

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for water and)
sewer certificates in Highlands)
County by COUNTRY CLUB OF SEBRING)
_____)

DOCKET NO. 910792-WS
ORDER NO. 25788
ISSUED: 2/24/92

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
SUSAN F. CLARK
J. TERRY DEASON
BETTY EASLEY
LUIS J. LAUREDO

FINAL ORDER GRANTING WATER AND WASTEWATER CERTIFICATES

AND

NOTICE OF PROPOSED AGENCY ACTION
ORDER SETTING RATES AND CHARGES

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein except for that taken in Sections II & III acknowledging the withdrawal of Mr. Stephen Libby's objection and the granting of certificates, is preliminary in nature and will become final, unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

I. BACKGROUND

On July 25, 1991, the Country Club of Sebring (CCS or utility) filed an application with this Commission for water and wastewater certificates. CCS is an existing water and wastewater utility in Highlands County that currently is providing water and wastewater service to a residential development of Country Club of Sebring. CCS is the developer of the subdivision as well as the owner of the utility. CCS purchased the development and the water and wastewater utility in foreclosure in 1989. At that time, there were 23 customers of the utility. CCS has continued to operate the utility providing water and wastewater service without charge.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

Currently, the utility provides service to 73 homes within the subdivision at no charge. The development ultimately will contain 623 homesites, an 18 hole golf course with clubhouse, and a swimming pool. The operating revenue of the utility at build out will be approximately \$87,605 and \$182,914, for the water and wastewater systems, respectively. With the approved rates and charges herein the utility will be classified as a Class B utility when it reaches capacity.

II. OBJECTION WITHDRAWN

This Commission first learned of the existence of the utility in February, 1991, when we were contacted by the utility coordinator, regarding CCS' desire to begin charging for connection to its water and wastewater systems, respectively. The utility was advised by our Staff that, once customers were connected to the system, it could not collect service availability charges from them retroactively. Apparently, the utility representative had the mistaken impression from his communication with Staff that he had been granted permission to charge connection charges prior to being certificated.

After filing its application for an original certificate, the utility collected \$1,750 from four different builders as "water and wastewater tap-on fees," subject to refund pending final approval of this Commission. An objection to the application was filed on September 5, 1991, by five builders in the subdivision who protested the collection of these service availability charges by the utility. Within a month after these objections were filed, four of the five individuals withdrew their objections. Mr. Stephen Libby was the only builder who did not withdraw his objection. Mr. Libby argued that the utility was "libelous" when it stated that its water and wastewater tap-on fees were mandated by the Commission and that the homeowner or builder must pay this fee to meet the provisions of an "agreement" it has with the Commission. On November 15, 1991, CCS filed a Motion to Dismiss Mr. Libby's objection, asserting that Mr. Libby lacks standing because, although he is the owner of a model home, he is not a resident in the CCS community or in any other area provided water and wastewater service by CCS. On February 3, 1992, after negotiations with the utility, Mr. Libby withdrew his objection to the utility's application. With this withdrawal CCS's Motion to Dismiss became moot. However, prior to this withdrawal, Mr. Libby

alleged that the utility may be charging for monthly service without this Commission's approval. We intend to investigate this accusation, and an on-site visit to audit the utility's books and records is planned. Because of this investigation, we have deferred any discussion of whether the utility should be ordered to refund the service availability charges it has collected to date. While the utility has violated sections 367.031 and 367.081, Florida Statutes, by collecting service availability charges without prior Commission approval, we do not believe a show cause proceeding is appropriate at this time.

We believe the utility was acting in good faith and honestly misinterpreted our Staff's advice. CCS was very open with the four builders who paid the connection charges as evidenced by the letter they sent to this Commission stating that they were aware that CCS had filed for certificates but the application had not yet been approved, that they were informed by CCS that any fees collected were subject to final approval of the Florida Public Service Commission, and that if the approved charges were lower, they would be given a refund of the difference. Further, a disclosure, a document which is made available to potential buyers, contained similar language. This docket will remain open until our investigation is complete.

III. APPLICATION

On July 25, 1991, CCS filed its application for original water and wastewater certificates to provide service in Highlands County. The application is in compliance with the governing statute, section 367.045, Florida Statutes, and other pertinent statutes and administrative rules concerning an application for original certificate and initial rates and charges. The application contains a check in the amount of \$300, which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code. The utility has provided evidence in the form of a warranty deed that the utility owns the land upon which the utility's facilities are located as required by Rule 25-30.033(1)(j), Florida Administrative Code.

CCS provided adequate service territory and system maps and a territory description, as prescribed by Rule 25-30.033(1)(l), (m) and (n), Florida Administrative Code. The territory CCS proposes

to serve is described in Attachment A of this Order, which by reference is incorporated herein.

In addition, CCS filed proof of its compliance with the noticing provisions of Rule 25-30.030, Florida Administrative Code, including notice to the customers in the territory.

CCS hired Mr. Howard Short of Short Utilities to operate and maintain its water and wastewater plants. He is a certified operator with over ten years experience in water and wastewater utility operations. The 1991 financial statement of CCS shows that the company has over \$3 million in equity and has been satisfactorily operating the utility since 1989 without receiving any revenue from the customers. We find that the utility has demonstrated the technical and financial ability to continue to provide adequate service to the proposed territory.

As previously stated, the Country Club of Sebring development, which is the proposed service territory of the utility, is currently in operation. The local comprehensive plan of Highlands County has not yet been approved by the Department of Community Affairs. However, the utility states that the subdivision will be consistent with the local comprehensive plan. The local planning council was provided notice of the application and did not file an objection. According to the application, there are no other utilities in the area that can provide service. Further, the utilities within a four-mile radius were noticed of the application and did not object. A need for service in the territory has been demonstrated because the utility is already in existence and serving 73 customers.

Based on the above, we find it is in the public interest to grant the application for original certificates. Accordingly, we find it appropriate to grant CCS Water Certificate No. 540-W and Wastewater Certificate No. 468-S to serve the territory described in Attachment A of this Order.

IV. RATES AND CHARGES

In original certificate applications we determine initial rates and charges which will allow the utility to earn a fair rate of return on investment when the treatment plant reaches 80 percent of capacity. The existing water treatment plant is designed to

serve approximately 954 equivalent residential connections (ERCs), and the existing wastewater treatment plant is designed to serve approximately 300 ERCs. We established rates based on 80 percent of the capacity of these existing treatment plants.

The utility is currently disposing of effluent from the wastewater treatment plant in percolation ponds. The long range plans of the utility include using spray irrigation on the golf course as a means of effluent disposal when the level of effluent produced by the treatment plant reaches a sufficient level.

With its application the utility submitted information to be used to calculate pro forma schedules of rate base, operating income, and capital structure to be used in determining initial rates.

The utility provided cost information on the plant-in-service. Because the utility purchased the utility out of foreclosure, it does not have actual invoices on the cost of the utility systems. However, the utility provided this Commission with some estimates of plant costs. We find that the utility's estimates were low in many areas, particularly for the distribution and collection systems. Therefore, we adjusted plant costs to a more reasonable level. As stated above, the design capacities of the existing treatment plants are 954 and 300 ERCs, respectively, for the water and wastewater treatment plants. However, the existing water and wastewater distribution/collection systems will serve only 234 ERCs. In designing rates, we adjust the costs for the water distribution and wastewater collection systems to match the capacities of the treatment plants. This is normally done in original certificate applications rather than making a used and useful adjustment to the treatment plant, since we are not attempting to establish rate base. We advised the utility that they will need to complete an original cost study before rate base can be established in any future rate case proceeding. We also adjusted the value of land to include the engineering costs involved with its dedication to public use.

Contributions-in-aid-of-construction (CIAC) for the water and wastewater systems have been adjusted to reflect service availability charges approved herein. Accumulated depreciation and CIAC amortization were adjusted to reflect the changes made to utility plant-in-service and CIAC.

The utility's working capital is based on 1/8 of operation and maintenance expense, which is consistent with Commission practice in original certificate cases. Our calculation of rate base is shown on Schedules Nos. 1 and 2, with adjustments shown on Schedule No. 3.

The utility's estimated expenses are based on 234 ERCs, which is the capacity of the existing water and wastewater distribution/collection lines. We adjusted these expenses to be consistent with the number of ERCs that can be served when the treatment plants reach 80 percent of design capacity, which is consistent with what was done in estimating rate base.

Depreciation expense and property taxes for the water and wastewater systems were adjusted to reflect the adjustments made to plant-in-service. Depreciation expense also was adjusted to reflect the use of approved depreciation rates.

Operating revenues and regulatory assessment fees have been adjusted to allow the utility to earn a 11.29 percent overall rate of return. Our Schedule of Operations is shown on Schedules Nos. 4 and 5 with approved adjustments shown on Schedule No. 6.

The utility is a division of The Country Club of Sebring which is the developer of the service area. CCS submitted its own capital structure for use in this proceeding. According to information provided by the utility, the development, including the utility systems, was purchased for \$3,650,000 and financed through a loan which has been reduced to \$933,738. The utility's capital structure was adjusted to reconcile the utility's rate base. We calculated the return on common equity to be 11.65 percent using the current leverage formula, authorized by Order No. 24246, effective March 18, 1991. The utility's capital structure is shown on Schedule No. 7.

The schedules have been used only as tools to aid in the establishment of initial rates. They are not intended for use in establishing rate base. This is consistent with Commission policy in original certificate applications. We find it appropriate, however, to establish a return on equity of 11.65 percent to be used in future proceedings involving such things as calculation of allowance for funds used during construction (AFUDC) and interim rates.

The utility did not propose specific water or wastewater rates. The rates shown below are calculated using the base facility charge structure. We find these rates will allow the utility to recover its expenses and earn a fair return on its investment.

Water

Residential and General Service

Monthly Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Commission Approved</u>
5/8" X 3/4"	\$ 5.65
3/4"	8.48
1"	14.13
1-1/2"	28.25
2"	45.20
3"	90.40
4"	141.25
6"	282.50
8"	452.00
Gallonage charge (per 1,000 gallons)	\$ 0.57

Wastewater

Residential

Monthly Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Commission Approved</u>
All Meter Sizes	\$ 12.65
Gallonage charge (per 1,000 gallons)	\$ 1.11

General Service

Monthly Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Commission Approved</u>
5/8" X 3/4"	\$ 12.65
3/4"	18.98
1"	31.63
1-1/2"	63.25
2"	101.20
3"	202.40
4"	316.25
6"	632.50
8"	1,012.00
Gallorage charge (per 1,000 gallons)	\$ 1.34

The utility does not propose to collect customer deposits. The miscellaneous service charges will be administratively approved when the tariffs are approved.

CCS is directed to file tariff sheets reflecting the rates and charges approved herein within 30 days of the effective date of this Order. The rates shall be effective for meter readings on or after 30 days from the stamped approval date on the tariff sheets.

V. SERVICE AVAILABILITY CHARGES

The water and wastewater treatment facilities were in operation at the time CCS acquired the utility. All on-site and off-site transmission/distribution and collection lines of the utility have been donated by the developer. The utility requires an irrigation system in the subdivision, so it plans to install two meters at each homesite: a 5/8 inch x 3/4 inch meter and a 1 inch irrigation meter. In its application, the utility requested to be allowed to charge \$110 and \$200, for installation of the 5/8 inch x 3/4 inch and 1 inch meters, respectively. The golf course clubhouse and swimming pool will require the installation of a larger meter. Meters over 1 inch will be installed at actual cost. Our analysis of the installation fees indicates that these charges are reasonable and are hereby approved.

The utility also requested plant capacity charges of \$497 and \$893 per ERC for the water and wastewater systems, respectively. Rule 25-30.580, Florida Administrative Code, sets guidelines for designing service availability charges. Pursuant to the rule, the minimum amount of CIAC should be the percentage of plant represented by the water transmission and distribution and wastewater collection systems. The maximum amount of CIAC should not exceed 75 percent of net plant when the facilities are at design capacity. In this instance the utility's proposed charges will result in a net CIAC level at build-out which exceeds the amount allowed by this rule. We have determined that the plant capacity charges should be such that the contribution level of the utility will be 75 percent of net plant at the time the systems reach capacity. Therefore, we find that plant capacity charges of \$497 for the water system and \$550 for the wastewater system are appropriate and they are approved.

VI. ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION

Since the utility is already in operation, the existing utility facilities are not eligible to accrue AFUDC. However, because the utility anticipates expanding its facilities to accommodate future growth in the development, we find it appropriate to set the utility's AFUDC rate.

The utility's capital structure has been utilized to calculate its AFUDC rate. The capital structure on which this rate is based is shown on Schedule No. 9. Using the approved return on equity of 11.65 percent, results in an annual AFUDC rate of 11.29 percent with the monthly discounted rate calculated to be .895395 percent.

According to Rule 25-30.116(5), Florida Administrative Code, the effective date for the new AFUDC rate shall be the month following the end of the 12-month period used to establish the rate. Therefore, the utility is hereby authorized to charge an AFUDC rate effective for projects as of September 1, 1991.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that Country Club of Sebring, 4800 Haw Branch Road, Sebring, Florida 33872, is hereby granted Certificates Nos. 540-W and 468-S to serve the territory described in Attachment A of this Order, which by reference is incorporated herein. It is further

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ORDERED that Mr. Stephen Libby's withdrawal of his objection is hereby acknowledged and the Country Club of Sebring's Motion to Dismiss Mr. Libby's objection is moot. It is further

ORDERED that the return on equity for the Country Club of Sebring is 11.65 percent, which shall be used in future proceedings such as the calculation of interim rates. It is further

ORDERED that Country Club of Sebring shall charge the rates and charges approved in the body of this Order until authorized to change by this Commission. It is further

ORDERED that all provisions of this Order, are issued as proposed agency action and shall become final, except for that taken in Sections II & III acknowledging the withdrawal of Mr. Stephen Libby's objection and the granting of certificates, unless an appropriate petition in the form provided by Rule 25-22.029, 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 date set forth in the Notice of Further Proceedings. It is further

ORDERED that Country Club of Sebring shall file tariff sheets reflecting the rates and charges approved herein within 30 days of the effective date of this Order. It is further

ORDERED that the rates shall be effective for meter readings on or after 30 days from the stamped approval date on the tariff sheets. It is further

ORDERED that the service availability charges approved herein shall be effective for connections made on or after the stamped approval date of the tariffs. It is further

ORDERED that the annual AFUDC rate for the water and wastewater systems is 11.29 percent, with a monthly discounted rate of 0.895395 percent. This rate shall be effective for projects as of September 1, 1991. It is further

ORDERED that our consideration of any potential refunds of service availability charges that have been collected to date shall be deferred to allow Commission staff the necessary time to audit the utility, and to complete our investigation. It is further

ORDERED that Docket No. 910792-WS shall remain open until our investigation is completed.

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By ORDER of the Florida Public Service Commission, this 24th
day of FEBRUARY, 1992.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

RG

by: Kay Flynn
Chief, Bureau of Records

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 except for that taken in Sections II & III acknowledging the withdrawal of Mr. Stephen Libby's objection and the granting of certificates, 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 3/16/92. In the absence of such a petition, this order shall become effective on the date subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it

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satisfies the foregoing conditions and is renewed within the specified protest period.

If the relevant portion of this order becomes final and effective on the date described above, 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.

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ATTACHMENT A

The Country Club of Sebring

TERRITORY DESCRIPTION

The North 3/4 of Section 9, Township 35 South, Range 28 East,
Highlands County, Florida.

Country Club of Sebring Utilities
 Schedule of Water Rate Base
 At 80% of Design Capacity

Docket No. 910792-WS
 Schedule No. 1

Description	Balance Per Filing	Utility Adjust.	Balance Per Utility	Commission Adjust.	Balance Per Commission
Utility Plant in Service	372,000	0	372,000	809,416 (1)	1,181,416
Land	18,405	0	18,405	1,013 (2)	19,418
Accumulated Depreciation	(93,000)	0	(93,000)	(64,394) (3)	(157,394)
Contributions-in-aid-of-Construction	(242,609)	0	(242,609)	(614,355) (4)	(856,964)
Accumulated Amortization of C.I.A.C.	33,359	0	33,359	59,448 (5)	92,807
Working Capital Allowance	4,600	0	4,600	1,702 (6)	6,302
TOTAL	92,755	0	92,755	192,830	285,585

Country Club of Sebring Utilities
 Schedule of Wastewater Rate Base
 At 80% of Design Capacity

Docket No. 910792-WS
 Schedule No. 2

Description	Balance Per Filing	Utility Adjust.	Balance Per Utility	Commission Adjust.	Balance Per Commission
Utility Plant in Service	322,000	0	322,000	124,095 (1)	446,095
Land	22,500	0	22,500	1,047 (2)	23,547
Accumulated Depreciation	(32,200)	0	(32,200)	(102,890) (3)	(135,090)
Contributions-in-aid-of-Construction	(231,840)	0	(231,840)	(24,898) (4)	(256,738)
Accumulated Amortization of C.I.A.C.	14,490	0	14,490	32,660 (5)	47,150
Working Capital Allowance	3,888	0	3,888	2,145 (6)	6,033
TOTAL	98,838	0	98,838	32,160	130,997

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Country Club of Sebring
Schedule of Adjustments to Rate Base

<u>Description</u>	<u>Water</u>	<u>Wastewater</u>
<u>Utility Plant-in-Service</u>		
1) To adjust the cost of transmission and distribution systems to match the capacities of the treatment plants.	<u>\$809,416</u>	<u>\$ 124,095</u>
<u>Land</u>		
2) To adjust land to include the engineering costs involved with its dedication to public use.	<u>\$ 1,013</u>	<u>\$ 1,047</u>
<u>Accumulated Depreciation</u>		
3) To reflect adjustments made to UPIS.	<u>\$(64,394)</u>	<u>\$(102,890)</u>
<u>Contributions-in-aid-of-construction</u>		
4) To reflect staff's recommended service availability charges.	<u>\$(614,355)</u>	<u>\$(24,898)</u>
<u>CIAC Amortization</u>		
5) To reflect adjustments made to CIAC	<u>\$ 59,448</u>	<u>\$ 32,660</u>
<u>Working Capital Allowance</u>		
6) To increase working capital to reflect the adjustment made to operating and maintenance expenses.	<u>\$ 1,702</u>	<u>\$ 2,145</u>

Country Club of Sebring Utilities
 Schedule of Water Operations
 At 80% of Design Capacity

Docket No. 910792-WS
 Schedule No. 4

Description	Balance Per Utility	Commission Adjust.	Balance Per Commission	Commission Adjust. Required Revenue	Required Revenue Per Commission
Operating Revenues	54,625	0	54,625	52,838	107,463
Operating and Maintenance	36,800	13,617 (1)	50,417	0	50,417
Depreciation Expense	11,455	4,500 (2)	15,955	0	15,955
Taxes Other Than Income	4,000	2,458 (3)	6,458	2,378 (4)	8,836
Income Taxes	0	0	0	0	0
Total Operating Expenses	52,255	20,575	72,830	2,378	75,208
Net Operating Income	2,370	(20,575)	(18,205)	50,460	32,255
Rate Base	92,755		285,585		285,585
Rate of Return	2.56%		-6.37%		11.29%

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Country Club of Sebring Utilities
 Schedule of Wastewater Operations
 At 80% of Design Capacity

Docket No. 910792-WS
 Schedule No. 5

Description	Balance Per Utility	Commission Adjust.	Balance Per Commission	Commission Adjust. Required Revenue	Required Revenue Per Commission
Operating Revenues	46,303	0	46,303	34,503	80,806
Operating and Maintenance	31,100	17,163 (1)	48,263	0	48,263
Depreciation Expense	13,616	(3,005) (2)	10,611	0	10,611
Taxes Other Than Income	3,500	2,084 (3)	5,584	1,553 (4)	7,137
Income Taxes	0	0	0	0	0
Total Operating Expenses	48,216	16,242	64,458	1,553	66,011
Net Operating Income	(1,913)	(16,242)	(18,155)	32,950	14,795
Rate Base	98,838		130,997		130,997
Rate of Return	-1.94%		-13.86%		11.29%

Country Club of Sebring
Adjustments to Schedule of Operations

<u>Description</u>	<u>Water</u>	<u>Wastewater</u>
<u>Operation and Maintenance</u>		
1) To increase the utility's operation and maintenance expenses to reflect the additional number of ERCs.	<u>\$ 13,617</u>	<u>\$ 17,163</u>
<u>Depreciation Expense</u>		
2) To reflect adjustments made to UPIS and to reflect Commission approved rates.	<u>\$ 4,500</u>	<u>\$ (3,005)</u>
<u>Taxes Other Than Income</u>		
3) To increase property tax to reflect the adjustment made to UPIS.	<u>\$ 2,458</u>	<u>\$ 2,084</u>
4) To reflect the change in regulatory assessment fees resulting from the change in operating revenue.	<u>\$ 2,378</u>	<u>\$ 1,553</u>

Country Club of Sebring Utilities
 Schedule of Capital Structure
 At 80% of Design Capacity

Docket No. 910792-WS
 Schedule No. 7

Description	Balance Per Filing	Utility Adjust.	Balance Per Utility	Commission Adjust.	Balance Per Commission	Recon. Adjust.	Recon. Balance	Weight	Cost Rate	Weighted Cost
Common Equity	2,716,262		2,716,262	0	2,716,262	(2,406,249)	310,013	74.42%	11.65%	8.67%
Long and Short-Term Debt	933,738		933,738	0	933,738	(827,168)	106,570	25.58%	10.25%	2.62%
Customer Deposits			0		0	0	0	0.00%	8.00%	0.00%
Advances from Associated Companies			0		0	0	0	0.00%	0.00%	0.00%
Other			0		0	0	0	0.00%	0.00%	0.00%
	3,650,000	0	3,650,000	0	3,650,000	(3,233,418)	416,582	100.00%		11.29%

Range of Reasonableness:	High	Low
Common Equity	12.65%	10.65%
Overall Rate of Return	12.04%	10.55%

Country Club of Sebring Utilities
Schedule of Net Plant to Net C.I.A.C.
At 100% of Design Capacity

Schedule No. 8

Account Number	Account Description	Water	Wastewater	Total
101	Utility Plant in Service	1,264,021	476,374	1,740,395
104	Accumulated Depreciation	(201,179)	(177,470)	(378,650)
	Net Plant	1,062,842	298,904	1,361,745
271	C.I.A.C.	921,564	295,238	1,216,802
272	Accum. Amortization of C.I.A.C.	(119,708)	(70,751)	(190,458)
	Net C.I.A.C.	801,856	224,487	1,026,344
	Net C.I.A.C. / Net Plant	75.44%	75.10%	75.37%
	Commission Approved Charge	425	550	975
	Total ERC's	954	303	0

Country Club of Sebring
 Commission Approved AFUDC Rate
 As of September 1, 1991

Schedule No. 9
 Docket No. 910792-WS

Class of Capital	Capitalization Per Utility	Utility Adjustments	Adjusted Capital Structure	Percent of Capital	Cost Rates	Weighted Cost	Discounted Monthly Rate
Common Equity	2,716,262	0	2,716,262	74.42%	11.65%	8.67%	
Long Term Debt	933,738	0	933,738	25.58%	10.25%	2.62%	
Short-Term Debt	0	0	0	0.00%	0.00%	0.00%	
Customer Deposits	0	0	0	0.00%	0.00%	0.00%	
Customer Deposits	0	0	0	0.00%	0.00%	0.00%	
Tax Credits - Zero Cost	0	0	0	0.00%	0.00%	0.00%	
Tax Credits - Weighted Cost	0	0	0	0.00%	0.00%	0.00%	
Deferred Income Taxes	0	0	0	0.00%	0.00%	0.00%	
Total	3,650,000	0	3,650,000	100.00%		11.29%	0.895395%