823	22 Ma 444	*****	•		****	*****
ale of Return Achieved				4-1-4-1100	00,001,023	\$3,350,661	\$3,110,300	\$2,060,236	\$4,463,520	84,141,343	83,822,333
lowed Return				5.57%	5.73%		A ==::			,	
lowed Return Amount				0.50%	8,50%	6.50% 6.50%	0.50%	6.50%	4.00%	5,02%	6.50%
				\$249,415	\$233,866	\$218,306	6.50% \$202,766	4.50%	8.50%	0.50%	6.50%
								8187,215	\$290,129	\$260,187	\$348,452
orkaheet for Taxable Income:											
· · · · · · · · · · · · · · · · · · ·											
arest Expense - Tatal											
ocation Percentage to Water (1) conted littered Expense - Water				\$290,042	\$290,366	\$282,190	\$273,483	\$264,216	8378,346	****	
		<del></del> -	<del></del>	100.00%	100.00%	100,00%	100.00%	100,00%	\$378,388 \$00.00%	\$364,656 100.00%	\$350,062
statement of Net Income Before Income Tax				296,042	290,366	242,190	2/3,483	34,210	378,368	364,858	100.00%
55: Interest Expense - Water				\$213,576	\$206,214	\$218,306	5000 mar			***************************************	350,062
Imble licome - Weter (2)				298,042	290,366	9218,306 282,100	\$202,750	\$167,216	\$182,456	\$207,846	\$248,452
h ded				10		202,100	273,483	264,210	378,366	364,868	350,062
I) Afacetica persentana based propagament				•	-	~	-	20	-		

SOURCE: BURTON & ASSOCIATES C-DATA-IZACLATESTAN-IF-AMESIKO.WKA



<sup>(1)</sup> Assession percentage based upon current water rate base as a persentage of total rate base.

(2) For simplicity, izamble income is estocated separately for water and wastewater, however, the tax return would be filed on a sensolidated basis. Furthermore, taxable income is not allowed to go negative in this model for water or westewater. Hegative taxable become in other system sould offset taxable income in the other system and a not negative taxable income would result in tax crudits that could potentially be carried forward or back.

# INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM DEPRECIATION SCHEDULE - RECLAIMED WATER

# Scenario 1R(a)- Intercoastal Utility's Reclaimed Water Rates w/ Intercoastal Capital Plan - 100% Debt / 0% Equity

#### Reclaimed Water

Existing Asset Depreciation

E	disting Assets		stimated	
1 –	Franchises	Year Or	iginal Cost Li	e (Years
2	Structures	:	•	
ŀ	Wells & Springs		•	
1	Other Pumping	•	•	
,	Pumping Equip	•	•	
}	Other Water Source Plant	•	•	
•	Structures & Improvements	•	•	
)	Treatment	•	•	
)	Dist Reservoirs	•	•	
)	Mains	•	•	
	Services	•	•	
:	Meters	•	•	
1	Hydrants	•	•	
	Other T&D	•	•	
•	Supply Mains	•	•	
1	General	•	•	
•	Furniture	•	•	
}	Power Equip	•	•	
)	Misc Equip	•	•	
)	Acqueition	•	•	
To	tal Estimated Original Cost	<u> </u>	<del></del>	
٠.	Ustment to 1998 Annual Report Utility Plant in Service		•	
To	tal Utility Plant in Service		<u> </u>	
			•	
D	preciation Schedule - Existing Assets	1990	2000	2001
	Franchises	<del></del>		200
	Structures			

	•		•									
	Depreciation Schedule - Existing Assets	1900	2000	2001	2002	****	***					
24	Franchises			4001	2002	2003	2004	2005	2006	2007	2008	2009
25	Structures		•	•	•	•	•	•				
26	Wells & Springs	•	•	•	•	•	•	•				
27	Other Pumping	•	•	•	-	•						
28	Pumping Equip	•	•	•	•	•						
29	Other Water Source Plant	•	•	•				_				
30	Shrickistan & January and a	•										
	Structures & Improvements	•	•			_		•				
31	Treatment	•			_			•				
32	Dist Reservoirs			_	•	•	•	•				
33	Meins			·	•	•	•	•				
34	Services	_		•	•	-	•	•				
35	Meters	Ī.	•	•	•	•	-	•				
36	Hydrants	-	•	•	•	•	•	•				
37	Other T&D	•	•	•	•	•	•	•				
38	Supply Mains	•	•	•	•	•	-					
39	General	•	•	•	•	•						
40	Furniture	•	•									
• • •	Power Equip	•		•			_					
41	Fower Equip	•			_	_	•	•				
42	Misc Equip				·	-	•	•				
***_	Acqueition	•	_	Ī.	•	•	•	•				
44 1	otal Existing Depreciation	<del></del>		<del></del>	<u> </u>	<u> </u>	<del></del> _	•				
45 A	djustment to Reconcile to Accounting Records		•	•	•	•	•	•				
46 T	otal Existing Depreciation	<del></del>	<del></del> -	<u> </u>	<u> </u>	·	•	•				
_				•		<del></del>						

SOURCE: BURTON & ASSOCIATES C'OATAM 234CLATESTIM-25ALSSS00,WK4

# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM <u>DEPRECIATION SCHEDULE - RECLAIMED WATER</u>

# Scenario 1R(a)- Intercoastal Utility's Reclaimed Water Rates w/ Intercoastal Capital Plan - 100% Debt / 0% Equity

#### Recialmed Water

#### Henr Asset Depreciation

	New Assets		Estimated	
1	16" PVC Outfall / Xfer (50% Cost)	Year	Original Cost	Life (Years)
,	10" PTO COURTY AIGH (SUN COST)	2002	\$360,000	45
	12" ICWW Crossing	2002	300,000	45
3	ICU - East Reclaim P.S.	2002	250,000	
4	3.0 MG Reclaimed Storage Reservoir			25
5	Reclaimed Water P.S.	2002	1,100,000	41
ă		2002	500,000	25
٥	24" PVC Reclaimed Water Main	2002	360,000	45
7	16" PVC Recialmed Water Main	2002	456,000	
8	8" PVC Reclaimed Water Main	2002		45
9	Engineering & Contingency		288,000	45
10	16" PVC Reclaimed Wtr Main	2002	903,500	30
		2007	304,000	45
11	Expand Reclaimed Wtr P.S.	2007	100,000	20
12	3.0 MG Reservoir			
13		2007	1,100,000	41
-		2007	376,000	30

τ	Depreciation Schedule - New Assets	1998	1999	2000									
14 ~	16" PVC Outfall / Xfer (50% Cost)	1990	1888	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
15	12" ICWW Crossing		-	•	•	\$4,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
16	ICU - East Reclaim P.S.		•	•	•	3,333	6,667	8,667	6,667	6,667	6,667	6,667	6,687
17	3.0 MG Reclaimed Storage Reservoir		•	•	•	5,000	10,000	10,000	10,000	10,000	10,000	10,000	
18	Reclaimed Water P.S.		•	-	•	13,415	26,829	26,829	26,829	26,829	26,829	26,829	10,000
19	24" PVC Reclaimed Water Main		•	•	•	10,000	20,000	20,000	20,000	20,000	20,000	20,029	26,829
20	16" PVC Reclaimed Water Main		•	•	-	4,000	8,000	8,000	8,000	8,000	8,000	8,000	20,000
21	8" PVC Reclaimed Water Main		•	•	•	5,067	10,133	10,133	10,133	10,133	10,133	10,133	8,000
22	Engineering & Contingency		•	•	•	3,200	6,400	6,400	6,400	6,400	6,400	6,400	10,133
23	16" PVC Reciaimed Wtr Main		•	•	•	15,058	30,117	30,117	30,117	30,117	30,117		6,400
24	Expand Reclaimed Wtr P.S.		•	•	-	•	•		00,117	50,117	3,378	30,117	30,117
25	3.0 MG Reservoir		•	•	•			_		-		6,756	6,758
26	Engineering & Contingency		•	•	-				•	•	2,500	5,000	5,000
47	CIAC Plant		•	•					-	•	13,415	26,829	26,829
48 T	otal New Depreciation		•		•	22,289	8,370	8,370	8,370	0.270	6,267	12,533	12,533
	ann trott palvadidifft)		-	_ <del>-</del>		\$85,362	\$134,516	\$134,516		8,370	10,740	10,740	10,511
	etal Bananalastan B. F. F. San					777,002	4104,010	413-4310	\$134,516	\$134,516	\$162,445	\$188,004	\$187,775

## Total Depreciation - Recisimed Water

51 Total Depreciation		<u> </u>		<u> </u>	85,362	134,516	134,516	134,516	134,516	162,445	188,004	187,775
52 Accumulated Depreciation		•	•	•	\$85,362	\$134,516	\$134,518	\$134,516	\$134,516			\$187,775
SOLIRCE: RUBTON & ASSOCIATES	•	•	•	•	\$85,362	\$219,877	\$354,393	\$488,908	\$623,424	\$785,869	\$973,873	\$1,161,648

SOURCE: BURTON & ASSOCIATES C:OATAN23VCUXTESTIM-2FAMSS30D.WK4

49 Total Edsting Depreciation
50 Total New Depreciation



# INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - RECLAIMED WATER

## Scenario 1R(a)- Intercoastal Utility's Reclaimed Water Rates w/ Intercoastal Capital Plan - 100% Debt / 0% Equity

## Reclaimed Water - Existing CIAC

### **Existing CIAC**

	Year	Original Cost	Life (Years)
1 Office 2 Dist Reservoirs & Standpipes		-	-
3 Transmission & Dist Mains	•	-	-
4 Services	•	-	•
5 Meters & Meter Installs		•	•
6 Hydrants		•	•
7 Total Existing CIAC - Plant	<del></del>		<del></del>
Existing CIAC - Cash Cash Total Existing CIAC - Cash	Year	Estimated Original Cost	Ufe (Yeers)
10 Total Existing CIAC	· · · · · · · · · · · · · · · · · · ·		
12 Total Existing CIAC			
8 Cash 9 Total Existing CIAC - Cash 10 Total Existing CIAC 11 Adjustment to 1998 Annual Report	Teer	Original Cost	Ufe

Amortization of Existing CIAC								***	*		
Amortization Schedule - Existing Plant CIAC	1999	2000	2001	2002	2003	2004	2006	2006	2007	2008	2009
13 Other 14 Dist Reservoirs & Standpipes 15 Transmission & Dist Mains 16 Services 17 Meters & Meter Installs 18 Hydrants 19 Total Plant Amortization	:	•	:	-	:	:	:	:	:	:	: :
Amortization Schedule - Existing Cash CIAC Cash Total Cash CIAC Amortization  23 Adjustment to Reconcile to Accounting Records Total Existing CIAC Amortization	•	•	•	•	•	•	•	•	•	•	<del></del>

SOURCE: BURTON & ASSOCIATES
C:DATAM23NCUATESTRE-2FAMSE3003NK4



# INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - RECLAIMED WATER

## Scenario 1R(a)- intercoastal Utility's Reclaimed Water Rates w/ Intercoastal Capital Plan - 100% Debt / 0% Equity

ew.		

				1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	New CIAC-Plant:	Life	CIAC PER ERC											
1	Transmission & Dist Mains	43	\$469.63	-	•	•	\$1,280,671	\$240,449	\$240,449	\$240,449	\$240,449	\$308,545	\$308,545	\$301,970
2	Services Meters & Meter Installs	40	\$101.55	•	-	•	\$276,924	\$51,993	\$51,993	\$51,993	\$51,993	\$65,718	\$66,718	\$65,296
4	Hydrants	20 45	\$32.91 \$66.85	:	:	•	\$89,745 \$152,300	\$15,850 \$25,595	\$16,850 \$28,505	\$16,850 \$28,595	\$16,850 \$28,595	\$21,622 \$36,693	\$21,622 \$36,693	\$21,161 \$35,911
õ	Total New CIAC - Plant				<del></del>	<del></del>	\$1,790,640	\$337,886	\$337,886	\$337,886	\$337,886	\$433,577	\$433,577	\$424,338
6	New CIAC - Cash:													
7	New CIAC - Cash Life	30		•	•	•	\$630,346	\$120,038	\$120,038	\$120,038	\$120,038	\$154,034	\$154,034	\$150,751
9	Total New CIAC - Cash				<del></del>	<del></del> :	\$639,345	\$120,038	\$120,038	\$120,03\$	\$120,038	\$154,034	\$154,034	\$150,751
10	Total New CIAC			•	•	•	\$2,438,985	8457,925	\$457,926	\$457,925	8467,826	\$547,810	\$667,610	\$575,000
	Amortization of New CIAC													
	Amortization Schedule - New CIAC Assets			1992	2000	2001	2002	2003	2004	2006	2006	2007	2008	2009
11	New CIAC - Plant Amortization													
12					•	•	\$14,892	\$5,592	\$5,692	\$5,592	\$6,592	\$7,175	\$7,175	\$7,023
13	Services Meters & Meter Installs			•	•	•	\$3,462	\$1,300	\$1,300	\$1,300	\$1,300	\$1,668	\$1,668	\$1,632
15				:	:	•	\$2,244 \$1,692	\$842 \$635	\$642 \$635	\$842 \$635	\$842 \$835	\$1,081 \$815	\$1,081 \$815	\$1,058 \$798
16	Yotal New CIAC - Plant Amortization		<del> </del>	•	<del></del>		\$22,289	\$8,370	\$8,370	88,370	\$8,370	\$10,740	\$10,740	\$10,511
	New CIAC - Cash Amortization						\$10,656	\$4,001	\$4,001	\$4,001	\$4.001	\$6,134	\$5,134	\$5,025
17	Total New CIAC - Cash Amortzation				•	•	\$10,656	\$4,001	\$4,001	\$4,001	\$4,001	\$6,134	\$5,134	\$5,025
18	Total New CIAC Amortization			•	-	•	832,945	\$12,371	\$12,371	812,371	812,371	\$15,874	\$15,874	\$15,536
_	Summary of CIAC & CIAC Amortization - W	/ater		<del></del>		<del>-</del>	<del></del>	<del></del>		<del></del> , <del></del>	<del></del>	<del></del>	<del>-</del>	
19	CIAC Total Esisting CIAC	Existing 16	98	1908	2009	2001	2002	2003	2004	2005	2006	2007	2000	2009
20	Total New CIAC	•					\$2,438,985	\$457,926	\$457,925	\$457,925	\$457,925	\$587,610	\$587.610	2574 000
21	, , , , , , , , , , , , , , , , , , ,	•		•		-	\$2,438,985	\$2,896,910	\$3,354,836	\$3,812,759	\$4,270,584	\$4,858,294	\$5,445,905	\$575,089 \$6,020,994
22	CIAC Amortization Total Edeling CIAC Annual Amortization			<del></del> -	<del></del>									
23	Total New CIAC Annual Amortization				_ :	:	32,945	12,371	12,371	12,371	12,371	15,874	15,874	15,636
24	Total CIAC Annual Amortization - Water						\$32,945	\$12,371	\$12,371	\$12,371	\$12,371	\$15,874	\$15,874	\$15,536
25	Accumulated CIAC Amortization	•		•	•	•	\$32,84\$	\$45,316	\$67,696	\$70,067	\$82,428	\$96,302	\$114,177	\$129,713
80	URCE: SURTON & ARBOCIATES													

SOURCE: SURTON & ASSOCIATES CIDATANIZACIATESTIM-ZFANSS300,WKA

Figure 9

# INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM RATE BASE

# Scenario 1R(a)- intercoastal Utility's Reclaimed Water Rates w/ Intercoastal Capital Plan - 100% Debt / 0% Equity

	•	1966	2000	2001	2002	2003	2004	2005	2004	2007	2008	2000
1	Reclaimed Water Percent Contributed				30%	44%	60%	65%	50%	204		
- 4	Utility Plent in Service				86,317,140	\$6,655,026	\$6,992,913	87,330,790	\$7,668,686	52% \$9,982,282	58%	61%
3	Include Construction Work in Progress?				0	0-,000,000	01,000,00	41,000,140	97,000,000	80,962,262	\$10,415,839	\$10,840,176
4	Less: Accumulated Depreciation				(85,362)	(219,877)	(964.900)	(400.000)	1000 1011	0	0	0
5	Utility Plant in Service less Accum Dept.	**			88,231,778	\$8,436,140	(354,393)	(488,906)	(623,424)	(785,869)	(973,873)	(1,161,648)
6	Less: Accumulated CIAC						\$6,638,520	\$6,841,891	\$7,045,261	\$9,195,393	\$9,441,968	\$9,575,528
7	Plus: Accumulated Amortization of CIAC				(2,438,985)	(2,896,910)	(3,354,835)	(3,812,759)	(4,270,684)	(4,858,294)	(6,445,905)	(6,020,994)
	Net Utility Plant in Service				32,945	45,316	. 57,686	70,057	82,428	98,302	114,177	129,713
ě	Plus or Minus:				\$3,825,738	\$3,583,555	53,341,372	\$3,000,188	\$2,857,005	\$4,436,401	\$4,110,238	\$3,787,248
10	Acquisition Adjustments								V-1-0.1000	*********	44,110,200	43,707,240
10												
11	Accumulated Amort of Acq Adjustments											
12	Working Capital Allowance 12.50% of O&M				11,418	14,264	47 460					
13	Other				11,710	19,204	17,190	20,177	23,229	27,126	31,105	35,065
14	Nel Utility Plant in Service						0	0	0	0	. 0	Λ.
	·				84,837,186	\$1,007,823	\$3,368,661	\$3,718,366	\$2,880,236	14,441,829	34,141,343	71,722,333
15	U&U Percentage				400 000						• •	
16	Rate Base	<del></del>	<del> </del>		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100,00%
	· —· · · · · · · · · · · · · · · · · ·				\$3,837,155	\$3,507,823	\$3,358,561	\$3,119,366	\$2,880,235	\$4,463,529	\$4,141,343	\$3,822,333

SOURCE: BURTON & ASSOCIATES
C::DATA/123/CUATESTIM-2/FAMSS300.WK/



Figure 10

# INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM UTILITY PLANT IN SERVICE - RECLAIMED WATER

### Reclaimed Water

		Estimated Original Cost	in Sve Date	1986	1888	2000	2021	2002	2002	2004	2026	2005	2007	2008	2000
	New Assets per CIP:												_		
1	16" PVC Quital / Xfer (50% Coet)	\$360,000	****												
2	12" ICWW Crossins	200,000	2002 2002					\$340,000							
3	ICU - East Registry P.S.	260,000	2002					\$300,000							
4	3.0 MG Recisioned Storage Reservoir	1,100,000	2002					260,000							
Ġ	Reclaimed Water P.S.	\$00,000	2002					1,100,000							
i	24" PVC Reclaimed Water Main	300,000						600,000							
Ť	16" PVC Reclaimed Water Main	466,000	2002 2002					360,000							
i	8" PVC Reclaimed Water Main	288,000						456,000							
- 1	Engineering & Contingency		2002					288,000							
10	16" PVC Reclaimed Wir Main	\$03,500	3002					803,500							
11	Expand Recipimed Wir P.S.	304,000	2007										304,000		
12	3.0 MG Reservoir	100,000	2007										100,000		
13	Engineering & Contingency	1,100,000	2007										1,100,000		
14	Total Utility Plant in Service (not includin	376,000	2007										378,000		
	Lover Arma's LIMES BY SHEARING RUCK ELICITION.	g civic)						\$4,517,500	\$4,517,500	\$4,517,500	\$4,517,500	\$4,517,500	\$4,367,600	\$8,307,500	TA BAYYER
									* *   - * *	4.10.11500	4410111000	44/0110	eniae, into	90,361,300	\$6,367,500
	New Plant Assets per CIAC:														
16	New Plant Assets per CAC;														
10	New Plant Assets (CIAC) Total How Plant Assets (CIAC)							\$1,799,840	8337,886	\$337,486	\$337,600	\$337,886	****	****	
	I AND MAN AND VARIOUS (COVC)							\$1,759,640	\$2,137,526	\$2,478,413	12413260	\$3,151,185	\$433,577	\$433,577	\$424,338
								4 .44	V-1, 101 June	4014141414	02,010,200	44,141,160	\$3,584,762	\$4,018,330	\$4,442,676
37 T	otal Recialmed Water Utility Plant in S	ervice						\$6,317,140	** *** ***						
								<del>40,017,140</del>	\$6,666,026	\$6,992,913	87,330,799	\$7,068,686	\$9,982,262	\$10,415,839	\$10,840,176

SOURCE: BURTON & ASSOCIATES CYDATA1294CUATESTIN-39/AMS5300.WKG



#### Intercoastal utilities reclaimed water system <u>Capital improvements program</u>

## Scenario 1R(a)-Intercoastal Utility's Recipimed Water Rates w/ Intercoastal Capital Plan - 100% Debt / 0% Equity

		AMOUNT		*** ****	MONTHS			Unionals Bi											
		BEST			TO 0004	% DEST	ABSET	EAPAGITY											
	PROJECT TOTAL		PROJECT MAME	BATE	PTRUCT	PUNDER	LPE	(mag)	1000	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	Recisimed Wet																2001	2000	2000
•	E360,000	\$560,806 16" PVC	Outfall / X/er (50% Cost)	2002	24	100%	45					360,000							
	300,000	305,804 12" ICWV		2002	24	100%	45	******		··		300,000						****	
	250,000	366,000 ICU - Eac	Recision P.S.	2002		100%	×					250,000							
•	4 1,100,000	1,100,000 3.0 MG R	ecisimed Storage Reservoir	2002	24	10046	- <del>1</del> 1	1.50											
	1 800,000	800,808 Recinime	Water P.S.	2002	24	100%	- 32					1,100,000							
r	360,000	344.006 24" PVC	Reclaimed Water Main	2002	24	100%	45					500,000							,
1	7 486,008	445,006 16" PVC	Reclaimed Water Main	2002	37	100%	- 77					360,000							
	264,000	MALES F PVC R	ecialmed Water Main	2002		100%						456,000							
	903,500	803.800 Engineeris		2002		100%						268,000							
10	304,000	204 808 18 PVC	echimed Wir Mein	2007			30					903,500							
11	100,000	100,000 Expand R	and mad MAD D. D.		24	100%	45										304,000		
	1,100,000	1,100,000 3.0 MG R		2007	24	100%											100,000		
"	374,000			2007		100%	41	1.00									1,100,000		
		376,600 Engineerle	g & Conungency	2007	24	100%	30												
14	TO SHARE	77 3 7 7 F F															376,000		
10	84,367,856	80,387,3UU							- 4			E4,817,800	4.0				\$1,550,000		

SOURCE: SUSTON & ASSOCIATES / FRALL

# INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM USED AND USEFUL

# Scenario 1Ra- Intercoastal Utility's Reclaimed Water Rates w/ Intercoastal Capital Plan - 100% Debt / 0% Equity

_		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Reclaimed Water						<del></del>					
2	Capacity											
3	Capacity in ERC's					5,748	5,748	5,748	5,748	5,748	9,580	9,580
4	Additional Capacity in ERC's				5,747	0	0,1,0	0,7.40	0,1.40	3,831	2,550	-,
5	Total Capacity				5,748	5,748	5,748	5,748	5,748	9,580	9,580	9,580
6	Connection / Growth											
7	Connections in ERC's					2,728	3,240	3,752	4 264	4 776	E 422	0.000
8	Annual Growth Percent					18.77%	15,80%	,	4,264	4,776	5,433	6,090
9	Additional Units				A 484			13.65%	12.01%	13.76%	12.09%	10.56%
10	Total Connections				2,727	512	512	512	512	657	657	643
	TOMI COTTIBICIONS				2,728	3,240	3,752	4,264	4,776	5,433	6,090	6,733
11	Raw U & U Percent				47.46%	56.37%	65.27%	74.18%	83.09%	56.71%	63.57%	70.000
12	PLUS: Margin Reserve @ 36 Mos.											70.29%
13	Total Connections plus Margin Reserve			·	8,181	1,536	1,536	1,536	1,536	1,971	1,971	1,929
					10,909	4,776	5,288	5,800	6,312	7,404	8,061	8,662
14	U & U Percent				100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

SOURCE: BURTON & ASSOCIATES

C:\DATA\123\CU\TESTIM~2\FAMS530C.WK4



## Scenario 1R(a)-Intercoastel Utility's Recisimed Water Rates w/Intercoastel Capital Plan - 100% Debt / 9% Equit

				-		<u>en</u>	1909				PY	1000	·—···	······································
Lander	Orig Leas Amount	Oris Lean Date	Term	Internet Rate	Beginning Belation	Principal	internet	Beignos	Cost of Capital Cols	Registing Related	Principal	Internet	Baisnos	Cost of Capital Cale
3 4 5						•								
7														
10 11 12														
13 14 Equity 18 New Debt- in Service:	4	)		10.00%										
16 1960 177 2000 18 2001 19 2001 201 201 202 202 202 203 203 203 222 2006 224 2007 256 2008 258 2008 258 2008 258 2008 258 2008 258 2008 258 2008 258 2008 258 2008 258 2008 258 2008 258 2008 258 2008 258 2008 258 2008 258 2008 258 2008 258 2008 258 2008 200			2 2 2	0 6.50% 0 6.50% 0 6.50% 0 6.50%										
200 2003 21 2004 22 2006	4,505,26		2	0 6.50% 0 6.50% 0 6.50% 0 6.50%										
23 2006 24 2007 25 2008 28 2008	1,808,20		2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	0 6.50% 0 6.50% 0 6.50%										
27 28 New Debt- Construction Work in Progress:	•	•	2											
29 Include CMP in VACC? NO 30 New Equity 31		)		10.00%		<del> </del>								
32 Weighted Average Cost of Capital														

SOURCE: BURTON & ASSOCIATES C'OATA129ICIATESTM-2FAMESIODING



## Scenario 1R(s)-Intercoastal Utility's Recisimed Water Rates w/ Intercoastal Capital Plan - 100% Dobe / 8% Equit

						PY:	1001				PY	962		
Lender	Orig Lees Amount	Oris Loss Date	Тепъ	internal Rate	Beinne	Principal	Interest	Belance	Cost of Capital Cale	Beginning Balance	. Principal	interest	Balance	Cost of Copital Calc
3 4 5 6 6 7 7 8 9 9 10 11 11 12 13 14 Equity 13 14 Equity 15 New Debt- in Service: 186 1996 17 2000 18 2001 19 2002 20 2003 21 2004 22 2004 22 2005 23 2006 24 2007 25 2008 26 2008 27 7	4,596,21 1,806,21	0 0	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	0.50%						4,586,263 0 0 4,586,263 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 200,042 0 0 0 0	4,447,160 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
28 New Debt- Construction Work in Progress: 29 Include CWIP in WACC? 30 New Equity		0		0 7.50% 10.00%								0	0	, 0
12 Weighted Average Cost of Capital SOURCE: BURTON & ASSOCIATES						<del></del>		••-		1.7.	\$118,100	\$290,042	\$4,487,183	\$290,368 6.50%

05/31/2000

## Scenario 1R(a)- Intercoastal Utility's Reclaimed Water Rates of Intercoastal Capital Plan - 100% Date | 0% Equit

				PYZ	<del>663</del>				FYS	184		
Lender	Orig Loon Amount Orig Loon Date	Term interest !	Beginning Late Belance	Principal	Interest	Balance	Cost of Capital Cale	Registing Externs	Principal	hterest	Balance	Cost of Capital Cale
3 4 5												
• •												
U 10 11 12												
13 14 Equity 15 New Debt- in Service:	0	10.0	O% 0	•	0	0	0	•	•	0	,	. 0
16 1900 17 2000 18 2001	9 9	20 6.8 20 6.8	0% 8 0% 8	•	0	0		:	:	0		0
18 1998 17 2000 18 2001 19 2002 20 2002 20 2002 21 2004 221 2006 23 2006 24 2007 25 2007 25 2008	4,595,363 8 9	29 6.8 30 6.8 30 6.8 20 6.8 20 6.8 20 6.8	0% 4,467,163 0% 0 0% 0 0% 0	125,776	290,366 0 0	4,341,3 <b>86</b> 0 0	262,190 0	4,341,30š	133,962	262,190 0 0	4,207,43	273,463
23 2006 34 2007 25 2008	1,808,200	20 4.5	0% 0 0% 0 0% 0		0	0	0	000	•	0		999
26 2008 27 28 New Debt- Construction Work in Progress:	i	20 6.6	0% 0	i	Ö	0		÷	•	0		
28 Include CAVIP in VAACCP NO NO New Equity	•	20 7.5 10.0	0%		0	0	0			0	(	0
22 Weighted Average Cost of Capital				\$125,778	\$290,386	\$4,341,386	\$282,180 6.60%		8133,962	\$282,190	\$4,207,43	\$273,483 6.50%
SOURCE: BURTON & ASSOCIATES												

SOURCE: BLIKTON & ASSOCIATES CIDATAII 2000 LITESTIM-26 AMESIAD LINKS

05/31/2000

## Scenario 18(a)- Interposstal Utility's Reclaimed Water Rates w/ Interposstal Capital Plan - 100% Debt / 0% Emit

					_		ex s	<del>105</del>				FYZ	***		
1 2	Lender	Orig Leas Amount	Orio Loss Date	Term	Interest Rate	Registrates Relation	Principal	Interest	Belance	Cost of Capital	Baghwing Belence	Principal	Interest	_Behroe	Cost of Coptail
3 4 8 8 7 8 8 10 11 12 13 14 15 16 17 18 20 21 22 23 24 25 26 27	Equity New Dats- in Service: 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2008	4,586,26	0 0 0	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	10.00% 0 6.50% 0 6.50% 0 6.50% 0 6.50% 0 6.50% 0 6.50% 0 6.50% 0 6.50%	0 0 0 0 4,207,436 0 0 0 0	0 0 0 0 142,660 0 0 0	0 2 273,483 0 0 0 0 0 0 0	4,064,77	0 8 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	4,064,778 8 9 9 9 9	9 0 0 0 151,831 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	3,812,844 0 0 0 0 0 0 0 0	254,335 0 0 0 0 0 0 0 0 0
25	New Dobt- Censtruction Work in Progress: Instude CMIP in VIACC7 New Equity		•	20	7.50%			0	1	0 0			,o	0	0
31	Weighted Average Cost of Capital						\$142,656	\$2/3,483	\$4,084,77	8294,210 6.50%		728,1818	\$284,210	\$20,615,160	\$254,335 6.50%
	SOURCE: BURTON & ASSOCIATES CYDATA1123PCLITESTN-2FAMBERDHAM														

### Scenario 1R(s)- intercoastal Utility's Reclaimed Water Rates w/ intercoastal Capital Plan - 100% Debt / 8% Equit

					_		PYZ	<del>99</del> 7				FYS	Mf		
!	Lander	Orig Lean Amount	Orio Lean Date	Теп	icierest Raie	Beinnes	Principal	idensi	Belence	Cost of Cophel Cole	Beginning Beleates	Principal	interest	Balance	Cost of Capital Cale
3															
7															
10 11															
13 14 15	Equity New Dabl- in Service:		,		10.00%	•	•	0	(	• •	•	•	0	4	
16 17 18	1906 2000 2001	4 505 00		20 20 20	4.50% 4.50% 4.50%		•	0 0 0			0	0	0		
20 21 22	1996 2000 2001 2002 2002 2004 2006 2007 2006 3009	4,585,26		**************************************	0 4.50% 0 4.50% 0 4.50% 0 4.50% 0 4.50% 0 4.50% 0 4.50% 0 6.50%	3,912,844	161,807 0 0	254,336 0 0	3,751,03	7 343,817 0 0 0 0	3,761,037 0 0	172,334 0 0	343,817 0 0	3,578,713 (	232,616 0 0
23 24 25	2006 2007 2008	1,808,20		X X X	6.50% 6.50% 6.50%	1,908,200	46,148	124,033	1,956,05	0 2 1 <b>20,</b> 838	1,860,062	62,343	120,838	1,806,70	117,436
29	New Dobl- Construction Work in Progress:			24		•	٥	. 0		0 å 0 G	ě	Ŏ	ō 0	i	0
30 31	New Equity		0		10.00%		\$210,956	\$370,368	\$5,610,00	0 0			B447 B74**	-	
23	Weighted Average Cost of Capital							P-16,300	40,010,00	8.50% 2.60%		\$224,667	\$364,656	\$5,385,422	\$350,052 6.50%

SOURCE: BURTON & ASSOCIATES C'OATAI12NOUTESTIM-2FAMSSMOJING

05/31/2000

# Figure 14 Page 6 of 6 INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM Weighted Average Cost of Capital Analysis

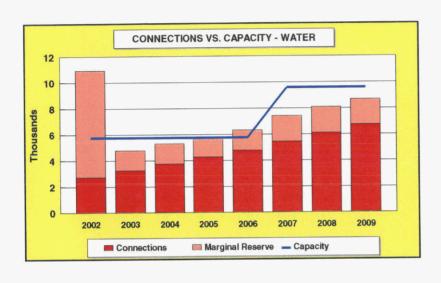
# Scenario 1R(a)-Intercoastal Utility's Reclaimed Water Rates w/ Intercoastal Capital Plan - 100% Debt / 8% Equit

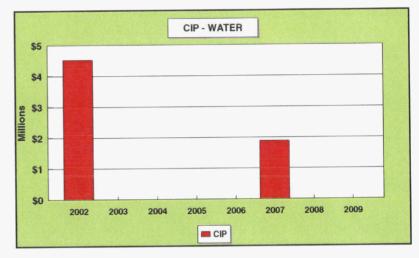
Lender 2 3 4 8 6	Orig Lean Amount O	ria Lean Date	<u>Term je</u>	- Narest Raje	Regining Relator	Principal	internet	Referee	Cost of Capital Cale
8 10 11 12 13 14 Equity 15 New Debt- in Service: 18 0000 18 0000 18 2001 19 2001 19 2002 20 2003 21 2004 22 2004 22 2005 24 2007 25 2006 24 2007 25 2006 26 2007 27 New Debt- Construction Work in Progress: 28 Include CMP is WACC? 29 Include CMP is WACC? 30 New Equity 31 Weighted Average Cost of Capital SOURCE: BURTON & ASSOCIATES CONTAILISMONTERM-2FAMESSOUMM	4,595,243 0 0 0 0 0 0 0 0 0 1,908,200		20, 20, 20, 20, 20, 20, 20, 20, 20, 20,	18.00% 6.50% 6.50% 6.50% 6.50% 6.50% 6.50% 6.50% 8.50%	3.678,713 0 0 3.678,713 0 0 0 0 1,804,708	0 0 183,528 0 0 0 0 0 56,745	232,814 0 0 0 117,436 0	3,305,167,181	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0

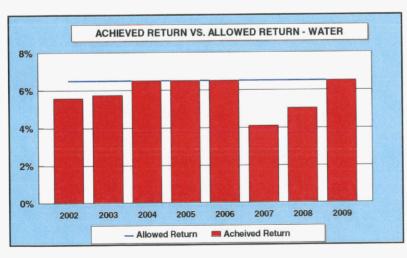
06/31/2000

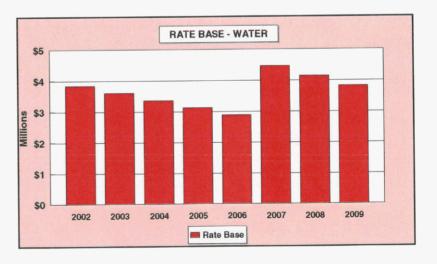
# INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM GRAPHS OF KEY INDICATORS

Scenario 1Ra- Intercoastal Utility's Reclaimed Water Rates w/ Intercoastal Capital Plan - 100% Debt / 0% Equity









SOURCE: BURTON & ASSOCIATES C:\DATA\123\CU\TESTIM-2\FAMS530E.WK4

# INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM CASH FLOW PROJECTIONS - TOTAL RECLAIMED WATER SYSTEM

### Scenario 1Ra- Intercoastal Utility's Reciaimed Water Rates w/ Intercoastal Capital Plan - 100% Debt / 0% Equity

		<u>1999</u>	2000	<u>2001</u>	2002	2003	2004	2005	2006	2007	2008	2009
1	Sources of Funds Beginning Year Balance				0	489,195	521,451	565,798	594,598	607,854	501,591	446,276
,	Net Income				213,575	206,214	218,306	202,759		182,456		248,452
3	Add:				213,575	200,214	210,300	202,759	187,215	102,400	207,845	240,432
4	Depreciation				85,362	134,516	134,516	134,516	134,516	162,445	188,004	187,775
5	Amort of Utility Plant Acq Adj				00,002	154,510	10-,510	10-,510	134,310	102,770	100,007	107,770
6	Amort of Rate Case Expense				ň	ň	ň	ŏ	ň	ň	ň	ň
7	Loss:				•	•	·	•	·	•	•	•
8	Amort of CIAC				(32,945)	(12,371)	(12,371)	(12,371)	(12,371)	(15,874)	(15,874)	(15,536)
9	Net Income adjusted for non-cash items		·-		265,992	328,359	340,451	324,904	309,360	329,027	379,975	(15,536) 420,691
10	Additional Cash						<b>-</b>		,	,		
11	CIAC Cash				639,345	120,038	120,038	120,038	120,038	154,034	154,034	150,751
12	Total additional Cash				639,345	120,038	120,038	120,038	120,038	154,034	154,034	150,751
13												
14 15	Total Sources of Funds				905,337	937,593	981,940	1,010,740	1,023,996	1,090,914	1,035,599	1,017,718
16	liese of Europe											
17	Uses of Funds Less:											
18	Principal				440 400	(40E 770)	(400 0E0)	44 40 OF 51	444 004	(040.055)	(004 007)	4000 0741
19	interest				(118,100)	(125,776)	(133,952)	(142,659)	(151,931)	(210,955)	(224,667)	(239,271)
20	Working Capital Reserve				(298,042)	(290,366)	(282,190)	(273,483)	(264,210)	(378,368)	(364,656)	(350,052)
21	Equity Investment				(11,460)	(14,311)	(17,232)	(20,220)	(23,272)	(27,170)	(31,148)	(35,128)
22	Total Uses of Funds			· · · · · · · · · · · · · · · · · · ·	(427,602)	(430,453)	(433,374)	(436,362)	(439,414)	(616,493)	(620,471)	(624,451)
23					(427,002)	(400,400)	(400,014)	(400,002)	(+10,60+)	(010,493)	(020,471)	(024,451)
24	Excess (Deficit)				477,735	507,140	548,566	574,378	584,582	474,421	415,128	393,268
25	<b></b>				471,700	907,140	0-10,000	0,4,0,0	004,002	777,721	415,125	J40,200
26	Annual subsidy required from stockholders				0	0	0	0	0	0	0	٥
27	Net Cash Flow				477,735	507,140	548,566	574,378	584,582	474,421	415,128	393,268
28	Add Back: Working Capital Reserve				11,460	14,311	17,232	20,220	23,272	27,170	31,148	35,128
29	Ending Balance				489,195	521,451	565,798	594,598	607,854	501,591	446,276	428,395
30	Commission of the Commission o											
31	Cumulative subsidy required from stockholders				0	0	0	0	0	0	0	0

SOURCE: BURTON & ASSOCIATES CHOATALIZACIATESTEM-ZYAMESIOE, MALE

06/01/2000

## Scenario 3b

# <u>Reclaimed Water Rates</u> 60% <u>Debt and 40% Equity Financing</u>

This scenario determines the reclaimed water rates of Intercoastal Utilities implementing Intercoastal's plan to meet the reclaimed water demands of the projected growth in the area for which Intercoastal's service area extension application is filed. It assumes that capital projects will be funded with 60% debt and 40% equity financing.

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# INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM SUMMARY

Scenario 1Rb- Intercoastal Utility's Reclaimed Water Rates w/ Intercoastal Capital Plan - 60% Debt / 40% Equity

Average Monthly Cost per ERC assumes 10,000 Gallons per Month Average Water Usage per ERC

Average monthly ocot pe	I EITO GOOD	11100 10100	Cidironio po	1110111111111							
Reclaimed Water	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Rate Plan				0.0%	0.0%	0.0%	-4.0%	-10.3%	0.0%	0.0%	-1.1%
Achieved Return				5.23%	5.40%	6.89%	7.99%	8.02%	5.86%	6.80%	8.09%
Allowed Return				7.91%	7.93%	7.96%	7.99%	8.02%	8.01%	8.05%	8.09%
Avg Mo.Cost / ERC				\$15.48	\$15.48	\$15.48	\$14.85	\$13.32	\$13.32	\$13.32	\$13.17
Achieved Return (Millions)				\$0.200	\$0.194	\$0.231	\$0.249	\$0.231	\$0.261	\$0.282	\$0.309
				\$0.303	\$0.285	\$0.267	\$0.249	\$0.231	\$0.358	\$0.333	\$0.309
				\$3.837	\$3.598	\$3.359	\$3.119	\$2.880	\$4.464	\$4.141	\$3.822
	Reclaimed Water  Rate Plan Achieved Return Allowed Return Avg Mo.Cost / ERC Achieved Return (Millions) Allowed Return (Millions) Rate Base (Millions)	Reclaimed Water 1999  Rate Plan Achieved Return Allowed Return Avg Mo.Cost / ERC Achieved Return (Millions) Allowed Return (Millions)	Reclaimed Water 1999 2000  Rate Plan Achieved Return Allowed Return Avg Mo.Cost / ERC Achieved Return (Millions) Allowed Return (Millions)	Reclaimed Water 1999 2000 2001  Rate Plan  Achieved Return  Allowed Return  Avg Mo.Cost / ERC  Achieved Return (Millions)  Allowed Return (Millions)	Reclaimed Water         1999         2000         2001         2002           Rate Plan         0.0%	Reclaimed Water         1999         2000         2001         2002         2003           Rate Plan         0.0%         0.0%         0.0%           Achieved Return         5.23%         5.40%           Allowed Return         7.91%         7.93%           Avg Mo.Cost / ERC         \$15.48         \$15.48           Achieved Return (Millions)         \$0.200         \$0.194           Allowed Return (Millions)         \$0.303         \$0.285	Reclaimed Water         1999         2000         2001         2002         2003         2004           Rate Plan         0.0% <td>Reclaimed Water         1999         2000         2001         2002         2003         2004         2005           Rate Plan         0.0%         0.0%         0.0%         -4.0%           Achieved Return         5.23%         5.40%         6.89%         7.99%           Allowed Return         7.91%         7.93%         7.96%         7.99%           Avg Mo.Cost / ERC         \$15.48         \$15.48         \$15.48         \$14.85           Achieved Return (Millions)         \$0.200         \$0.194         \$0.231         \$0.249           Allowed Return (Millions)         \$0.303         \$0.285         \$0.267         \$0.249</td> <td>Reclaimed Water         1999         2000         2001         2002         2003         2004         2005         2006           Rate Plan         0.0%         0.0%         0.0%         -4.0%         -10.3%           Achieved Return         5.23%         5.40%         6.89%         7.99%         8.02%           Allowed Return         7.91%         7.93%         7.96%         7.99%         8.02%           Avg Mo.Cost / ERC         \$15.48         \$15.48         \$15.48         \$14.85         \$13.32           Achieved Return (Millions)         \$0.200         \$0.194         \$0.231         \$0.249         \$0.231           Allowed Return (Millions)         \$0.303         \$0.285         \$0.267         \$0.249         \$0.231</td> <td>Reclaimed Water         1999         2000         2001         2002         2003         2004         2005         2006         2007           Rate Plan         0.0%         0.0%         0.0%         -4.0%         -10.3%         0.0%           Achieved Return         5.23%         5.40%         6.89%         7.99%         8.02%         5.86%           Allowed Return         7.91%         7.93%         7.96%         7.99%         8.02%         8.01%           Avg Mo.Cost / ERC         \$15.48         \$15.48         \$15.48         \$14.85         \$13.32         \$13.32           Achieved Return (Millions)         \$0.200         \$0.194         \$0.231         \$0.249         \$0.231         \$0.261           Allowed Return (Millions)         \$0.303         \$0.285         \$0.267         \$0.249         \$0.231         \$0.358</td> <td>Rate Plan         0.0%         0.0%         0.0%         -4.0%         -10.3%         0.0%         0.0%           Achieved Return         5.23%         5.40%         6.89%         7.99%         8.02%         5.86%         6.80%           Allowed Return         7.91%         7.93%         7.96%         7.99%         8.02%         8.01%         8.05%           Avg Mo.Cost / ERC         \$15.48         \$15.48         \$15.48         \$14.85         \$13.32         \$13.32         \$13.32           Achieved Return (Millions)         \$0.200         \$0.194         \$0.231         \$0.249         \$0.231         \$0.261         \$0.282           Allowed Return (Millions)         \$0.303         \$0.285         \$0.267         \$0.249         \$0.231         \$0.358         \$0.333</td>	Reclaimed Water         1999         2000         2001         2002         2003         2004         2005           Rate Plan         0.0%         0.0%         0.0%         -4.0%           Achieved Return         5.23%         5.40%         6.89%         7.99%           Allowed Return         7.91%         7.93%         7.96%         7.99%           Avg Mo.Cost / ERC         \$15.48         \$15.48         \$15.48         \$14.85           Achieved Return (Millions)         \$0.200         \$0.194         \$0.231         \$0.249           Allowed Return (Millions)         \$0.303         \$0.285         \$0.267         \$0.249	Reclaimed Water         1999         2000         2001         2002         2003         2004         2005         2006           Rate Plan         0.0%         0.0%         0.0%         -4.0%         -10.3%           Achieved Return         5.23%         5.40%         6.89%         7.99%         8.02%           Allowed Return         7.91%         7.93%         7.96%         7.99%         8.02%           Avg Mo.Cost / ERC         \$15.48         \$15.48         \$15.48         \$14.85         \$13.32           Achieved Return (Millions)         \$0.200         \$0.194         \$0.231         \$0.249         \$0.231           Allowed Return (Millions)         \$0.303         \$0.285         \$0.267         \$0.249         \$0.231	Reclaimed Water         1999         2000         2001         2002         2003         2004         2005         2006         2007           Rate Plan         0.0%         0.0%         0.0%         -4.0%         -10.3%         0.0%           Achieved Return         5.23%         5.40%         6.89%         7.99%         8.02%         5.86%           Allowed Return         7.91%         7.93%         7.96%         7.99%         8.02%         8.01%           Avg Mo.Cost / ERC         \$15.48         \$15.48         \$15.48         \$14.85         \$13.32         \$13.32           Achieved Return (Millions)         \$0.200         \$0.194         \$0.231         \$0.249         \$0.231         \$0.261           Allowed Return (Millions)         \$0.303         \$0.285         \$0.267         \$0.249         \$0.231         \$0.358	Rate Plan         0.0%         0.0%         0.0%         -4.0%         -10.3%         0.0%         0.0%           Achieved Return         5.23%         5.40%         6.89%         7.99%         8.02%         5.86%         6.80%           Allowed Return         7.91%         7.93%         7.96%         7.99%         8.02%         8.01%         8.05%           Avg Mo.Cost / ERC         \$15.48         \$15.48         \$15.48         \$14.85         \$13.32         \$13.32         \$13.32           Achieved Return (Millions)         \$0.200         \$0.194         \$0.231         \$0.249         \$0.231         \$0.261         \$0.282           Allowed Return (Millions)         \$0.303         \$0.285         \$0.267         \$0.249         \$0.231         \$0.358         \$0.333

SOURCE: BURTON & ASSOCIATES C:\DATA\123\ICU\TESTIM~2\FAMS530E.WK4



# INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM ASSUMPTIONS

## Scenario 1Rb- Intercoastal Utility's Reclaimed Water Rates w/ Intercoastal Capital Plan - 60% Debt / 40% Equity

		Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	<u>Assumptions</u>	<u> 1999</u>	2000	<u> 2001</u>	<u> 2002</u>	2003	2004	<u> 2005</u>	2006	<u> 2007</u>	2008	<u> 2009</u>
	Reclaimed Water											
1	Capacity in ERC's					5,748	5,748	5,748	5,748	5,748	9,580	9,580
2	Additional Capacity in ERC's				5,747	0	0	0	0	3,831	0	0
3	Total Capacity				5,748	5,748	5,748	5,748	5,748	9,580	9,580	9,580
4	GPD = 1 ERC				261	261	261	261	261	261	261	261
5	Connected ERC's					2,728	3,240	3,752	4,264	4,776	5,433	6,090
6	Additional Connected ERC's											
7	Walden Chase				0	0	0	0	0	0	0	0
8	Marsh Harbour				14	14	14	14	14	14	14	0
9	Nocatee				2,713	498	498	498	498	643	643	643
10	East Svc Area				0	0	0	0	0	0	0	0
11	Total Additional Connected ERC's			-	2,727	512	512	512	512	657	657	643
12	Total Connected ERC's				2,728	3,240	3,752	4,264	4,776	5,433	6,090	6,733
13	Percent Growth in Connected ERC's					18.77%	15.80%	13.65%	12.01%	13.76%	12.09%	10.56%
14	Percent of Growth Applied to Expenses				25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
15	Effective Multiplier for Growth					4.69%	3.95%	3.41%	3.00%	3.44%	3.02%	2.64%
16	Inflationary Multiplier				1.50%	1.50%	1.50%	1.50%	1,50%	1.50%	1.50%	1.50%
17	Growth and Inflationary Multiplier					6.19%	5.45%	4.91%	4,50%	4.94%	4.52%	4.14%

18	New Debt Assumptions	
19	·	
20	Term	20
21	Issuance Costs	1.50%
22	Internet Date	6.508/

23 24	O&M Reserves Water	Months	Percent of Annual O&M
25	Minimum Reserves Level	1.5	12.50%
26 27	Rates & Charges Current Service Availability Charge	\$234	<b>\$</b> 625

SOURCE: BURTON & ASSOCIATES
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#### INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM PRO-FORMA INCOME PROJECTIONS - RECLAIMED WATER SYSTEM

## Scenario 1R(b)- Intercoastal Utility's Reclaimed Water Rates w/Intercoastal Capital Plan - 80% Debt / 40% Equity

		Barbara.									
Recisimed Water	1866	Projected 2008	Projected 2001	Projected 2002	Projected 2022	Projected 2004	Projected	Projected	Projected	Projected	Projected
	_			_		-63	204	2004	<u>2027</u>	2021	2000
Revenues:											
Rate Revenues											
Rate Revenue				\$100	\$504,500	9001,000	2404,744	\$750.837	2703.201	\$000,257	9973,254
Growth Personlage				•	18,77%	15,80%	13.06%	12.01%	13.70%	12.00%	10.54%
Rate Revenue from Growth				504,404	95,079	85,078	85,078	81,234	104,806	104,996	102,784
Rate Reverue Prior le Rale Adjustment				\$505,500	3601,668	\$695,745	8791.826	361,075	\$804,257	\$873,254	\$1,076,01
Persentage Rate Increase				0.00%	0.00%	0.00%	-4.64%	-10.32%	8.00%	8,00%	-1,139
Rate Revenue from Rate Adjustment Total Kale Revenue					•	•	(31,007)	(07.014)	0	0	(12.21
FORE PLANE PROPERTY OF				\$500,560	\$401,000	\$696,746	\$760,837	8763,261	\$368,257	3973.264	\$1,083,80
Other Revenue:											
Mint, Reverse											
Other Revenue				<b>\$0</b>	<b>\$0</b>	80	10	30	\$0	80	\$
Total Other Revenue				- 10			0	<u> </u>		0	1
Total Revenues				3638,363	50 5401,668	30	- 10	30)	30	20	
				************	#0U1,000	\$690,748	\$750,837	8763,261	\$866,257	\$873,254	\$1,083,00
Expenses:											
•											
Addinsal C&M - Western Sve Area											
Operating Expenses- Eastern See Area				\$23,054	\$34,481	\$25,814	\$27,044	\$26,303	\$29,701	\$31,044	\$32,32
Rate Case Expense				801,340	\$114,145	\$137,516	\$161,420	\$185,836	\$217,021	\$248,843	\$290,60
Franchise Fee- PSC				NA	NA	NA.	NA.	NA	NA	NA	N
Decreciation (U.S. U. And Crisis				22,797	27,075	31,364	34,183	34,347	39,072	43,794	47.87
Amort of CIAC (U.S. U. Ant. Only)				85,362	134,516	134,510	134,516	134,510	162,446	188,004	187,77
Amort of Acq Ad				(32,845)	(12,371)	(12,371)	(12,371)	(12,371)	(15,874)	(15,074)	(15,53
Total Expenses Counting Income				\$189,808	5207,848						
Operating income	·			\$316,962	\$313,822	\$310,830	\$344,841	\$370,630	\$432,363	\$495,813	\$533,12
'				9019,002	9313,822	\$379,516	8454,907	\$342,631	\$435,864	\$477,441	\$530,68
Non Operating Income (Expenses):											
Non Oper Rev Taxon Other Then Income:				\$0	\$0	80	\$0				
				~~~	~~~	~~	~	20	<b>\$0</b>	\$0	\$
Intangible Tex				ă	(725)	(748)	(770)	(793)	•	. 0	
Other Taxes & Licenses Property Taxes:				ň	(100)	(104)	(107)	(110)	(1,036) (144)	(1,063)	(1,00
Property Taxes:					(,,,,,	(100)	(101)	(110)	(144)	(147)	(15
Property 1axes:				(103,407)	(106,782)	(110,187)	(113,531)	(110,000)	(182,801)	(154,470)	(180,60
Total Non Operating Expenses								1	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(100,010)	(100,00
Yetal Non Operating Expenses Net Income				(\$103,407)	(\$107,607)	(\$111,008)	(\$114,400)	(3117,800)	(\$153,760)	(\$157,687)	(\$181,84)
Taxable income (See worksheet for taxable income below)				\$213,575	\$205,214	\$268,908	\$300,586	1274,122	\$202,114	\$319,564	\$368,83
Interne Taxos:				834,749	\$31,005	\$90,504	\$134,498	\$116,296	\$55,003	\$100,761	\$158,80
State 5.50%				4						• · · · · · ·	
Federal 34,00%				1,911 11,165	1,760	5,470	7,507	6,306	3,030	5,542	8,73
Total income Taxes	·			\$13,07 <b>6</b>	10,260 \$12,040	32,000	43,657	37,366	17,701	32,374	51,02
Net After Tax Income			·			\$37,477	\$51,384	\$43,762	\$20,732	\$37,916	\$50,75
				\$200,488	\$104,175	\$231,431	\$240,224	\$231,060	\$261,342	\$281,638	\$300,080
Rate Base				64 617 444	** ***	** ***					•
				\$3,837,165	\$3,607,623	\$3,356,561	\$3,118,266	\$2,000,236	84,463,628	\$4,141,343	\$3,622,33
Rate of Roturn Achieved											
Allowed Return				8.23%	5.40%	0.80%	7.90%	6.02%	6.00%	6.80%	8.003
Allowed Return Amount				7.01%	7.83%	7.96%	7.50%	8.02%	0.01%	8.05%	8.003
				\$303,497	\$285,434	\$267,346	\$348,234	\$231,000	\$367,601	\$333,247	\$309,000
Worksheet for Taxable Income:											
Interest Expense - Total				\$178,825	\$174,210	\$169,314	\$164,000	\$150,526	\$300 per	4545.5	
Allocation Percentage to Weter (1) Allocated Interest Expense - Water				100.00%	100,00%	100.00%	100,00%	100.00%	\$227,021 100,00%	\$218,783	\$210,03
CONTRACTOR CONTRACTOR - NATION				176,825	174,218	180,314	164,000	166,028		100.00%	100.001
Restatement of Nat Income Before Income Tax				-		,	14-7460	199,029	227,021	218,783	210,03
LESS: Interest Expense - Water				\$213,575	\$206,214	\$260,000	\$300.588	\$274,822	\$202,114	\$319,564	434F
Taxable Income - Water (2)				178,825	174,219	169,314	164,090	158,526	227,021	218,793	\$368,83
Taxable tracme - Weler (2)				\$34,749	\$31,995	\$80,584	\$136,496	\$118,256	356,021		210,031
*** ** **						***	A section	411000	470,041	\$100,761	\$150,007

<sup>(1)</sup> Affocation percentage based upon current water rate base as a percentage of total rate base.

SOURCE: BURTON & ASSOCIATES

C:OATA1394CLATESTM-3VFAMS5300,WK4

For simplicity, texable income is calculated experiency for water and westerwater, however, the tax return would be filed on a consolidated basis. Furthermore, texable income is not allowed to go negative in this model for water or westerwater. Negative texable income is either system could effect taxable income in the other system and a not negative taxable income would read in tax sredits that sould potentially be carried forward or back.

# INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM DEPRECIATION SCHEDULE - RECLAIMED WATER

## Scenario 1R(b)- Intercoastal Utility's Reclaimed Water Rates w/ Intercoastal Capital Plan - 60% Debt / 40% Equity

#### Reclaimed Water

#### Existing Asset Depreciation

E	xisting Assets	Year	Estimated Original Cost	Life (Years)
1 -	Franchises			
2	Structures			
3	Wells & Springs			
4	Other Pumping			
5	Pumping Equip			_
6	Other Water Source Plant			
7	Structures & Improvements		•	•
8	Treatment		•	•
ě	Dist Reservoirs		•	•
10	Mains		•	•
11	Services	•	•	•
12	Meters	•	•	•
13	Hydrants	•	•	•
14	Other T&D	•	• •	•
15	Supply Mains	•	•	-
		•	•	•
16 17	General :	•		•
	Fumiture			
18	Power Equip			
19	Misc Equip			
20_	Acquaition			
21 To	otal Estimated Original Cost		•	
22 A	djustment to 1998 Annual Report Utility Plant in Service			
7.L T	ofal I hilly Plant to Sendon			

2001 2002 2003 2004 2008 2006 2007 2008 2006	•	•		
			•	Franchises Structures
		•	•	Wells & Springs
• •	•	•	•	Other Pumping
	•	•	•	Pumping Equip
• • • • • • • • • • • • • • • • • • • •	•	•	•	Other Water Source Plant
• • • • • • • • • •	•	•	•	Structures & Improvements
• • • • • • • • • • • • • • • • • • • •	•	•	•	Treatment
• • • • • • • • • • • • • • • • • • • •	•	•	•	Dist Reservoirs
• • • • • • • • • • • • • • • • • • • •	•	•	•	Mains
• • •	•	•	•	Services
• • • • • • • • • • • • • • • • • • • •	-	•	-	Meters
• • • • • • • • • • • • • • • • • • • •	•	•	•	Hydrants
• • • • • • • • • • • • • • • • • • • •	•	•	•	Other T&D
• • • • • • • • • • • • • • • • • • • •	•	•	•	Supply Mains
• • • • • • • • •	•	•	•	General
• • • • • • • • • • • • • • • • • • • •	•	•	•	Furniture
· · · · · · · · · · · · · · · · · · ·	•	•	•	Power Equip
•	•	•	•	Misc Equip
•	•	•	•	Acqueition
· · ·		_ •	•	al Existing Depreciation
	•	•	•	justiment to Reconcile to Accounting Records
• • • •	-		<u> </u>	al Eviding Depreciation
- <del> </del>	<del></del>	<del></del>	<u> </u>	al Existing Depreciation

SOURCE: BURTON & ASSOCIATES
C:DATA\123\CATESTIM-24AMSSDD,WK4

# INTERCOASTAL UTILITIES WATER & SEWER SYSTEM DEPRECIATION SCHEDULE - RECLAIMED WATER

## Scenario 1R(b)- Intercoastal Utility's Recialmed Water Rates w/ Intercoastal Capital Plan - 60% Debt / 40% Equity

#### Recisimed Water

#### **Hew Asset Depreciation**

	N At-		Estimated	
	New Assets	Year	Original Cost	Life (Years)
- 1	16" PVC Outfall / Xfer (50% Cost)	2002	\$360,000	45
2	12" ICWW Crossing	2002	300,000	45
3	ICU - East Reclaim P.S.	2002	250,000	25
4	3.0 MG Reciaimed Storage Reservoir	2002	1,100,000	41
5	Reclaimed Water P.S.			
Ā	24" PVC Reclaimed Water Main	2002	500,000	25
ž		2002	360,000	45
΄.	16" PVC Reclaimed Water Main	2002	456,000	45
8	8" PVC Reclaimed Water Main	2002	288,000	45
9	Engineering & Contingency	2002	903,500	30
10	16" PVC Reclaimed Wtr Main	2007	304,000	45
11	Expand Reclaimed Wtr P.S.	2007	100,000	20
12	3.0 MG Reservoir			
13	Engineering & Contingency	2007	1,100,000	41
	Commontal a Contribution Cy	2007	376,000	30

D	epreciation Schedule - New Assets	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
14	16" PVC Outfall / Xfer (50% Cost)					\$4,000	\$8,000	\$8.000	\$8,000	\$8,000			
15	12" ICWW Crossing			_	_	3,333					\$8,000	\$8,000	\$8,000
16	ICU - East Reclaim P.S.			•	•		6,667	6,667	6,667	6,667	6,667	6,667	6,667
17	3.0 MG Reciaimed Storage Reservoir		•	•	•	5,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
18	Reclaimed Water P.S.		•	•	•	13,415	26,829	26,829	26,829	26,829	26,829	26,829	26,829
19			•	•	-	10,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
	24" PVC Reclaimed Water Main		-	•	•	4,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
20	16" PVC Reclaimed Water Main					5,067	10,133	10,133	10,133	10,133			
21	8" PVC Recialmed Water Main		_	_							10,133	10,133	10,133
22	Engineering & Contingency		-	•	•	3,200	6,400	6,400	6,400	6,400	6,400	6,400	6,400
23	16" PVC Reclaimed Wtr Main		•	•	•	15,058	30,117	30,117	30,117	30,117	30,117	30,117	30,117
24	Expand Reciaimed Wtr P.S.		•	•	•	-	•	•	•		3,378	6,756	6,756
			•	•					_	_	2,500	5,000	5,000
25	3.0 MG Reservoir		-				_	_					
26	Engineering & Contingency			_		_	_	-	•	•	13,415	26,829	26,829
47	CIAC Plant			•	•						6,267	12,533	12,533
48 To	otal New Depreciation	<del></del>		<del></del>	<u> </u>	22,289	8,370	8,370	8,370	8,370	10,740	10,740	10,511
			-	•	•	\$85,362	\$134,516	\$134,516	\$134,516	\$134,516	\$162,445	\$188,004	\$187,775
_	and the control of the same of the same								•			,	

#### Total Depreciation - Reclaimed Water

49 Total Existing Depreciation 50 Total New Depreciation		•	•	•						_		_
51 Total Depreciation		-		•	85,362	134,516	134,516	134,516	134,516	162,445	188,004	187.775
•		•	-	•	\$85,362	\$134,516	\$134,516	\$134,516	\$134,516	\$162,445	\$188,004	\$187,775
52 Accumulated Depreciation	•	•	•	. •	\$85,362	\$219,877	\$354,393	\$488,908	\$623,424	\$785,869	\$973,873	\$1,161,648

SOURCE: BURTON & ASSOCIATES C:DATANIZINGUATESTIM-2FAMS3300.WK4



# INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - RECLAIMED WATER

### Scenario 1R(b)-Intercoastal Utility's Reclaimed Water Rates w/ Intercoastal Capital Plan - 50% Debt / 40% Equity

## Reclaimed Water - Existing CIAC

### **Existing CIAC**

	Existing CIAC-Plant	Year	Estimated Original Cost	Life (Years)
1	Chir	-		-
2	Dist Reservoirs & Standples	•	-	
3	Trensmission & Dist Mains			
4	Services	-		
6	Motors & Motor Installs	-		_
8	Hydrants			
Ť	Yard Europa (NEC. Dan)	<del></del>	<del></del>	

	Existing CIAC - Cash	Year	Estimated Original Cost	Life (Years)
8	Cash	-		<del></del>
9	Total Existing CIAC - Cash		<del></del> -	
10	Total Existing CIAC			
	Adjustment to 1998 Annual Report			
	Value of the second of the sec		<u> </u>	

### Amortization of Existing CIAC

Amortization Schedule - Existing Plant CIAC	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
13 Other 14 Dist Reservoirs & Standpipes 15 Transmission & Dist Mains 16 Services 17 Meters & Meter Instalis	:	:	:	:	:	:	:				:
18 Hydrants		<u> </u>	<u> </u>	•	•	•			-		-
19 Total Plant Amortzation	•		•			•	•		-	•	

	Amortization Schedule - Existing Cash CIAC											
20						-			-	-	-	
21	Total Cash CIAC Amortzation	-	•	•	•	,		•	•	-	•	-
	Total Editing CIAC Amerization Adjustment to Reconcile to Accounting Records	•	•		•	•	-	•	•	•	•	•

24 Total Existing CIAC Amortization

SOURCE: BURTON & ASSOCIATES
C:CATANIZINGUATESTIM-2FAMESSODING



# INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - RECLAIMED WATER

## Scenario 1R(b)- Intercoastal Utility's Reclaimed Water Rates w/ Intercoastal Capital Plan - 60% Debt / 40% Equity

#### New CIAC

			1299	2000	2001	2002	2003	2004	2006	2005	2007	2006	2009
1	Now CIAC- Plant: Transmission & Dist Mains	CIAC PER Life ERC 43 \$489.63	_		_	\$1,280,671	\$240,449	\$240,449	\$240,449	\$240,449	\$306,545	\$308,545	\$301,970
2	Services	40 \$101,56	•			\$276,924	\$51,993	\$51,993	851,993	\$51,993	\$66,718	\$66,718	\$65,296
3	Meters & Meter Installs	20 \$32.91 45 \$55.86	•	•		\$89,745	\$16,850	\$16,850	\$16,850	\$16,850	\$21,622	\$21,622	\$21,161
5	Hydrants Total New CIAC - Plant	45 \$55.86	•		-	\$152,300	\$28,595	\$28,595	\$28,596	\$28,595	\$35,693	\$36,693	\$35,911 \$424,338
٠	TOTAL PARK COLC - PIECE		•	, •	•	\$1,790,840	\$337,886	\$337,886	\$337,686	\$337,006	\$433,577	\$433,577	8424,330
6	New CIAC - Cash: New CIAC - Cash									2422 222		****	\$150,751
å	Life	30	•	•	•	\$639,345	\$120,038	\$120,038	\$120,036	\$120,038	\$154,034	\$154,034	8100,751
9	Total New CIAC - Cash		<del></del> -	-	-	\$839,345	\$120,038	\$120,038	\$120,038	\$120,038	\$154,034	\$154,034	\$150,751
10	Total New CIAC		•	•	-	\$2,438,865	\$457,826	\$457,825	\$457,826	\$457,025	\$567,610	\$567,610	\$576,088
	Amortization of New CIAC												
	Amortization Schedule - New CIAC Assets		1222	2000	2001	2002	2003	2004	2005	2005	2007	2008	2009
11	New CIAC - Plant Amortization	*											
12	Transmission & Dist Mains					\$14,892	\$5,592	\$5,592	\$5,592	\$5,592	\$7,175	\$7,175	\$7,023
13	Services		-	•		\$3,462	\$1,300	\$1,300	\$1,300	\$1,300	\$1,668	\$1,668	\$1,632
14 15	Meters & Meter Installs Hydranis		•	•	•	\$2,244	\$842	\$842	\$842	\$842	\$1,081	\$1,081	\$1,058
16	Total New CIAC - Plant Amortization		-:	<del></del> :-	<del></del>	\$1,692 \$22,289	\$636 \$8,370	\$535 \$8,370	\$635 \$8,370	\$635 \$8,370	\$815 \$10,740	\$815 \$10,740	\$798 \$10,511
	New CIAC - Cash Amortization					\$10,656	\$4.001	\$4,001	34,001	\$4,001	\$5,134	\$5,134	PE 00E
17		<del></del>	<del></del> -	<del></del>	<del>:</del> -	\$10,656	\$4,001	\$4,001	\$4,001	\$4,001 \$4,001	\$5,134 \$5,134	\$5,134	\$5,025 \$5,025
18	Total New CIAC Amortization					\$32,945	\$12,371	812,371	812,371	812,371	\$15,874	\$15,874	815,636
	Summary of CIAC & CIAC Amortization	ı - Water					<u>-</u> .						_
19	CIAC TOTAL EXISTRO CIAC	Existing 1998	1999	2000_	2001	2002	2003	2004	2005	2006	2007	2008	2009
20	Total New CIAC	• "				\$2,438,985	\$457,925	0.457.005	\$467,925	*457.005	****	4447.444	0.575.050
		<del></del>	<del></del>	<del></del>	<del>- :</del>	\$2,438,985	\$2,898,910	\$457,925 \$3,354,835	\$3,812,769	\$457,925 \$4,270,684	\$587,610 \$4,858,294	\$587,610 \$5,445,905	\$575,089 \$5,020,994
22	CIAC Amortization Total Existing CIAC Annual Amortization		···										
23	Total New CIAC Arruel Amortization		•	•		32,945	12,371	12,371	12,371	12,371	15.874	15,874	16,536
24	Total CIAC Arread Amortization - Water	<del></del>	<del></del> -	<del></del> -	<del></del> -	\$32,945	\$12371	\$12371	\$12,371 \$12,371	\$12,371 \$12,371	\$15,874	\$15,874	10,030 \$15,538
25	Accumulated CIAC Amortization				-	\$32,945	545,316	\$57,806	\$70,057	\$82,428	\$96,302	\$114,177	\$129,713
						4-01-40	4-44-14	401,100	41.0/041	444448	****	41,000	41401114

BOURCE: BURTON & ASSOCIATES C:OATAN23WCIATESTM-2FAM36300.WKG



Figure 9

# INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM RATE BASE

# Scenario 1R(b)- Intercoastal Utility's Reciaimed Water Rates w/ Intercoastal Capital Plan - 50% Debt / 40% Equity

		1002	2000	2001	2002	2003	2024	2005	2004	2007	2008	2000
1	Reclaimed Water Percent Contributed				30%	44%	50%	55%	50%	52%	56%	61%
2	Utility Plant in Service				\$6,317,140	\$6,655,026	\$5,992,913	\$7,330,799	\$7,668,665	\$9,982,262	\$10,415,839	\$10,840,176
3	Include Construction Work in Progress?				0	0	0	0.,000,.00	0.,000,000	0	0	0.0,0.0,0.0
- 4	Less: Accumulated Depreciation				(85,362)	(219,877)	(354,393)	(455,906)	(623,424)	(786,869)	(973,873)	(1,161,648)
. 5	Utility Plant in Service less Accum Depr.				\$6,231,778	\$6,435,149	\$6,638,520	\$6,841,891	\$7,045,261	\$9,196,393	\$9,441,966	\$9,678,526
- 6	Less: Accumulated CIAC				(2,438,985)	(2,896,910)	(3,354,835)	(3,812,759)	(4,270,684)	(4,858,294)	(5,445,905)	(6,020,994)
7	Plus: Accumulated Amortization of CIAC				32,945	45,316	57,686	70,057				
8	Net Utility Plant in Service			··-	\$3,825,738	\$3,583,666			82,428	98,302	114,177	129,713
9	Plus or Minus:				49,040,190	<del>43</del> ,063,000	\$3,341,372	\$3,099,188	\$2,867,005	\$4,436,401	\$4,110,238	\$3,787,248
10	Acquisition Adjustments											
- 11	Accumulated Amort of Acq Adjustments											
12	Working Capital Allowance 12.50% of OSM											
13	Other Communication (2008)				11,418	14,268	17,190	20,177	23,229	27,128	31,105	35,085
14	Het Utility Plant in Service				0	0	0	0	0	0	0	0
	THE PARTY OF THE P				\$3,837,188	\$3,807,823	\$3,358,841	\$3,118,366	32,880,238	\$4,443,828	\$4,141,343	\$3,822,333
15	U&U Percentage				100.000	400 000	400 000	455.554				
16	Rate Base			<del></del>	100.00%	100.00%	100,00%	100.00%	100.00%	100.00%	100.00%	100.00%
	( min \$400				\$3,837,155	\$3,507,823	\$3,358,561	\$3,119,366	\$2,880,235	\$4,463,529	\$4,141,343	\$3,822,333

SOURCE: BURTON & ASSOCIATES C:DATA(12) VCUATESTIM-24 FAMSS300, WKG



Figure 10

# INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM UTILITY PLANT IN SERVICE - RECLAIMED WATER

### Recialmed Water

	•	Estimated Original Cost I	n 8ve Date	1902	1800	2000	2001	2002	2002	2004	2006	2005	2007	2000	2000
1 2 3 4 \$ 6 7 8	New Assets per CIP: 16" PVC Oxid / Xier (80% Cost) 12" ICVW Crossing ICU - East Reclaims P.S., 3.0 MG Reclaimed Strasge Reservoir Reclaimed Water P.S., 36" PVC Reclaimed Water Main 16" PVC Reclaimed Water Main Engineering & Contingency 16" PVC Reclaimed Wir Main	600,000 360,000 456,000 284,000 903,500	2002 2002 2002 2002 2002 2002 2002 200					\$360,000 \$300,000 280,000 1,100,000 800,000 360,000 456,000 288,000 903,600					_		
11 12 13 14	Expand Reclaimed Wir P.S. 3.5 MG Reservoir Engineering & Contingency Yotal Utility Plant In Service (not Includin	304,000 100,000 1,100,000 376,000	2007 2007 2007 2007		<del></del> _	<u></u>		_					304,000 100,000 1,100,000 376,000		
16	New Plant Assets per CIAC; New Plant Assets (CIAC)							\$4,517,500 \$1,799,640	\$4,517,500	\$4,517,500	\$4,817,600	\$4,817,500	\$6,307,500	\$8,307,500	\$8,397,500
18 17 Te	Yold New Plant Assets (CIAC)  Stal Reclaimed Water Utility Plant in S	srvice	· ·				<del></del>	\$1,750,840 \$6,317,140	\$337,886 \$2,137,828 \$4,666,026	\$337,846 \$2,476,413 \$4,992,913	\$337,866 \$2,813,296 \$7,330,796	\$337,846 \$3,181,165 \$7,868,645	\$433,677 \$3,584,762 \$9,962,262	\$433,577 \$4,018,330 \$10,415,839	\$424,338 \$4,442,676 \$10,840,176

SOURCE: BURTON & ASSOCIATES
CIDATALIZHICATESTIM-24-AUSSIO, WAS

# INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM GAPITAL IMPROVEMENTS PROGRAM

### Scenario 1Rb- Intercoastal Utility's Reclaimed Water Rates w/ Intercoastal Capital Plan - 40% Debt / 40% Equity

		AMOUNT		100 GEA	MONTHS			WCREAGE IN												
		BEST		VICE	TO COM-	% 9007	ASSET	BAPACITY												
	PROJECT TOTAL		PROJECT NAME	DATE	STRUCT	FUHORD	LIFE	(MGD)	1999	2000	200	1 200	2	2003	2004	2006	2006	2007	2008	2009
	Reclaimed Wat	_							-	·								·		
1	\$360,000		5" PVC Outfal / Xter (50% Cost)		24		45						0,000							
2	300,000		2" ICWW Crossing	2002	24		45						0,000							
3	250,000		U - East Reclaim P.S.	2002		60%	25					25	0,000							
4	1,100,000		0 MG Reclaimed Storage Reserv			60%	41	1.50					0,000							
- 6	\$00,000		eclaimed Water P.S.	2002		60%	25					50	0,000							
	360,000		4" PVC Recisimed Water Main	2002	24	60%	45					36	0,000							
7	456,000		5" PVC Recisimed Water Main	2002	24	60%	45					45	6,000							
	286,000		PVC Recisimed Water Main	2002		60%	45					28	8,000							
•	903,500		ngineering & Contingency	2002			30					90	3,500							
10	304,000		5" PVC Reclaimed Wir Main	2007	24	60%	45											304,00	0	<b></b>
51	100,000		opend Recisimed Wir P.S.	2007	24		20											100,00	0	
12	1,100,000		0 MG Reservoir	2007		60%	41	1.00										1,100,00	Ŏ	
13	376,000	225,600 Er	ngineering & Contingency	2007	24	60%	30											376,00	0	
54		-																		
*	\$4,387,500	\$6,397,500							\$0	\$	0	\$0 \$4,51	7,500	\$0	\$0	\$0	1	<del>0 \$1,680,00</del>	0 5	\$0
	BEWERI												-							••
*	\$0	\$0							\$0		-0	\$0	\$0	\$4	\$0	\$0	1	<del>0                                    </del>	0 \$	\$0
	TOTAL WATER	& SEWER																		

\$0 \$4,517,500

SOURCE: BURTON & ASSOCIATES / POSAJ

17 \$6,397,500 \$8,397,500 TOTAL WATER AND SEWER

08/01/2000

\$0 \$1,880,000

# INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM USED AND USEFUL

# Scenario 1Rb- Intercoastal Utility's Reclaimed Water Rates w/ Intercoastal Capital Plan - 60% Debt / 40% Equity

	Recleimed Water	199 <u>9</u>	2000	2001	2002	2003	2004	2005	2006	<u> 200</u> 7	2008	2009
,	Capacity											
3	Capacity in ERC's											
Ă	Additional Capacity in ERC's					5,748	5,748	5,748	5,748	5,748	9,580	9,580
7	Total Capacity				5,747	0	0	_ 0	0	3,831	0	0
2	тови Свраску				5,748	5,748	5,748	5,748	5,748	9,580	9,580	9,580
6	Connection / Growth											
7	Connections in ERC's					2,728	2 0 40	2 750				
8	Annual Growth Percent						3,240	3,752	4,264	4,776	5,433	6,090
9	Additional Units					18.77%	15.80%	13.65%	12.01%	13.76%	12.09%	10.56%
10	Total Connections				2,727	512	512	512	512	657	657	643
10	TOUR COMPRECIONS				2,728	3,240	3,752	4,264	4,776	5,433	6,090	6,733
11	Raw U & U Percent				47.46%	56.37%	65.27%	74.18%	<b>62 000</b>	50 T44		-
12	PLUS: Margin Reserve @ 36 Mos.								83.09%	56.71%	63.57%	70.29%
13	Total Connections plus Margin Reserve				8,181	1,536	1,536	1,536	1,536	1,971	1,971	1,929
14	U & U Percent				10,909	4,776	5,288	5,800	6,312	7,404	8,061	8,662
14	U & O Percent				100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100,00%	100.00%

SOURCE: BURTON & ASSOCIATES

C:\DATA\123\CU\TESTIM-2\FAMS530C.WK4



# Scenario 1R(b)- intercoastal Utility's Reclaimed Water Rates w/ intercoastal Capital Plan - 60% Daht / 60% Equit

					-			1999		<b></b>		BY.	2000		
1 2 3	Lender	Orig Loan Amount	Orio Loen Date	Term	iriared Rate	Beginning Belance	Principal	<u>İstarrat</u>	Balance	Cost of Copted Cost	Beginning Balance	Principal	Maryal	Balance	Cost of Capital Cale
5 6 7 8 9 10 11 12															
14 15	Equity New Debt- in Service:		•		10.00%			•					•		
17 18 18 20 21 22 23 24 25 26 27	2004 2006 2006 2007 2007 2000 2000	2,781,16		20 20 20 20 20 20 20 20 20 20	8.50% 8.50% 8.50% 8.50% 8.50% 8.50% 8.50% 8.50% 8.50% 8.50%										
20 29	New Date-Construction Work in Progress: INCU	2,550,000	•	20	7.50%										
	Weighted Average Cost of Capital	2,000,000	<del>'</del> -		10.00%		<del></del>								
	SOURCE: BURTON & ASSOCIATES CIDATAISMICATESTIA-2FAMBSSOD, MAG														

06/31/2000

## Scenario 1R(b)- intercoastal Utilito's Recisimed Water Rates w/ intercoastal Capital Plan - 80% Debt / 40% Equit

					-		PY	991				FYX	42		
1	Lender	Orig Lean Amount	Oriz Loan Date	Term	interest Rate	Beginning Belance	Principal	internet	Balance	Cost of Capital Cole	Seginates Jaintee	Principal	biarrei	Selence	Cost of Capital Cals
3															
7															
10												•			İ
12 13 14			•		10.00%										į
15 16 17			•	X	6.50% 6.50%			•			0	0 0	•	0	
19 20	1900 2000 2001 2002 2002 2004 2006 2006 2007 2008	2,761,15		2 2	4.50% 4.50% 4.50%						2,751,156	70,040	0 178,825	0 2,600,290	0 0 174,218
22.22	2004 2006 2008		G G O	X	0.50% 0.50% 0.50%								0	6	0
25 26 27	2009 2008	1,144,82	0 8 0	20 20 20	6.50% 6.50% 6.50%							0	0	0	0
28 26 30	New Cebt- Construction Work in Progress: Include CVMP in MACCY NO NO NO NO NO NO NO NO NO NO NO NO NO		_	20							•	•	0		0
31	Weighted Average Cost of Capital	2,550,00	<u> </u>		10.00%							\$70,860	\$178,825	1,807,000	190,700
	SOURCE: BURTON & ASSOCIATES											5. 0,000	*****	\$4,487,296	\$354,918 7.01%

SOURCE: BURTON & ASSOCIATES CYDATA/129/CATESTIM-3FAMBLED WAS

05/31/2000

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### Scenario 1R(b)- Intercoastal Utility's Reclaimed Water Rates w/Intercoastal Capital Plan - 60% Debt / 40% Equit

				PY2	1007		FY3864					
1 Lender	Orig Leen Amount Orig Leen D	nte Yarm Interest !	Beginning ate Balance	Principal .	Heres	Beisnes	Cost of Capital Cale	Registring Related	Principal	<u>irlerest</u>	Balance	Cost of Capital Cals
7												1
10 11 12												
13 14 Equity 15 New Debi- in Service:	•	10.0			0	0		•	0	•	0	•
16 1896 17 2000 16 2001 19 2002 20 2003 21 2004 22 2005 23 2006 23 2007 26 2007 26 2008	0 0 2,761,188	20 6.1 20 6.1 20 6.1 20 6.2 20 6.2 20 6.1 20 6.1 20 6.1 20 6.2	0% 6 0% 0 0% 2,680,296	75,466	0 0 0 174,218	0 0 0 2,604,832	0 0 100,314	0 0 0 2,604,632	0 0 0 00,371	0 100,314	0 0 9 2,624,461	0 0 0 164,000
70 2003 21 2004 22 2005 22 2005		20 0.5 20 0.5 20 0.1	0% 0 0% 0 0% 0		0	0	0		9	0	0	0
24 2007 25 2008 28 2008	1,144,825 0 0	20 6.5 20 6.5 20 6.5 20 6.5	0% d 0% 8		8	0	0	0		0	0	0 0
28 New Debt- Construction Work in Progress: 29 Include CWIP is WACCT			0%		. 0	•				. 0	0	0
30 New Equity 31 Weighted Average Cost of Capital	2,550,000	10.0	0%	\$75,466	\$174,218	1,807,000	\$350,014		\$90,371	\$160,314	1,007,000 \$4,331,461	\$344,790
							7.93%					7.96%

SOURCE: BURTON & ASSOCIATES CYDATAISSICLITESTES-SFAMESIODING

### Scenario 1R(b)- Intercoastal Utility's Recisimed Water Rates w/ Intercoastal Capital Plan - 80% Debt / 40% Equit

				PYS	606			FY3005						
Londer	Orig Lean Amount Orig Lau	n Deta Term Interest Ret	Beginning Lateros	Principal	hisons	Balance	Cost of Capital Cals	Beginning Belance	Principal	interest	Beinces	Cost of Capital Cale		
2 2 4														
,														
10 11														
12 13 14 Equity 15 New Debt- In Service:	•	10.001	. 0	•	0	•	•	•	•	•	0	0		
16 1999 17 2000 18 3001		20 6.501 20 6.501 20 6.501	. 0		0		0	. 0		0	0	0 0 182,801		
16 1998 17 2000 18 2001 19 2002 201 202 202 203 2034 222 2005 23 2004 24 2007 25 2006 24 2009 26 26 2009 26 26 2009	2,761,158 9	20 0.501 20 0.501 20 0.501 20 0.501		85,586 8 0	164,000 0 0	2,438,866 0 0	154,626 6 0	2,436,966 0 0	\$1,159 0 0	164,626 0 0 0	2,347,707 0 0 0	0		
22 2005 23 2006 24 2007 25 2008 26 2009	1,144,820 8	20 6.501 20 6.501 20 6.501	6 0 6 0 6 0		0	0		0	0	0	0	0		
26 2009 27 28 New Debt- Construction Work in Progress: 29 Include CVMP is WACC? NO	•	20 6.501 20 7.501		•	0	0	•	٠	0	0	0	0		
30 New Equity 31 32 Weighted Average Cost of Capital	2,560,000	10,001	<u> </u>	\$85,335	\$184,000	1,807,000 \$4,245,860	100,700 \$338,726 <b>7.80</b> %		\$91,169	\$150,526	1,007,000 \$4,154,707	180,700 \$333,301 \$.02%		

SOURCE: BURTON & ASSOCIATES C:OATM12NCUTESTN-2FAMESIO.WK4

06/31/2000

## Scenario 1R(b)-Intercoastal Utility's Reclaimed Water Rates of Intercoastal Capital Plan - 60% Debt / 40% Equit

					_		PYS	107							
1 2	Lender	Orig Loss Amount	Orio Loan Date	Тепц	interest flate	Beginning Balance	Principal	Interest	Balance	Cost of Copins Code	Registry Referen	Principal	interrest	Ralence	Cost of Capital Case
7 4 5 6 7 8 8 10111213141516171619202122222222222222222222222222222222	Equity New Debt- In Service:  1998 2000 2001 2002 2003 2004 2005 2006 2007 2006 2006	2,751,166 0 0 0 0 0 0 0 0 0 0		20 20 20 20 20 20 20 20 20 20 20 20 20 2	10.00% 8.50% 8.50% 8.50% 8.50% 8.50% 8.50% 8.50% 8.50% 8.50% 8.50%	2,347,707 8 8 8 1,144,820	0 0 0 87,084 6 0 0 20,486	9 0 0 152,801 0 0 0 9 74,420	0 0 0 0 2.250,022 0 0 0 0 1,115,431	0 0 0 0 144,290 9 0 0 72,503	2,280,822 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 103,396 0 0 0 0 0 31,406	0 8 0 9 144,290 9 9 8 0 72,803	0 0 0 2,147,228 0 0 0 0 1,084,025	0 0 0 0 130,670 0 0 70,442
20 20 30	New Debt- Construction Work in Progress: lectude CWIP in WACC?			20	7.50%	,	•	6	0	Ö	V	•	9	0	°
31	Weighted Average Cost of Capital	2,559,000	)		10.00%		8126,573	8227,021	2,559,000 \$5,825,063	255,900 \$474,883		\$134,800	\$218,793	2,559,000 \$5,790,253	255,900 \$465,831
_	SOURCE: BURTON & ASSOCIATES						.,			8.01%		4.04,000	9410,700	س, جارها	8.05%

SOURCE: BURTON & ASSOCIATES CYDATA1129ICLATESTM-2FAMESING

# Figure 14 Page 6 of 6 INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM Weighted Average Cost of Capital Analysis

### Scenario 1R(b)-Intercoastal Utility's Reclaimed Water Rates w/intercoastal Capital Plan - 80% Debt / 40% Equit

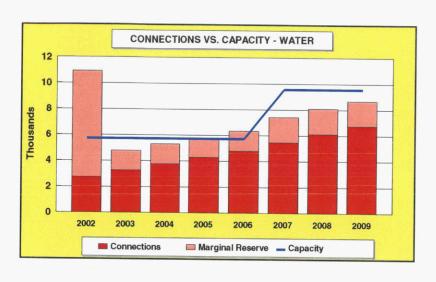
				FY30			
Lender	Orig Lees Amount Orig Lees De	de Tyryn Interest Rate	Beginning Balance	Principal	interest	Rejeroe	est of Capt Cate
Equity New Dabi- in Service:	•	10.00%	•			0	
New Debt- in Service:		20 6.50%					
2000	ě	20 6.50%	•	Ď	į	į	
2001 2002	0 2,761,158	20 6.50% 20 6.50%	2,147,228	110,115	130,570	2,037,112	132,4
2003 2004	2,751,122	20 6.50%		0		-,,-	
2004	9	20 6.50% 20 6.50%		:	•	•	
2005 2006	ì	20 6.50%	. 0	ï	i	š	
2007	1,144,820	20 4.50%	1,084,025	33,447	70,462	1,050,578	10,
2008 2008	2	20 4.50% 20 4.50%		ï	i	š	
4.	•			•	•		
New Debt- Construction Work in Progress: Include CWIP in WACCT		20 7.50%			0	•	
New Equity	2,559,000	10.00%				2,550,000	255, \$456,
				\$143,563	\$210,031	85,848,600	8456,
Weighted Average Cost of Capital							8.00

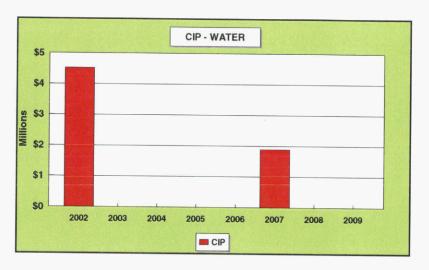
SOURCE: BURTON & ABSOCIATES CIDATAILEMOLATESTIM-SFAMSSMOUNCE

05/31/2000

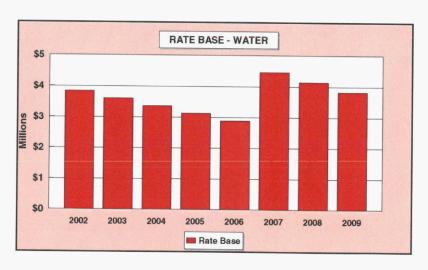
# INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM GRAPHS OF KEY INDICATORS

# Scenario 1Rb- Intercoastal Utility's Reclaimed Water Rates w/ Intercoastal Capital Plan - 60% Debt / 40% Equity









SOURCE: BURTON & ASSOCIATES C:\DATA\123\\CU\\TESTIM-2\\FAMS530E.WK4

# WTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM CASH FLOW PROJECTIONS - TOTAL RECLAIMED WATER SYSTEM

# Scenario 1Rb- Intercoastal Utility's Reclaimed Water Rates w/ Intercoastal Capital Plan - 80% Debt / 40% Equity

Sources of Funds Beginning Year Balance	1999	200 <u>0</u>	2001	2002	2003	_					
Net Income				_	and or other	2004	2 <u>005</u>	2006	2007		
Add:				0	11,460	14,311	47 00-		-MA1	2 <u>008</u>	200
Depreciation				200,498	194,175	231 431	17,232 249,224	20,220	23,272	27,170	
Amort of Utility Plant Acq Adj				85,362	40.4.5	•	270,224	231,060	261,382	281,638	3
Amort of Rate Case Expense				0,002	134,516	134,516	134,516	134,516			30
Amort of CIAC				ŏ	Ŭ	0	Ô	10-1216	162,445	188,004	18
Net Income adjusted for non-cash items	_				·	0	0	ŏ	0	0	
Additional Cash				(32,945)	(12,371)	(12,371)	64.5 a	•	0	0	
CIAC Cash				252,915	316,320	353,576	(12,371)	(12,371)	(15,874)	45.02.0	
otal additional Cash				639,345	400.00		371,369	353,205	407.953	(15,874) 453,768	(15
otal Sauce				639,345	120,038	120,038	120,038	120,038	•	700,708	481
otal Sources of Funds				,00	120,038	120,038	120,038	120,038	154,034	154,034	150
395 of Funds				892,260	447,818	487,925		120,000	154,034	154,034	150
Less:					,	407,820	508,639	493,463	585,258		
Principal								,	000,206	634,971	663,
Interest				(70,860)							
Working Capital Reserve				(178,825)	(75,466)	(80,371)	(85,595)	104 455			
Equity Investment ptel Uses of Funds				(11,460)	(174,219) (14,311)	(169,314)	(164,090)	(91, 159) (158, 526)	(126,573)	(134,800)	/4.40 .
out oses of runds				(1,807,000)	(17,511)	(17,232)	(20,220)	(23,272)	(227,021)	(218,793)	(143,5 (210,0
Cess (Deficit)				(2,068,145)	(263,996)	(266,917)	0	0	(27,170) (752,000)	(31,148)	(35,1
·				// 470 ***	·	(-00,817)	(269,905)	(272,957)	1,132,764)	0	
must subsidy required from stockholders				(1,175,885)	183,822	221,008	238,734	•	· ·	(384,742)	(388,7
A Cash Flow				1,175,885	// ***		-00,734	220,506	(547,506)	250,230	
d Back: Working Capital Reserve				1170,000	(183,822)	(221,008)	(238,734)	/220 E001		-50,250	274,4
A natalitie				11,460	14,311		0	(220,506)	547,506	(250,230)	(27.4.40
mulative subsidy required from stockholders				11,460	14,311	17,232 17,232	20,220	23,272	Ų	0	(274,49
				4 435	•	11,432	20,220	23,272	27,170 27,170	31,148	35,12
URCE: BURTON & ASSOCIATES				1,175,885	992,063	771,055	532,321		,170	31,148	35,12
ATANZINCLATEBTIM-2FAMISSIDE.WKA						,	~J2,327	311,815	859,321	609,091	
									•	-00,08 i	334,59

