### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of TOMOKA WATER ) DOCKET NO. 881583-WU WORKS, INC. for a staff-assisted ) ORDER NO. 21674 rate case in Lee County. ) ISSUED: 8-3-89

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, CHAIRMAN THOMAS M. BEARD BETTY EASLEY JOHN T. HERNDON

### ORDER SETTING TEMPORARY RATES IN EVENT OF PROTEST

#### AND

### NOTICE OF PROPOSED AGENCY ACTION ORDER SETTING FINAL RATES AND CHARGES

#### BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission of its intent to grant increased water rates pursuant to Section 367.081, Florida Statutes, to Tomoka Water Works, Inc., a utility subject to this Commission's jurisdiction, providing service to the public in Lee County. The actions discussed herein, pertaining to approval of increased final rates and miscellaneous service charges, are preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding pursuant to Rule 25-22.029, Florida Administrative Code. By this Order, the Commission also authorizes temporary rates in the event that a person other than this utility files a protest of this Proposed Agency Action.

### BACKGROUND

Tomoka Water Works, Inc. (Tomoka or utility) is a water utility which serves two hundred fifty-five (255) homes and two (2) businesses in two (2) subdivisions west of Ormond Beach. The utility has been in operation since 1964, and it is owned by Luberna Shirah, J.D. Bryant, and the estate of H.H. Gorman, who

DOCUMENT NUMBER-DATE
07852 AUG -3 1989

FPSC-RECORDS/REPORTING

are the developers of the area served by the utility. The utility has had one (1) previous staff-assisted rate case in Docket No. 810468-WU.

The utility's application for staff assistance was received on December 19, 1988, with an official filing date of January 20, 1989. The test year is the projected twelve-month period ending December 31, 1989.

### QUALITY OF SERVICE/CUSTOMER MEETING

In processing the utility's application, we contacted the Department of Environmental Regulation (DER) to determine if the utility was in compliance with their regulations; performed a field audit and evaluation of the utility's operations; and our Staff held a customer meeting in the service area.

Approximately eight (8) customers out of a total customer base of two-hundred sixty-five (265) attended the customer meeting held by our Staff on June 8, 1989 in Ormond Beach. Of those in attendance, six (6) customers testified as to quality of service. These customers complained of the unsatisfactory taste, odor and color of the water. Two (2) customers also complained of periodic low water pressure. In response to these complaints, we inspected the utility's water systems to attempt to determine the reason for the poor water quality and water pressure problem.

We determined that the probable reason for the poor water quality was due to the utility's discontinued use of water aeration units to remove hydrogen sulfide from the raw water, as a part of its water purification process. While the removal of hydrogen sulfide does not affect the purity or potability of the water, it does make the taste and odor of the water more palatable. It was further determined that the cost to the utility of re-installing the aeration units would be \$2,272.

Our investigation of the periodic low water pressure problem did not disclose the source of the problem, in that none of our sample readings were below twenty (20) pounds per square inch (psi). We did, however, observe that there were numerous sprinkler systems active throughout the utility's service area, which could possibly account for the periodic pressure problem. Nevertheless, the utility advises that it will continue to monitor the water pressure of its systems to insure an adequate

level of water pressure.

The DER advised us that the utility was in violation of certain of its regulations, in that the utility's Tomoka/Tanglewood plant has had several outstanding DER citations since April, 1982, and the utility's Twin Rivers plant also has outstanding citations dating back to August, 1988. DER has consequently instituted "Notice of Violation" proceedings against the utility which are pending.

In consideration of the foregoing, we find the quality of service being provided by the utility to be unsatisfactory and in need of immediate improvement. Accordingly, the utility shall, within ninety (90) days of the date of this Order, do the following: Re-install the water aeration system to remove the hydrogen sulfide from the raw water (Since the cost of such aeration units was not included in test year calculations, it shall be considered to be an after test year plant addition for rate-making purposes); and, Bring its operation with the standards established by the DER. We further find that if the utility fails to take the aforementioned corrective actions within ninety (90) days of the effective date of this Order, the utility shall be authorized to implement only one-half of the increase in its water rates approved herein until such time as the noted deficiencies are corrected.

### RATE BASE

The summary of our calculations of the utility's water rate base is attached hereto as Schedule No. 1(a). Adjustments to the rate base are itemized on Schedule No. 1(b). Those adjustments that are mechanical in nature are shown without further explanation in the text of this Order. The major components of the utility's rate base are discussed below:

1) Used and Useful - The utility's water plant and distribution system were determined to be 100 percent used and useful in the utility's last rate case proceeding in 1982. Since there have been no additions to the utility's plant or distribution system since 1982, we find the utility's water plant and distribution system to be 100 percent used and useful.

- 2) Plant-in-Service Our examination of the utility's distribution system disclosed that the utility had a significant number of slow-running or inoperative water meters. We have determined that the utility should replace sixty (60) of these defective meters at a cost of \$3,600, with such amount to be included in plant-in-service. Upon due consideration, we further find the utility's test year plant-in-service, including the \$3,600 allowed for the replacement of the above-discussed defective meters, to be \$87,632.
- Working Capital Our preferred method in calculating a working capital allowance is the balance sheet approach, which and deferred debits current assets with current liabilities and deferred credits. However, due to the small size of this utility, the cost of maintaining records to support the balance sheet approach would have a significant impact on rates. Accordingly, we find it appropriate to utilize the 1/8 of operation and maintenance expenses method because it provides a close approximation of the utility's working capital needs and does not require extensive bookkeeping. Use of this method results in a test year working capital allowance of \$3,985.
- 4) Plant, Land, CIAC, and Accumulated Depreciation We adjusted the balances for these elements of the utility's rate base to match those determined to be appropriate in the utility's last rate case proceeding (Docket No. 810468-WU, Order No. 11420). Those balances are reflected in Schedules Nos. 1(a) and 1(b).

In consideration of all our adjustments, we find the appropriate thirteen-month water rate base to be \$24,094.

### CAPITAL STRUCTURE

We have determined the utility's cost of debt to be 12.75 percent, based on Sun Bank's prime lending rate to the utility on a short-term note. The utility's cost of equity was calculated to be 12.19 percent, by using the leverage formula approved by the Commission in Order No. 19718 (Docket No. 880006-WS). Accordingly, the appropriate overall rate of return for the utility is 11.85 percent.

### NET OPERATING INCOME

Schedule No. 3(b) attached hereto summarizes the operating income of the utility, with the corresponding adjustments detailed on Schedule No. 3(c). Those adjustments which are mechanical in nature, or which are self-explanatory, are shown on these Schedules without further explanation in the text of this Order. The major adjustments to the utility's net operating income are as follows:

- Operating Revenue Our billing analysis of the utility's customer accounts disclosed that 14 percent of the utility's customers were not being billed for consumption due to high number of inoperative meters. Consequently, we adjusted the utility's test year revenue requirement by increasing such requirement by \$1,359 to allow for the zero consumption customers. After the consumption adjustment, and the remaining three hundred twenty-nine (329) customers' usage imputed at 8,000 gallons per customer per month, a total revenue requirement of \$24,801 is derived. Accordingly, we find such revenue requirement, and the adjusting increase thereto, to be appropriate.
- 2) Operation and Maintenance (O&M) Expense—The utility is operated out of the office of J.K. Shirah and Sons, Construction Company, which also operates a cable television company, and a separate water and sewer utility company (Tymber Creek Utilities), out of the same office location. The expenses for office staff salaries, management fees,

rent, and other operation and maintenance expenses are allocated by the parent construction company among the three companies. Upon due consideration, we find that \$31,879 is an appropriate allowance for O & M Expenses. We have, within the \$31,879 allowance, increased the previously authorized management fee from \$40.00 to \$100.00 per month, and allowed \$3,000.00 for office salaries as legitimate O & M expenses.

- 3) Pursant to Rule 25-30.140, Florida Administrative Code, the appropriate depreciation rate is 4.34 percent. Offsetting the depreciation amount by amortization of CIAC, results in a depreciation expense of \$1,825.
- 4) Income Tax Expense Due to the utility being a Subchapter S Corporation, no income tax allowance was included in our calculations.

## REVENUE REQUIREMENT

To allow the utility an opportunity to earn an 11.85 percent rate of return, water rates which generate revenues in the amount of \$37,835 should be set. This represents a fifty-three (53) percent increase in annual revenue for the utility.

### RATES AND RATE STRUCTURE

The utility is currently using the base facility charge rate structure. The base facility charge is the Commission's preferred rate structure because of its ability to track costs and give customers some control over their water bills. Each customer pays his or her pro rata share of the fixed costs of providing service through the base facility charge and pays for actual usage through the gallonage charge.

The approved rates, which we find to be fair, just and reasonable, and which are designed to achieve the authorized

revenue requirement, are set forth below. The present monthly rates are shown for comparison.

### Residential and General Service Water Rates

### Monthly Rates

Meter Size	Current Rates	Approved Rates
5/8" x 3/4"	\$ 3.14	\$ 3.47
1"	7.84	8.68
1 1/2"	15.68	17.35
2"	24.64	27.76
Gallonage Charge		# 1 02
per 1,000 gall	ons \$ 0.57	\$ 1.02

The new rates will be effective for meters read on or after thirty (30) days after the stamped approval date on the utility's revised tariff sheets, except that the increase in the utility's rates is hereby suspended for ninety (90) days to allow the utility time to make certain improvements in the quality of service specified herein, and to bring its operations within the DER standards. If the utility has not taken the aforementioned corrective action at the end of the ninety (90) days, then the utility shall be entitled to implement only one-half of the rate increase approved herein until such time as the aforementioned corrective action is taken.

The tariff sheets will be approved upon Staff's verification that the tariff revisions are consistent with our decision herein; that the proposed customer notice is adequate; that the required security, if any, has been provided; that the protest period has expired and no timely protests were received; and that the quality of service and DER deficiencies noted herein are corrected.

### SERVICE AVAILABILITY CHARGE

The only service availability charge presently approved for the utility is a meter installation charge. We believe the utility should retain its meter installation charge; however, due to the fact that its service area is virtually built-out, and no new connections to the present system are anticipated, we also believe that it would be inappropriate to allow any

system capacity charge.

# MISCELLANEOUS SERVICE CHARGES

Rule 25-30.345, Florida Administrative Code, provides that a utility may charge its customers certain miscellaneous service charges. These charges are designed to place the responsibility for the costs associated with miscellaneous services on those persons creating those costs, rather than on the general body of ratepayers.

Currently, the utility has no approved miscellaneous service charges. We believe it is appropriate for the utility to implement the four types of miscellaneous service charges as described below, at the rate levels set forth below:

# Miscellaneous Service Charges

Type of Service	Sewer
Initial Connection	\$15.00
Normal Connection	15.00 15.00
Violation Reconnection Premises Visit	10.00

<u>Initial Connection</u> - This charge would be levied for service initiation at a location where service did not exist previously.

<u>Normal Reconnect</u> - This charge would be levied for transfer of service to a new customer account at a previously served location, or reinstatement of service subsequent to a customer-requested termination.

<u>Violation Reconnection</u> - This charge would be levied prior to reconnection of an existing customer after disconnection of service for cause according to Rule 25-30.320(2), Florida Administrative Code, including a delinquency in bill payment.

Premises Visit (in lieu of disconnection) - This charge would be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill and does not discontinue service because the customer pays the service representative or

otherwise makes satisfactory arrangements to pay the bill.

These charges should be effective for service rendered on or after the stamped approval date on the tariff sheets.

### RATES IN THE EVENT OF PROTEST

This Order proposes an increase in the utility's water rates. A timely protest could delay what may be a justified rate increase pending a formal hearing and final Order in this case, resulting in an unrecoverable loss of revenue to the utility. Accordingly, in the event that a timely protest is filed by anyone other than the utility, we hereby authorize the utility to collect the service rates approved herein, on a temporary basis, subject to refund, provided that it furnishes security for the possible refund of such collections. The security should either be a bond or letter of credit in the amount of \$8,000, or the utility may establish an escrow account with an independent financial institution pursuant to a written agreement. Any withdrawals of funds from this escrow account are subject to the prior approval of this Commission through the Director of the Division of Records and Reporting.

The utility must keep an accurate account, in detail, of all monies received by said increases, specifying by whom and on whose behalf such amounts were paid. The utility shall also file a report, no later than the twentieth day of each month that the temporary rates are in effect, showing the amount of revenues collected as a result of the temporary rates and the amount of revenues that would have been collected under the prior rates. Should a refund be required, the refund shall be with interest, pursuant to Rule 25-30.360, Florida Administrative Code.

The utility shall be authorized to implement the temporary rates only after providing the above-discussed security, and Staff's approval of the revised tariff sheets.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the application of Tomoka Water Works, Inc. for an increase in its water rates for its customers in Volusia County is approved as set forth in the body of this Order. It is further

ORDERED that all matters contained herein or attached hereto, whether in the form of discourse or schedules, are by this reference, specifically made integral parts of this Order. It is further

ORDERED that the provision of this Order, issued as proposed agency action, shall become final unless an appropriate petition in the form provided by Rule 25-22.035, Florida Administrative Code, is received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on August 24, 1989. It is further

ORDERED that the utility is hereby authorized to charge the new rates effective for all meters read thirty (30) days after the stamped approval date on the revised tariff sheets, subject to the exceptions set forth in the body of this Order. It is further

ORDERED that the rate increase approved herein is hereby suspended for ninety (90) days to allow the utility sufficient time to correct its Quality of Service and DER deficiencies discussed in the body of this Order. If such deficiencies are not fully corrected within ninety (90) days of the date of this Order, the utility shall be entitled to receive only one-half of the approved rate increase until such time as the deficiences are fully corrected. It is further

ORDERED that the utility is hereby authorized to charge the miscellaneous service charges set forth herein effective for services rendered on or after the stamped approval date on its revised tariff sheets. It is further

ORDERED that the revised tariff sheets will be approved upon Staff's verification that the tariff sheets are consistent with our decisions herein; that the proposed customer notice is adequate; that the required security, if applicable, has been provided; that the protest period has expired and no timely protests were received; and that the utility has corrected the deficiencies in its quality of service and compliance with DER standards discussed in the body of this Order. It is further

ORDERED that the utility shall notify each customer of the increases authorized herein and explain the reasons for the increases. The form of the notice and explanation shall be

submitted to the Commission for prior approval. It is further

ORDERED that in the event a substantially affected person, other than the utility, protests this proposed agency action, the utility may implement the rates herein approved on a temporary basis pursuant to the terms and conditions set forth in the body of this Order. The temporary rate portion of this Order is not issued as proposed agency action. It is further

ORDERED that in the event no protest is timely received, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 3rd date of AUGUST , 1989 .

STEVE TRIBBLE Director

Division of Records and Reporting

(SEAL)

JRF

### NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

As identified in the body of this Order, our action setting final rates and charges is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as

provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on August 24, 1989. In the absence of such a petition, this order shall become effective August 25, 1989 as provided by Rule 25-22.029(6), Florida Administrative Code, and as reflected in a subsequent order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If the relevant portion of this Order becomes final and effective on August 25, 1989, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this Order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this Order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

> TOMOKA WATER WORKS, INC. WATER RATE BASE TEST YEAR ENDED 12/31/88

SCHEDULE NO. 1(a) DOCKET NO. 881583-WU

		TEST YEAR PER UTILITY	,	COMMISSION ADJUSTMENTS	BALANCE PER COMMISSION
UTILITY PLANT IN SERVICE	\$	41,182	\$	46,450	\$ 87,632
LAND/NON-DEPRECIABLE ASSETS		1,100		900	2,000
PLANT HELD FOR FUTURE USE		0		0	0
ACQUISITION ADJUSTMENT		0		0	0
C.W.1.P.		0		0	0
C.I.A.C.		(18,975)		(26,597)	(45,572)
ACCUMULATED DEPRECIATION		(35,418)		2,784	(32,634)
AMORTIZATION OF ACQ. ADJ.		0		0	0
AMORTIZATION OF C.I.A.C.		18,484		(9,801)	8,683
WORKING CAPITAL ALLOWANCE		0		3,985	3,985
RATE BASE	,	6,373 \$		17,721 \$	24,094

> TOMOKA WATER WORKS, INC. CAPITAL STRUCTURE TEST YEAR ENDED 12/31/88

SCHEDULE NO. 2 DOCKET NO. 881583-WU

	TEST YEAR	COMMISSION ADJUSTMENTS	BALANCE PER	PERCENT		WEIGHTED
	BALANCES	TO BAL.	COMMISSION	OF TOTAL	COST	COST
LONG TERM DEBT	\$0	\$0	\$0	0.00%	0.00%	0.00%
SHORT TERM DEBT	962	(159)	\$803	3.33%	12.75%	0.42%
COMMON EQUITY	25,428	(4,227)	\$21,201	87.99%	12.19%	10.75%
CUSTOMER DEPOSITS	2,090	0	\$2,090	8.67%	8.00%	0.69%
TOTAL	\$28,480	(\$4,386)		100.00X		11.85%

21674 ORDER NO.

DOCKET NO. 881583-WU PAGE 15

PAGE

DOCKET NO. 881583-WU

SCHEDULE NO. 1(b)

TOMOKA WATER WORKS, INC. TEST YEAR ENDING 12/31/88 ADJUSTMENTS TO RATE BASE

		WATER
1.	UTILITY PLANT IN SERVICE	
a.)	Corrects plant to last order	\$44,520
b.)	Retires pump	(1,888)
c.)	Includes cost of meters	3,600
d.)	Includes cascades for aeration and new pump	4,664
e.)	Retires meters being replaced	(2,040)
f.)	Thirteen month average	(2,406)
	TOTAL ADJUSTMENT	\$46,450
2.	LAND	\$900
	Corrects land to last order	*300
3.	CIAC	
	Corrects CIAC to last order	(26,678)
	Thirteen month average	81
		(\$26,597)
		********
	**************************************	
	ACCUMULATED DEPRECIATION	(2,526)
	Corrects accumulated depreciation to last order	3.928
	Matches with plant retirements	(243)
	Adds 1/2 year depreciation for meters Reflects 13 month average	1,625
C. )	Reflects 13 month average	
	TOTAL ADJUSTMENT	\$2,784
	TOTAL ADDUSTREAT	
5.	AMORTIZATION OF CIAC	
	Updates accumulated amortization since last case	(8,987)
	Reflects 13 month average	(814)
	TOTAL ADJUSTMENT	(\$9,801)
		********
6.	WORKING CAPITAL	** ***
	Reflects 1/8 of 0 & M expenses	\$3,985
		*********

> TOMOKA WATER WORKS, INC. WATER OPERATING STATEMENT TEST YEAR ENDING 12/31/88

SCHEDULE NO.3(a) DOCKET NO. 881583-VU

		COMMISSION	A BOURS OF THE STATE OF THE STA	COMMISSION	
	PER UTILITY	TO UTIL.BAL.	TEST YEAR	ADJUSTMENT FOR INCREASE	COMMISSION
OPERATING REVENUES				\$13,034	
OPERATING EXPENSES:					
OPERATION AND MAINTENANCE	23,847	8,032	31,879	0	31,879
DEPRECIATION	1,908	(83)	1,825	0	1,825
AMORTIZATION	0	0	0	0	0
TAXES OTHER THAN INCOME	681	269	950	326	1,276
INCOME TAXES	0	0	0	0	0
TOTAL OPERATING EXPENSES	\$26,436	\$8,218	\$34,654		\$34,980
OPERATING INCOME/(LOSS)	(\$2,994)	(\$6,859)	(\$9,853)	\$12,708	\$2,855
RATE BASE	\$6,373		\$24,094		\$24,094
RATE OF RETURN	-46.98X		-40.893		11.85%

DOCKET NO. 881583-WU

SCHEDULE NO. 3(b)

TOMOKA WATER WORKS, INC. TEST YEAR ENDING 12/31/88 ADJUSTMENTS TO OPERATING STATEMENT

WATER

	ODERATING DENEMIE	
1.	OPERATING REVENUE Reflects present rates and billing analysis	\$1,359
	Refrects present faces and birring analysis	*******
2.	OPERATING EXPENSES	
a.)	Adjusts to engineer's recommended chemicals	147
b.)	Annualizes rent expense	225
c.)	Adjusts to engineer's recommended allowance	
	for mowing	75
	Includes allowance for extraordinary repairs	305
e.)	Adjusts to engineer's recommended	
	maintenance	851
f.)	Adjusts to engineer's recommended	
	meter reading	350
STATE	Increases rent expense	900
	Includes tank painting expense	200
1.)	Adjusts to engineer's recommended testing	
	expense	1,139
-	Annualizes management fee	120 720
	Pro forma increase for management fee	3,000
1.)	Allocates office salary	3,000
	TOTAL ADJUSTMENT	\$8,032
	TOTAL ADDOSTRENT	********
3.	DEPRECIATION	
	Includes deprecation at a 4.34% rate	(\$83)
		********
4.	TAXES OTHER THAN INCOME	
	Includes property taxes	330
200	Matches regulatory assessment fees	
	to revenue	(61)
		0
	TOTAL ADJUSTMENT	\$269
		*******
5.	OPERATING REVENUE	
	Revenue increase to allow a 11.85% return	\$13,034
		*******
6.	TAXES OTHER THAN INCOME	
	Matches Regulatory Assessment Fees to	
	recommended revenue	\$326
		********

TOMOKA WATER WORKS, INC. WATER O & M EXPENSES TEST YEAR ENDED 12/31/88

SCHEDULE NO. 3(C) DOCKET NO. 881583-WU PAGE 1 OF 1

	Per Utility	Commission Adjustment	Commission Balance
PURCHASED POWER	6,683	0	6,683
CHEMICALS	1,645	147	1,792
MATERIALS & SUPPLIES	8,986	2,906	11,892
CONTRACTUAL SERVICES	6,012	4,979	10,991
INSURANCE	200	0	200
REG. COMMISSION EXPENSE	18	0	18
MISCELLANEOUS EXPENSE	303	0	303
	\$23,847	\$8,032	\$31,879

SCHEDULE NO. 4

RATE SCHEDULE

UTILITY: TOMOKA WATER WORKS, INC.

DOCKET NO.:881583-WU TEST YEAR:12/31/88

WATER

Schedule of Current and Approved Rates

	Monthly Ra	Commission	
	Current	Intermediate	Approved
Residential and General Service			
Base Facility Charge:			
Meter Size:	\$3.14	\$3.31	\$3.47
5/8"x3/4" 1"	\$7.84	\$8.28	\$8.68
1-1/2"	\$15.68	\$16.55	\$17.35
2"	\$24.64	\$26.48	\$27.76
Gallonage Charge per 1,000 G.	\$0.57	\$0.80	\$1.02

Meter Installation Fees

Meter Size: 5/8"x3/4"

\$75.00

Larger Sizes at Actual Cost

Note: This charge applies to initial connections at new homes.