BEFORE THE PUBLIC SERVICE COMMISSION

In re: Application for rate increase in Pinellas County by Mid-County Services, Inc.	DOCKET NO. 030446-SU ORDER NO. PSC-04-0819-PAA-SU ISSUED: August 23, 2004

The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ, Chairman
J. TERRY DEASON
LILA A. JABER
RUDOLPH "RUDY" BRADLEY
CHARLES M. DAVIDSON

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING RATE INCREASE

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein, except for the four-year statutory reduction in rates and the requirement for the utility to provide proof that it has properly adjusted its books, is 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.

I. BACKGROUND

Mid-County Services, Inc. (Mid-County or utility) is a Class A wastewater utility located in the City of Dunedin in Pinellas County. The utility, a wholly-owned subsidiary of Utilities, Inc. (UI), is located in a region which has been designated by the Southwest Florida Water Management District as a critical use area. As of December 31, 2002, the utility served approximately 1,925 customers. Water service and billing is provided by Pinellas County. According to its 2002 annual report, Mid-County reported revenues of $1,052,667, and a net operating income of $24,830.

The utility's last rate case was in Docket No. 971065-SU, In re: Application for Rate Increase in Pinellas County by Mid-County Services, Inc. By Proposed Agency Action (PAA) Order No. PSC-98-0524-FOF-SU, issued April 16, 1998, we proposed to establish final rates for Mid-County. However, several issues in the PAA Order were protested and a hearing was held to address the protest. By Order No. PSC-99-1912-FOF-SU, issued September 27, 1999, we approved final rates and charges for the utility. The issues in the initial PAA order which were not protested were deemed stipulated by this order. On November 23, 2003, Mid-County's rates were reduced because the four-year period for the amortization of rate case expense incurred in Docket No. 971065-SU was complete.

On November 17, 2003, the utility filed its application for approval of final and interim rate increases in this docket and requested that we process the case under the PAA procedure. The information originally submitted did not satisfy the minimum filing requirements (MFRs) for a general rate increase. Subsequently, on February 17, 2004, the utility satisfied the MFRs and this date was designated as the official filing date, pursuant to Section 367.083, Florida Statutes (F.S.) By letter dated May 27, 2004, Mid-County extended the 5-month statutory deadline for this Commission to vote on the utility's requested final rates until August 3, 2004.

The test year for interim and final purposes is the historical test year ended December 31, 2002. Mid-County requested interim wastewater revenues of $1,320,894. The interim revenue request represented an increase of $292,236, or 28.41%. By Order No. PSC-04-0415-PCO-SU, issued April 22, 2004, we granted interim revenues for Mid-County of $1,184,848. This represents an interim increase of $117,221, or an increase of 10.98% above rates in effect at December 31, 2002 of the test year. The utility has requested final wastewater revenues of $1,441,449. This represents an increase of $412,791, or 40.13%.

As part of the PAA process, our staff held a customer meeting on April 26, 2004, in Dunedin, Florida, which approximately 25 people attended. The concerns voiced by the customers are addressed below in our discussion on quality of service.

We have jurisdiction pursuant to Sections 367.081 and 367.082, F.S.

II. QUALITY OF SERVICE

Rule 25-30.433(1), Florida Administrative Code (F.A.C.), states that this Commission shall determine the overall quality of service provided by a utility by evaluating three components. The components are the quality of the utility's product, the operating conditions of the utility's plant and facilities, and the utility's attempt to address customer satisfaction. The rule further states that sanitary surveys, outstanding citations, violations, and consent orders on file with the Department of Environmental Protection (DEP) and the county health department over the preceding three-year period shall be considered, along with input from the DEP and health department officials, and consideration of customer comments or complaints. We address each of these three components below.

Mid-County's wastewater treatment plant is located in the center of the Doral Mobile Home Park (Doral Village) community, which is a master-metered customer. The DEP permitted capacity for the wastewater plant is 900,000 gallons per day (gpd) on an annual average daily flow (AADF) basis. The wastewater treatment plant is an extended-aeration domestic wastewater treatment facility that processes the incoming waste. The activated sludge from the plant is then removed and the effluent is disposed in Curlew Creek.

Our staff reviewed the information submitted by the utility in its MFRs and researched whether any customer complaints were filed with the Commission related to this utility. Our staff also conducted a field inspection of the wastewater treatment facilities and spoke with a DEP official regarding the quality of those facilities.

A. Quality of Utility's Product

Based on analysis and review of the records of the utility and DEP, we find that the wastewater treatment facilities meet environmental regulatory standards. Further, DEP staff indicated that the finished product of the plant meets regulatory standards. Based on the above, we find that the quality of the finished product for the wastewater treatment plant is satisfactory.

B. Operating Condition of the Wastewater Facilities

Based on our staff's field inspection and other investigations, the utility's plant and the collection system appear to be in compliance with DEP rules and regulations. Therefore, we find that the operating condition of the utility's facilities is satisfactory.

C. The Utility's Attempt to Address Customer Satisfaction

In addition to the evening meeting held in the evening of April 26, 2004, our staff met with two representatives of the Doral Village Homeowners Association (Doral Village). Doral Village has 500 residents, several of whom have homes which are located very close to the wastewater treatment plant. The community pool is also very close to the plant. Of the approximately 25 persons in attendance at the meeting, all were residents from Doral Village and nine of them spoke. The residents' primary concerns were plant odors and noise, but they also complained about the amount of the rate increase since the plant odors had not been eliminated, as well as the sludge hauling trucks traveling through the community. After the meeting, our staff requested a written response from the utility regarding the concerns expressed by the residents at the customer meeting. Our staff also requested that the utility provide a list of plant improvements that the utility could implement to further reduce the odor from the plant. Our analysis of the customer comments and the problems with plant odor, plant noise, and sludge hauling and road damage are addressed below.

Plant Odor

The residents of Doral Village complained that, most of the time, the odor coming from the plant is unbearable and offensive, especially at the recreation center pool area. The odor is worse during the peak season when the majority of the residents are present. They also stated that these complaints have been made before and nothing seems to be done about them.

Our staff smelled strong odors at the plant the morning after the customer meeting. While these odors were strong, they appeared to our staff to be the normal odors one would encounter when being close to any wastewater treatment plant. Also, during staff's initial investigation, which was not during the peak season, our staff did not smell any excessive odors coming from the plant. On March 29, 2004, our staff contacted Ms. Michele Duggan, the DEP inspector for the Mid-County plant. Ms. Duggan stated that in January 2004 based upon the residents' complaints, she performed a site inspection of the Mid-County facilities, including the surrounding the vicinity of Doral Village. Ms. Duggan stated that she was unable to substantiate an odor nuisance at that time and that the plant appeared to be well-maintained and operated. Further, Ms. Duggan stated that she had observed the changes made by the utility to aid in reducing the odor as well as the noise at the plant. Regardless, because of the close proximity of the plant to the residents' homes, we find that the utility shall take all economically feasible measures to reduce odors emanating from the plant.

In its response to the comments made at the customer meeting, the utility stated that, in the last several years, it has made numerous improvements to reduce odors emanating from the plant. In 1994, it began a process of dewatering materials screened at the head of the plant and collected in a dumpster. It also began adding a scented mulch twice daily to cover the untreated screened materials. In 2000, the utility installed a sprayer to release an aerosol masking agent above the plant and began adding a histosal as a settling aid and to further reduce odors from the plant. It also converted its sludge handling process substantially, further reducing odors from the plant and built a stockade fence for visual as well as odor reduction purposes. In 2001, the utility upgraded it aeration system which improved the oxygen transfer process and made the plant more efficient. Then in 2003, the utility replaced its dumpster with a smaller size and emptied it more often, which is currently three times per week.

Additionally, the utility stated that it could make two additional improvements to further reduce odors at the plant. First, it could install a stainless steel enclosure over the top and rear faces of the static screen. The utility projected that this improvement would cost $8,300. Second, the utility proposed that it could replace an eight-inch PVC sludge return pipe with two six-inch pipes on the entrance to the North plant at an estimated cost of $1,200. This improvement will provide for the permanent elimination of the existing vent stack, and thereby decrease the release of gases above the equalization tank. The utility stated that both of these improvements would reduce the time that odor producing waste would be open to the air.

We find that these proposed plant improvements are reasonable and prudent. These improvements were not included in the utility's MFRs and shall be included for rate setting purposes in this case. In addition, the utility shall implement procedures to add mulch and scented powder to cover the contents of the dumpster a minimum of four times a day, equally spread out during the daylight hours. This low-cost measure will further reduce the amount of time that odor producing waste is exposed to the air at the plant. We do not believe that the cost of implementing this procedure will be material to the utility. By adding the pro forma improvements and by mulching more frequently, the utility should be able to reduce the odors emanating from the plant.

Plant Noise

The residents of Doral Village raised concerns about excessive noise coming from the plant. One resident also stated that he once heard what sounded like the cranking of a motor boat coming from the plant grounds. In its response, the utility stated that it has made several improvements to reduce the noise level at the plant. In 2001, the utility installed a new centrifugal process blower on the North Plant. The new large blower replaced five small positive displacement blowers and the new blower is much quieter than the small blowers. In addition, the utility stated that it intends to replace the remaining old blowers with a new large blower. Further, the utility stated that it has no knowledge of any noise caused by a motor boat. Our staff observed that the new larger blower is much quieter than the smaller blowers. The actions taken by the utility to reduce noise are reasonable and should aid in reducing the noise level.

Sludge Hauling and Road Damage

The residents of Doral Village expressed concerns regarding the size of sludge hauling trucks and the gradual degradation of the quality of the roadways in the community because of the trucks. The utility indicated that it was aware of road degradation and that it has previously made repairs to the roadways. Further, the utility stated that using one large truck to haul sludge reduces the number of daily hauls required. Our staff did not observe evidence of road degradation. However, the utility and the residents should meet to discuss future reimbursement for road repair, and the utility may seek the recovery of the prudent costs through future rates.

Summary

Based on review of the wastewater treatment and collection systems, it appears that all systems are operating properly and are in compliance with DEP standards. Further, it appears that the utility is actively attempting to address the customers' complaints regarding odor and noise from the treatment plant. Based on the above, we find that the quality of service provided by the utility is satisfactory. However, the utility shall install and place in service the improvements to the static screen and the two return pipes on the North plant no later than 90 days after issuance of the consummating order.

III. RATE BASE

The staff auditors reviewed the utility's rate base accounts since the last rate case to determine the appropriate balances at the end of the test year. This examination included a review of the last two rate case orders from 1993 and 1996. The audit report contained several recommended adjustments, to which the utility agreed. Upon further review, we find that several additional adjustments are appropriate. Listed below are adjustments per audit (agreed to by utility), our additional adjustments and the total approved adjustments.

A. Land

The utility's MFRs indicate that the utility had a balance in its land account of $21,006. In Audit Exception No. 4, the staff auditors stated that the land balance was overstated because it included $2,603 in charges that should have been expensed in 2001. The utility agreed with the audit adjustment in a supplemental response to the audit. Therefore, land shall be decreased by $2,603. Since these charges did not occur in the test year, there is no adjustment to Operation & Maintenance (O&M) expenses.

B. Additional Rate Base Adjustments Pursuant to Audit

Audit Exception No. 1

In Audit Exception No. 1, because the utility failed to make reductions it was ordered to make in two prior rate cases, the staff auditors recommended adjustments to several plant, accumulated depreciation, and depreciation expense accounts. The utility agreed with the audit reductions. However, because the auditors did not remove depreciation accrued on the books for the overstated plant between the issue date of the orders and the test year, we find that an additional $37,638 adjustment to decrease accumulated depreciation is appropriate. The adjustments are shown below:

Prior Orders Comm. Adj-Exception No. 1	Adj. per Audit	Add'l Adj. per Comm.	Total Comm Adjustment
Decrease Plant	($157,578)	$0	($157,578)
Decrease Accumulated Depreciation	$29,297	$37,638	$66,935
Decrease Depreciation Expense	($9,367)	$0	($9,367)
Increase Accumulated Amortization of CIAC	$2,697	$0	$2,697

Audit Exception No. 2

In Audit Exception No. 2, staff auditors recommended several adjustments because of improperly capitalized plant, missing invoices, a capitalized item for another system, and items that should have been retired. The utility agreed with all but two of the plant adjustments. First, the utility believed that one adjustment for $1,101 for a bearing replacement on a bar screen pump should not be removed from plant as recommended by the auditors. A review of this invoice shows that this repair will extend the life of the bar screen. As such, we agree with the utility that this amount is properly capitalized.

Second, the auditors recommended removing $8,821 in undocumented legal fees capitalized during the test year. The auditors also recommended that plant be reduced for items that should have been expensed during the test year. The utility capitalized legal fees of $1,843 and maintenance expenses of $1,360 which should have been recorded as O&M expenses. As a result, the auditors recommended a reduction to plant of $12,024 and a $3,203 increase to O&M expenses.

The utility later produced the missing legal invoices totaling $8,821. The $8,821 in legal fees, along with the $1,843 amount erroneously capitalized, both related to condemnation and easement related legal services and totaled $10,664. These invoices should not have been capitalized. In order to analyze whether this level of expense was reasonable, we find that it is appropriate to analyze the historical balance in legal expenses for the years 2000-2003. The annual average was $747 and is significantly less than the $10,664 incurred for these type of legal services. As such, these expenses shall be amortized over a five-year period pursuant to 25-30.433(8), F.A.C. This results in an annual expense of $2,133 per year. Therefore, legal expenses shall be increased by $2,133 and working capital increased by the remaining $8,531. Overall, O&M expenses shall be increased by $3,493, which is $290 over the audit adjustment.

We have also reduced the auditors recommended adjustments to accumulated depreciation and depreciation expense by $183 and $893, respectively, to reflect the proper retirement entries, remove improperly accrued accumulated depreciation, and to correct test year depreciation expense. Our adjustments are shown below:

Misc. Plant Adjustments-Exception No.2	**Adj. per Audit**	**Add'l Adj. per Comm**	**Total Comm Adjustment**
Decrease Plant	($31,114)	$1,101	($30,013)
Decrease Accumulated Depreciation	$9,032	($183)	$8,849
Decrease Depreciation Expense	($1,993)	$893	($1,100)
Increase Working Capital	$0	$8,531	$8,531
Increase O&M Expense	$3,203	$290	$3,493

Audit Exception No. 5

In Audit Exception No. 5, the auditors made adjustments to several accumulated depreciation accounts because the utility used incorrect depreciation rates. The utility agreed with these adjustments. In reviewing the auditor's adjustment, we find that the adjustment shall be reduced by $43,805 to reflect the average balance in the test year. Also, accumulated amortization and test year amortization of CIAC shall be increased by $34,303 and $9,866, respectively, as these adjustments were not made in the audit. CIAC amortization is calculated using composite depreciation rates. If the depreciation reserve is being adjusted to reflect proper depreciation rates, corresponding adjustments to accumulated and test year amortization of CIAC are required to properly reflect the test year balance of this account. Our adjustments are shown below:

Depreciation Rates-Exception No.5	Adj. per Audit	Add'l Adj. per Comm	Total Comm Adjustment
Increase Accumulated Depreciation	($454,883)	$43,805	($411,078)
Increase Depreciation Expense	$87,608	$0	$87,608
Increase Accumulated Amortization of CIAC	$0	$34,303	$34,303
Increase CIAC Amortization Expense	$0	($9,866)	($9,866)

Audit Disclosure No. 1

In its MFRs, the utility requested pro forma plant additions of $571,487. In Audit Disclosure No. 1, the auditors made a number of adjustments to the utility's requested pro forma plant. These adjustments reduced plant, accumulated depreciation and depreciation expense because the costs were less than projected, improperly supported, or were completed prior to the test year. After reviewing the utility responses to several data requests, our staff made additional adjustments to increase pro forma plant by $146,626 to reflect updated costs or the receipt of documentation. Corresponding adjustments to accumulated depreciation and depreciation expense have also been made.

In its MFRs, the utility did not reflect any retirement adjustments related to the pro forma plant additions. Therefore, adjustments to decrease both plant and accumulated depreciation by $78,890 are appropriate, as well as a reduction to depreciation expense of $1,534, to recognize these retirements. As discussed in our discussion of quality of service, we have included expenses for additional odor control facilities as pro forma plant. Our adjustments are shown below:

Pro Forma Plant Additions-Disclosure No. 1	Adj. per Audit	Add'l Adj. per Comm	Total Comm Adjustment
Decrease Pro Forma Plant-per MFRs	($415,630)	$146,626	($269,004)
Decrease Accumulated Depreciation	$7,935	($2,117)	$5,818
Decrease Depreciation Expense	($7,935)	$2,117	($5,818)
Decrease Related Plant Retirements	($89,247)	($78,890)	($168,137)
Decrease Related Plant Accumulated Depreciation	$89,247	$78,890	$168,137
Decrease Related Plant Depreciation Expense	($2,986)	($1,534)	($4,520)
Increase Odor Control Pro Forma Plant	-	$9,500	$9,500
Increase Accumulated Depreciation	-	($488)	($488)
Increase Depreciation Expense	-	$488	$488

Audit Disclosure No. 2

In Audit Disclosure No. 2, the auditors recommended that adjustments be made to reduce plant because the utility completed a number of capital additions without a corresponding retirement; however, the audit did not contain a recommended adjustment. The utility agreed that adjustments should be made and that the retired plant amounts should equal 75% of the replacement construction. Our staff's review of the utility's response shows that this calculation is appropriate. As a result, both plant and accumulated depreciation shall be reduced by $532,783, and depreciation expense shall be reduced by $13,454. Our adjustments are shown below:

Construction Proj.-Retirements-Disclosure No. 2	Adj. per Audit	Add'l Adj. per Comm	Total Comm Adjustment
Decrease Plant	-	($532,783)	($532,783)
Decrease Accumulated Depreciation	-	$532,783	$532,783
Decrease Depreciation Expense	-	($13,454)	($13,454)

Below is a summary of our adjustments to rate base pursuant to audit:

	Plant	Accumulated Depreciation	Depreciation Expense	AA CIAC	Test Year Amort CIAC
Exception No. 1	($157,578)	$66,935	($9,367)	$2,697	$0
Exception No. 2	(30,013)	8,849	(1,100)	0	0
Exception No. 5	0	(411,078)	87,608	34,303	(9,866)
Disc No.1 Pro Forma Plant	(269,004)	5,818	(5,818)	0	0
Disc. No.1-Retirements	(168,137)	168,137	(4,520)	0	0
Disc. No. 1 Odor Control	9,500	(488)	488	0	0
Disclosure No.2	(532,783)	532,783	(13,454)	0	0
Total:	($1,148,015)	$370,955	$53,838	$37,000	($9,866)

As shown above, plant shall be reduced by $1,148,015 and accumulated depreciation shall be increased by $370,955. Depreciation expense shall be increased by $53,838. Further, accumulated amortization of CIAC shall be increased by $37,000, and CIAC amortization expense shall be decreased by $9,866. Additionally, O&M expenses, as a result of these adjustments, shall be increased by $3,493.

C. Common Plant Allocations From Water Service Corporation (WSC)

WSC is a subsidiary which provides administrative services to UI's operating subsidiaries. WSC allocates common plant and expenses based on customer equivalents (CEs) primarily, but WSC does utilize other methodologies to allocate computer costs and insurance expenses.

Audit Exception No. 3 of the staff audit stated that the utility's general ledger did not include any common plant allocations from WSC. The WSC common plant allocation schedule indicates that Mid-County's share was $26,602.

Our staff also reviewed the overall WSC allocation methodology. While our staff disagreed with certain bases and mechanics of this allocation methodology, our staff's analysis shows that any additional adjustments for Mid-County are immaterial. Therefore, no further adjustment shall be made, and Mid-County's plant shall be increased by $26,602 to appropriately allocate the WSC rate base and other costs.

D. Used and Useful Calculation for Wastewater Treatment Plant and Collection System

In its MFRs, the utility indicated that the used and useful percentage for the wastewater treatment plant was 97% and the collection system was 100%. Our analysis is set forth below:

Wastewater Treatment Plant

The utility calculated its used and useful percentage for the wastewater treatment plant by taking the sum of the annual average daily flows (AADF) of 766,836 gpd and a growth allowance of 110,152 gpd. It then divided that total by the plant's DEP permitted capacity of 900,000 gpd AADF. The utility did not make any adjustments for inflow and infiltration (I&I) in its calculations. This resulted in a 97% used and useful percentage for the wastewater treatment plant.

In calculating its 110,152 gpd growth allowance, the utility took the simple average growth in ERCs for the five years prior to the test year of 2.87%. It then multiplied the average growth rate by the test year number of ERCs of 2,909. This resulted in an annual growth of 84 ERCs. It then multiplied the 84 ERCs times the 5-year statutory growth period per statute and the test year average consumption of 264 gpd/ERC.

We do not find that the utility's calculation for growth is correct. The utility should have used linear regression to calculate historical growth instead of a simple average. Linear regression is a more accurate method to calculate growth because a simple average does not take into consideration the impact of abnormal weather or wastewater flows for the historical years. Further, the utility did not explain why we should deviate from our policy of using linear regression pursuant to Rule 25-30.431, F.A.C., or why a simple average method was more accurate or better reflected growth for this system. Using the utility's calculation of linear regression submitted in the MFRs, we calculate annual growth to be 49 ERCs, or a growth allowance of 64,680 gpd. Applying this adjustment to the used and useful formula, the wastewater treatment plant shall be considered to be 92% used and useful.

Wastewater Collection System

In its filing, the utility stated that the collection system should be considered 100% used and useful because it was built by various developers which then contributed the assets to the utility. As such, the utility indicated that its collection system is approximately 80% contributed. The mains and lift stations that serve the system were built by the utility. The utility also stated that this Commission recognized that the collection system was 100% used and useful in Mid-County's last rate case (Order No. PSC-98-0524-FOF-SU). The utility states that while there is some undeveloped land in the service territory, additional collection mains would have to be constructed before new customers could be added.

A review of the utility's analysis shows that there has been no substantial growth or changes in its service territory since the last rate case. Therefore, the collection system shall be considered to be 100% used and useful.

Approved Used and Useful Adjustments

Based on our approved used and useful percentages, the balance of non-used and useful plant, net of accumulated depreciation, shall be $126,598. Based on the above, rate base shall be reduced by $65,559. Corresponding adjustments shall also be made to reduce depreciation expense by $9,497, and property taxes by $918.

E. Deferred Taxes

In its MFRs, the utility reflected a debit balance of $13,646 in its capital structure. Rule 25-30.433(3), F.A.C., states that used and useful debit deferred taxes shall be offset against credit deferred taxes in the capital structure. This rule further states that any net debit deferred taxes shall be included as a separate line item in the rate base calculation. Our review shows that two adjustments should be made to the utility's balance of deferred taxes.

First, our staff's initial review of the utility's deferred tax account indicated that this balance was in error. At our staff's request, the utility submitted a revised deferred tax schedule which indicated that the correct balance before adjustments was a debit balance of $47,496. This balance, however, was not adjusted for our non-used and useful plant adjustment. After this adjustment, the balance of deferred taxes is $45,111.

Second, the utility agrees that Mid-County's MFRs do not reflect the effect of the utility's claim of a special tax depreciation allowance. This allowance allows the utility to claim accelerated depreciation on its allowed pro forma plant. Our staff has calculated this adjustment to increase credit deferred taxes by $34,147. The resulting net debit balance is $10,964 ($45,111-$34,147), and this amount shall be included as a separate line item in rate base, and rate base shall be increased accordingly.

F. Working Capital Allowance

In its MFRs, Mid-County's working capital allowance had a net balance of $87,076. A review of this balance shows that two adjustments are required.

The utility recorded $78,359 as the unamortized portion of rate case expense for the current case. This amount represents three-quarters, or the remaining three years, amortization of the requested $104,479 allowance for rate case expense, or $26,120 per year. As discussed below Order, we are reducing rate case expense by $28,666. The resulting three-year unamortized amount would therefore be reduced by $21,499. Also, earlier in this Order, we increased working capital for deferred expenses associated with condemnation and easement legal services. After making those adjustments, the working capital allowance is calculated to be $74,108.

G. Conclusion

Based on all the above adjustments, we calculate rate base to be $1,982,244. Our calculation of rate base is shown on Schedule No. 1, and our adjustments are shown on Schedule No. 1-A.

IV. COST OF CAPITAL

In its MFRs, the utility used the debt and equity ratios of its parent, UI, to prorate its share of the parent's capital. The utility reflected accumulated deferred income taxes that are specifically attributable to Mid-County, but it included the deferred taxes as a negative number. Using our 2003 leverage formula, the utility reflected a cost of 11.54% for equity. Mid-County's requested overall cost of capital was 9.29%. However, we find that two adjustments are necessary.

First, the utility agrees that it has a net debit balance of deferred taxes. As such, this balance should be included as part of rate base, and all deferred taxes shall be removed from the capital structure.

Our current leverage formula was approved by Order No. PSC-04-0587-PAA-WS, issued June 10, 2004, in Docket No. 040006-WS, In re: Water and wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S. Based on the current leverage formula and the utility's equity ratio, the appropriate cost of equity is 11.00% (and not 11.54%), with a range of 10.00% to 12.00%. Based on the above, the overall cost of capital is 9.00% (and not 9.29%), with a range of 8.56% to 9.45%. Our calculation of the cost of capital is shown on Schedule No. 2.

V. NET OPERATING INCOME

A. Test Year Revenues

The utility's MFRs reflected adjusted test year revenues of $1,028,657 before any revenue increase. The utility's billing determinants reported in its MFRs indicated that the utility had one 1.5-inch and thirty-six 3-inch meters. However, in a response to a staff data request, the utility indicated that it had inadvertently reversed these meter sizes in its MFRs and incorrectly calculated its test year revenues. Additionally, the utility improperly annualized its revenues during the test year by failing to annualize the 2002 index rate adjustment and incorrectly decreasing test year revenues due to the expiration of the four-year amortization of rate case expense. These adjustments require that test year revenues be reduced by $2,443.

B. Employee Benefits

In its MFRs, Mid-County made pro forma adjustments to increase health costs by $6,577. This represents an increase of 25.86% over test year expenses. The utility also made pro forma adjustments to increase insurance costs by $4,333. This represents an increase of 36.88% over test year expenses.

In Audit Disclosure No. 5, staff auditors stated that actual health costs increased by 9.83% and actual insurance costs increased by 42.93%. As a result, the staff auditors recommended, and Mid-County agreed, that a net O&M expense reduction of $2,116 shall be made to reflect these actual costs for employee benefits.

C. Rate Case Expense

The utility included a $104,479 estimate in the MFRs for current rate case expense. However, the utility submitted a revised estimated rate case expense through completion of the PAA process of $79,762. The components of the utility's estimated rate case expense are as follows:

	MFR Estimated	Actual	Additional Estimated	Total
Filing Fee	$4,500	$3,500	$0	$3,500
Legal Fees	42,750	24,554	8,300	32,854
Consultant Fees	25,000	20,329	6,450	26,779
WS In-house Fees	12,979	4,553	7,652	12,205
Miscellaneous Expense	19,250	3,039	1,385	4,424
Total R/C expense	$104,479	$55,975	$23,787	$79,762

Pursuant to Section 367.081(7), F.S., we must determine the reasonableness of rate case expenses and shall disallow all rate case expenses determined to be unreasonable. Our review of the requested actual expenses, supporting documentation, and estimated expenses shows that the revised estimate is reasonable with one exception. Also, it appears that the utility has included rate case expense from a previous docket which has already been fully amortized.

The utility appears to have incurred additional rate case expense to correct deficiencies in the MFR filing found by our staff. We have previously disallowed rate case expense associated with correcting MFR deficiencies because of duplicative filing costs. See Order No. PSC-01-0326-FOF-SU, issued February 6, 2001, in Docket No. 991643-SU, In re: Application for an increase in wastewater rates in Seven Springs System in Pasco County by Aloha Utilities, Inc. In its response to Staff's Second Data Request, the utility's consultant stated that of the 24.66 hours spent on staff's MFR deficiency letters, only 2.33 hours related to actual deficiencies. The utility's consultant asserted that the remaining 22.33 hours should be considered responses to data requests instead of MFR deficiencies. However, an analysis of the deficiency letters and supplemental data requests shows that of the 15 major parts, only 2 items were supplemental data requests as opposed to deficiencies. Therefore, we find that 23.66 hours were spent on MFR deficiencies, and that $2,500 shall be removed for consultant fees and expenses. Also, we find that the utility's WSC in-house and legal fees shall be reduced by $295 and $1,154, respectively, to correct the MFRs. Therefore, rate case expense shall be reduced by a total amount of $3,949 for this duplicative and unreasonable rate case expense.

Also, the utility has included $44,592 in rate case expense from a prior case. This amount has been fully amortized and shall be removed from the rate case expense in this proceeding.

Based on these reductions, we calculate the total rate case expense to be $75,813. Pursuant to Section 367.0816, F.S., rate case expense shall be amortized over four years, and, therefore, the annual rate case expense is calculated to be $18,953. Our calculation of the appropriate annual rate case expense is set out below:

	MFR Estimated	Utility Revised Actual &Estimated	Comm Adjustments	Total
Filing Fee	$4,500	$3,500	$0	$3,500
Legal Fees	42,750	32,854	(1,154)	31,700
Consultant Fees	25,000	26,779	(2,500)	24,279
WSC In-house Fees	12,979	12,205	(295)	11,910
Miscellaneous Expense	19,250	4,424	0	4,424
Total Rate Case Expense	$104,479	$79,762	($3,949)	$75,813
Current Amortization	$26,120		($7,167)	$18,953
Prior Amortization	$44,592		($44,592	$0
Total Annual Expense	$70,712		($51,759)	$18,953

D. Wastewater Operating Income

As shown on attached Schedule No. 3, after applying our adjustments, the test year net operating income (NOI) before any revenue increase is a loss of $17,156. Our approved NOI is reflected on Schedule No. 3, with our adjustments shown on Schedule 3-A.

VI. REVENUE REQUIREMENT

Mid-County requested final rates designed to generate annual revenues of $1,441,449. These revenues would exceed test year revenues by $412,791, or 40.13%.

Based upon our adjustments to rate base, cost of capital, and operating income, we find that rates shall be increased to generate a revenue requirement of $1,354,614. These revenues exceed adjusted test year revenues by $328,399, or 32.00%. This increase will allow the utility the opportunity to recover its expenses and earn a 9.00% return on its investment in rate base.

VII. RATES AND RATE STRUCTURE

With a revenue requirement of $1,354,614, and excluding water miscellaneous service charges of $320, the revenues to be recovered through rates are $1,354,294. Mid-County's current bi-monthly wastewater rate structure is a base facility charge and gallonage charge with a 20,000 gallonage cap on residential customers. The rate structure contains a differential in the gallonage charge between residential and general service. This rate differential is designed to recognize that approximately 80% of a residential customer's water usage will return to the wastewater system. Whereas, approximately 96% of multi-family and general service water usage is returned. This wastewater gallonage rate differential is employed by this Commission in wastewater rate settings and is widely recognized as an industry standard. Based on the above, we find that the gallonage rate differential should continue to be used in this case, consistent with the differential approved in the last case.

Also, our allocation of the base facility charge is consistent with the methodology approved in Mid-County's last rate case, pursuant to Order No. PSC-99-1912-FOF-SU. As detailed in an exhibit in that case, we approved the allocation of the base facility charge by meter size for general service and multi-family tariffs based on the Clow Pipe economy usage scale. The meter allocation factors rates are as follows and shall be continued:

Meter Size	Clow Pipe Economy Factor
5/8"x3/4"	1.0000
1"	2.5660
1-1/2"	5.7736
2"	10.2642
3"	23.1006
4"	41.0566
6"	92.3899

Mid-County serves many multi-family customers, and in some cases, these customers are large and the flows through their meters are substantially greater than normally experienced through a given-sized meter. While we find that the Clow Pipe methodology should continue to be used, we note that some of the factors were erroneously applied among several meter sizes, and we have correctly applied the above factors for all general service and multi-family meter sizes.

The utility shall file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates shall be effective for service rendered on or after the stamped approval date of the revised tariff sheets pursuant to Rule 25-40.475(1), F.A.C. The rates shall not be implemented until our staff has approved the proposed customer notice. The utility shall provide proof of the date notice was given no less than 10 days after the date of the notice.

A comparison of the utility's original, requested, interim, and approved PAA rates are shown on Schedule No. 4.

VIII. DISPOSITION OF INTERIM RATES

By Order No. PSC-04-0415-PCO-SU, issued April 22, 2004, we authorized the collection of interim wastewater rates, subject to refund, pursuant to Section 367.082, F.S. In setting interim rates, we found that the revenue requirement was $1,184,848, an increase of $117,221 (10.98%).

According to Section 367.082, F.S., any refund shall be calculated to reduce the rate of return of the utility during the pendency of the proceeding to the same level within the range of the newly authorized rate of return. Adjustments made in the rate case test period that do not relate to the period interim rates are in effect should be removed. This would include pro forma or projected operating expense not in the interim rate period, and, also, rate case expense which is recovered only after final rates are established. Based on these principle's, we calculate the interim revenue requirement for the interim collection period to be $118,657. This is greater than the interim increase allowed of $117,221. Therefore, no refund of the interim rates is required.

IX. FOUR-YEAR STATUTORY RATE REDUCTION

Section 367.0816, F.S., requires rates to be reduced immediately following the expiration of the four-year amortization period by the amount of the rate case expense previously included in the rates. The reduction will reflect the removal of revenues associated with the amortization of rate case expense and the gross-up for regulatory assessment fees (RAFs) which is $19,846. Our calculation of the appropriate four-year statutory rate reduction is shown on Schedule No. 4. The decrease in rates shall become effective immediately following the expiration of the four-year rate case expense recovery period, pursuant to Section 367.0816, Florida Statutes.

The utility shall file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates shall be effective for service rendered on or after the stamped approval date of the revised tariff sheets pursuant to Rule 25-40.475(1), F.A.C. The rates shall not be implemented until our staff has approved the proposed customer notice. The utility shall provide proof of the date notice was given no less than 10 days after the date of the notice.

If the utility files this reduction in conjunction with a price index or pass-through rate adjustment, separate data shall be filed for the price index and/or pass-through increase or decrease, and for the reduction in the rates due to the amortized rate case expense.

X. ADJUSTMENT OF BOOKS

To ensure that the utility adjusts its books in accordance with our decision, Mid-County shall provide proof, within 90 days of the Consummating Order finalizing this docket, that the adjustments for all the applicable National Association of Regulatory Utility Commissioners' Uniform System of Accounts primary accounts have been made.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Mid-County Services, Inc.'s application for a rate increase is approved as set forth in the body of this Order. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that each of the findings made in the body of this Order is hereby approved in every respect. It is further

ORDERED that all matters contained in the attachments and schedules attached hereto are incorporated herein by reference. It is further

ORDERED that Mid-County Services, Inc., shall, as set forth in the body of this Order, install and place in service improvements to the static screen and two return pipes on the North plant no later than 90 days after issuance of the Consummating Order. It is further

ORDERED that Mid-County Services, Inc. shall file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. It is further

ORDERED that the approved rates shall be effective for service rendered on or after the stamped approval date on the tariff, pursuant to Rule 25-30.475(1), Florida Administrative Code, provided that staff has approved the proposed customer notice. It is further

ORDERED that Mid-County Services, Inc. shall provide proof of the date notice was given no less than 10 days after the date of the notice. It is further

ORDERED that Mid-County Services, Inc. shall provide proof, within 90 days of the Consummating Order finalizing this docket, that the adjustments for all the applicable National Association of Regulatory Utility Commissioners' Uniform System of Accounts primary accounts have been made. It is further

ORDERED that the rates shall be reduced as shown on Schedule 4 to remove $19,846 for rate case expense, grossed-up for regulatory assessment fees, which is being amortized over a four-year period. The decrease in rates shall become effective immediately following the expiration of the four-year rate case expense recovery period, pursuant to Section 367.0816, Florida Statutes. It is further

ORDERED that Mid-County Services, Inc. shall file revised tariffs and a proposed customer notice setting forth the lower rates and the reason for the reduction no later than one month prior to the actual date of the required rate reduction. It is further

ORDERED that if Mid-County Services, Inc. files this reduction in conjunction with a price index or pass-through rate adjustment, separate data shall be filed for the price index and/or pass-through increase or decrease, and for the reduction in the rates due to the amortized rate case expense. It is further

ORDERED that if no person whose substantial interests are affected by the proposed agency action issues files a protest within twenty-one days of the issuance of the order, a consummating order will be issued, and this docket shall remain open for our staff's verification that the revised tariff sheets reflecting the rate increase and customer notice have been filed by the utility and approved by our staff. It is further

ORDERED that once these actions are complete, the corporate undertaking may be released and this docket may be closed administratively.

By ORDER of the Florida Public Service Commission this 23rd day of August, 2004.

BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

(S E A L)

RRJ

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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 the four-year statutory rate reduction and the requirement to provide proof for the adjustment of the utility's books which are final, is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on September 13, 2004. If such a petition is filed, mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing. In the absence of such a petition, this order shall become effective and final upon the issuance of a Consummating 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.

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 the Commission Clerk and Administrative Services 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 wastewater utility by filing a notice of appeal with the Director, Division of the Commission Clerk and Administrative Services 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.

MID-COUNTY SERVICES, INC.
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/02

SCHEDULE NO. 1

	DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUST-MENTS	ADJUSTED TEST YEAR PER UTILITY	COMMN ADJUST-MENTS	COMMN ADJUSTED TEST YEAR
1	UTILITY PLANT IN SERVICE	$5,205,483	$571,487	$5,776,970	($1,121,413)	$4,655,557
2	LAND	21,006	0	21,006	(2,603)	18,403
3	NON-USED & USEFUL COMPONENTS	0	(61,039)	(61,039)	0	(61,039)
4	CONSTRUCTION WORK IN PROGRESS	27,269	(27,269)	0	0	0
5	ACCUMULATED DEPRECIATION	(1,469,255)	(15,434)	(1,484,689)	370,954	(1,113,735)
6	CIAC	(2,818,225)	0	(2,818,225)	0	(2,818,225)
7	AMORTIZATION OF CIAC	1,179,210	0	1,179,210	37,000	1,216,210
8	DEFERRED TAXES	0	0	0	10,964	10,964
9	WORKING CAPITAL ALLOWANCE	0	87,076	87,076	(12,968)	74,108
10	**RATE BASE**	$2,145,488	$554,821	$2,700,309	($718,066)	$1,982,244

MID-COUNTY SERVICES, INC.
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/02

SCHEDULE 1-A

	EXPLANATION	WASTEWATER
	PLANT IN SERVICE	
1	To reflect adjustments from prior orders, unsupported plant, pro forma additions & related retirements.	($1,148,015)
2	To reflect adjustment to WSC allocation	26,602
	Total	($1,121,413)
	LAND	
	To reflect the uncontested adjustment.	($2,603)
	NON-USED AND USEFUL	
	To adjust for non-used and useful plant	($65,559)
	ACCUMULATED DEPRECIATION	
	To reflect adjustments from prior orders, unsupported plant, pro forma additions & related retirements.	$370,955
	ACCUM. AMORT. OF CIAC	
	To remove adjustments from prior orders not made and correct calculation	$37,000
	ACCUMULATED DEFERRED TAXES	
	To reflect the net debit balance in rate base.	$10,964
	WORKING CAPITAL	
	To adjust for unamortized rate case expense and misc. deferred debits	($12,968)

SCHEDULE NO. 2

MID-COUNTY SERVICES, INC.

CAPITAL STRUCTURE

TEST YEAR ENDED 12/31/02

	DESCRIPTION	TOTAL CAPITAL	SPECIFIC ADJUST-MENTS (EXPLAIN)	SUBTOTAL ADJUSTED CAPITAL	PRO RATA ADJUST-MENTS	CAPITAL RECONCILED TO RATE BASE	RATIO	COST RATE	WEIGHTED COST
PER UTILITY									
1	LONG TERM DEBT	$88,646,986	$0	$88,646,986	($87,383,911)	$1,263,075	46.78%	8.04%	3.76%
2	SHORT-TERM DEBT	16,709,846	0	16,709,846	(16,471,832)	238,014	8.81%	3.93%	0.35%
3	PREFERRED STOCK	0	0	0	0	0	0.00%	0.00%	0.00%
4	COMMON EQUITY	85,129,818	0	85,129,818	(83,916,951)	1,212,867	44.92%	11.54%	5.18%
5	CUSTOMER DEPOSITS	0	0	0	0	0	0.00%	6.00%	0.00%
6	DEFERRED INCOME TAXES	(13,646)	0	(13,646)	0	(13,646)	-0.51%	0.00%	-0.00%
7	**TOTAL CAPITAL**	$190,473,004	$0	$190,473,004	($187,772,694)	$2,700,310	100.00%		9.29%
PER STAFF									
11	LONG TERM DEBT	$88,646,986	$0	$88,646,986	($87,724,507)	$922,479	46.54%	8.04%	3.74%
12	SHORT-TERM DEBT	16,709,846	0	16,709,846	(16,535,960)	173,886	8.77%	3.93%	0.34%
13	PREFERRED STOCK	0	0	0	0	0	0.00%	0.00%	0.00%
14	COMMON EQUITY	85,129,818	0	85,129,818	(84,243,940)	885,878	44.69%	11.00%	4.92%
15	CUSTOMER DEPOSITS	0	0	0	0	0	0.00%	6.00%	0.00%
16	DEFERRED INCOME TAXES *	(13,646)	13,646	0	0	0	0.00%	0.00%	0.00%
17	**TOTAL CAPITAL**	$190,473,004	$13,646	$190,486,650	($188,504,407)	$1,982,243	100.00%		9.00%

	LOW	HIGH
RETURN ON EQUITY	10.00%	12.00%
OVERALL RATE OF RETURN	8.56%	9.45%

* To remove deferred taxes from the capital structure in order to reflect a net debit balance in rate base

MID-COUNTY SERVICES, NC.

STATEMENT OF WASTEWATER OPERATIONS

TEST YEAR ENDED 12/31/02

SCHEDULE NO. 3

	DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUST-MENTS	ADJUSTED TEST YEAR PER UTILITY	COMMN ADJUST-MENTS	COMMN ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	$1,052,667	$388,782	$1,441,449	($415,234)	$1,026,215	$328,399	$1,354,614
							32.00%	
	OPERATING EXPENSES							
2	OPERATION & MAINTENANCE	$890,029	$42,929	$932,958	($50,382)	$882,576		$882,576
3	DEPRECIATION	83,077	12,933	96,010	34,476	130,486		130,486
4	AMORTIZATION	0	8,920	8,920	0	8,920)		8,920
5	TAXES OTHER THAN INCOME	78,847	21,367	100,214	(19,604)	80,610	14,778	95,388
6	INCOME TAXES	(22,971)	75,458	52,487	(111,708)	(59,221)	118,016	58,794
7	TOTAL OPERATING EXPENSES	$1,028,982	$161,607	$1,190,589	($147,218)	$1,043,371	$132,794	$1,176,164
8	OPERATING INCOME	$23,685	$227,175	$250,860	($268,016)	($17,156)	$195,605	$178,450
9	RATE BASE	$2,145,488		$2,700,309		$1,982,244		$1,982,244
10	RATE OF RETURN	1.10%		9.29%		-0.87%		9.00%

MID-COUNTY SERVICES, INC.
ADJUSTMENTS TO OPERATING INCOME
TEST YEAR ENDED 12/31/02

SCHEDULE 3-A

	EXPLANATION	WASTEWATER
	OPERATING REVENUES	
1	Remove requested final revenue increase.	($412,791)
2	To reflect correct amount of annualized revenues as of 12/31/02.	(2,443)
	Total	($415,234)
	OPERATION & MAINTENANCE EXPENSE	
1	To amortize misclassified condemnation legal fees and other maintenance.	3,493
2	To correct pension expense and employee health insurance.	($2,116)
3	To reflect annual rate case expense amortization.	(51,759)
	Total	($50,382)
	DEPRECIATION EXPENSE-NET	
1	To reflect adjustments from prior orders, unsupported plant, pro forma additions & related retirements.	$53,838
2	To remove net depreciation on non-U&U adjustment above.	(9,497)
3	To reflect the proper CIAC amortization rates.	(9,866)
	Total	$34,476
	TAXES OTHER THAN INCOME	
1	RAFs on revenue adjustments above.	($18,686)
2	To remove property taxes on Non-U&U.	(918)
	Total	($19,604)
	INCOME TAXES	
	To adjust to test year income tax expense.	($111,708)

MID-COUNTY SERVICES, INC.
WASTEWATER BI-MONTHLY SERVICE RATES

SCHEDULE NO. 4

TEST YEAR ENDED 12/31/02

	Rates Prior to Interim	Commission Approved Interim	Utility Requested Final	Comm. Approved Final	Four-year Rate Reduction
Residential					
Base Facility Charge (BFC):					
All meter sizes	$23.33	$26.89	$32.69	$25.97	$0.38
Gallonage Charge - Per 1,000 gallons (20,000 gallon cap Bi-Monthly)	$1.82	$2.10	$2.55	$2.50	$0.04
Flat Rate Private Residences	48.35	55.74	67.75	$57.23	$0.84
General Service					
BFC: By Meter Size					
5/8" x 3/4"	$23.33	$26.89	$32.69	$25.97	$0.38
1"	$33.76	$38.91	$47.31	$66.65	$0.98
1-1/2"	$59.87	$69.01	$83.90	$149.95	$2.20
2"	$134.70	$155.26	$188.75	$266.59	$3.91
3"	$239.48	$276.04	$335.58	$599.98	$8.79
4"	$538.97	$621.25	$741.24	$1,066.34	$15.62
6"	$961.03	$1,107.60	$1,346.68	$2,399.59	$35.16
Gallonage Charge, per 1,000 Gallons	$2.19	$2.52	$3.07	$3.00	$0.04
Multi-Residential-Metered					
BFC: By Meter Size					
5/8" x 3/4"	$23.33	$26.89	$32.69	$25.97	$0.38
1"	$33.76	$38.91	$47.31	$66.65	$0.98
1-1/2"	$59.87	$69.01	$83.90	$149.95	$2.20
2"	$538.97	$621.25	$755.25	$266.59	$3.91
3"	$957.90	$1,104.12	$1,342.30	$599.98	$8.79
4"	$957.90	$1,104.12	$1,342.30	$1,066.34	$15.62
6"	$2,155.56	$2,484.62	$3,020.57	$2,399.59	$35.16
Gallonage Charge, per 1,000 gals.	$2.19	$2.52	$3.07	$3.00	$0.04
5/8" x 3/4" meter	**Typical Residential Bills**				
6,000 Gallons	$34.25	$39.49	$51.11	$40.97	
10,000 Gallons	$41.53	$47.89	$63.39	$50.97	
20,000 Gallons	$59.73	$68.89	$94.09	$75.97	