

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Application for increase in water and wastewater rates in Seminole County by Sanlando Utilities Corp. | DOCKET NO. 060258-WS
ORDER NO. PSC-06-0671-FOF-WS
ISSUED: August 7, 2006

The following Commissioners participated in the disposition of this matter:

LISA POLAK EDGAR, Chairman
J. TERRY DEASON
ISILIO ARRIAGA
MATTHEW M. CARTER II
KATRINA J. TEW

ORDER SUSPENDING PROPOSED FINAL RATES AND
GRANTING INTERIM RATES SUBJECT TO REFUND

BY THE COMMISSION:

BACKGROUND

Sanlando Utilities Corp. (Sanlando or utility) is a Class A utility providing water and wastewater service to approximately 10,108 water and 8,201 wastewater customers in Seminole County. Water and wastewater rates were last established for this utility in its 1998 earnings investigation.¹

On May 15, 2006, Sanlando filed the Application for Rate Increase at issue in the instant docket. The utility had deficiencies in the Minimum Filing Requirements (MFRs). As of the date of this Order, those deficiencies remain outstanding; therefore, the official filing date has not yet been established. The utility requested that the application be processed using the Proposed Agency Action (PAA) procedure and requested interim rates. The test year established for interim and final rates is the 13-month average period ending December 31, 2005.

Sanlando requested interim rates designed to generate annual water revenues of \$2,325,450 and wastewater revenues of \$3,773,486. This represents a revenue increase on an annual basis of \$239,493 (11.48%) for water and \$441,802 (13.26%) for wastewater. The utility requested final rates designed to generate annual water revenues of \$2,504,979 and wastewater revenues of \$4,017,897. This represents a revenue increase of \$419,022 (20.08%) for water and \$686,213 (20.60%) for wastewater.

¹ See Order No. PSC-00-1263-PAA-WS, issued July 10, 2000, in Dockets Nos. 971186-SU, In re: Application for approval of reuse project plan and increase in wastewater rates in Seminole County by Sanlando Utilities Corporation., and 980670-WS, In re: Investigation of possible overearnings by Sanlando Utilities Corporation in Seminole County. Order No. PSC-00-2097-AS-WS, issued November 6, 2000, made Order No. PSC-00-1263-PAA-WS final as modified by the settlement agreement.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

The original 60-day statutory deadline for us to suspend the utility's requested final rates was July 14, 2006. However, by letter dated June 5, 2006, the utility agreed to extend the statutory time frame by which we are required to address Sanlando's interim rate request. We have jurisdiction to address the suspension of Sanlando's requested final rates and the utility's requested interim rates pursuant to Sections 367.081 and 367.082, Florida Statutes (F.S.).

SUSPENSION OF RATES

Section 367.081(6), F.S., provides that we may, for good cause, withhold consent to the implementation of the requested rates by a vote to that effect within 60 days after the date the rate request is filed. Further, Section 367.081(8), F.S., permits the proposed rates to go into effect (secured and subject to refund) at the expiration of five months if: (1) we have not acted upon the requested rate increase; or (2) if our PAA action is protested by a party other than the utility.

We have reviewed the filing and have considered the information filed in support of the rate application and the proposed final rates. We find that it is necessary to require further investigation of this information, including on-site investigations by Commission staff accountants and engineers. Based on the foregoing, we find it appropriate to suspend the utility's proposed rate increase.

INTERIM RATES

The utility has filed rate base, cost of capital, and operating statements to support its requested water and wastewater increases. Pursuant to Section 367.082(5)(b)1, F.S., the achieved rate of return for interim purposes must be calculated by applying adjustments consistent with those used in the utility's most recent rate proceeding and annualizing any rate changes. We have reviewed the utility's interim request, as well as Order No. PSC-00-1263-PAA-WS, in which we last established rate base. Our approved adjustments are discussed below. We have attached accounting schedules to illustrate the approved rate base, capital structure, and test year operating income amounts. The rate base schedules are labeled as Nos. 1-A and 1-B. The capital structure schedule is No. 2, and the operating income schedules for water and wastewater, respectively, are labeled as Nos. 3-A and 3-B, with the adjustments shown on No. 3-C.

RATE BASE

Based on an analysis of the MFRs and Order No. PSC-00-1263-PAA-WS from the utility's last rate proceeding, we find that no adjustments are necessary to the utility's rate base. Therefore, Sanlando's interim water rate base shall be \$2,833,713. The utility's wastewater rate base shall be \$8,571,267.

COST OF CAPITAL

On MFR Schedule D-2, Sanlando reflected a balance of \$171,620 for accumulated deferred income taxes (ADITs) and a balance of \$121,871 for customer deposits. According to MFR Schedule A-19, the \$171,620 amount represents a simple average balance of only the utility's credit ADITs, and the \$121,871 amount represents a simple average balance as well. Rule 25-30.433(3)&(4), Florida Administrative Code (F.A.C.), states:

(3) Used and useful debit deferred taxes shall be offset against used and useful credit deferred taxes in the capital structure. Any resulting net debit deferred taxes shall be included as a separate line item in the rate base calculation. Any resulting net credit deferred taxes shall be included in the capital structure calculation. No other deferred debits shall be considered in rate base when the formula method of working capital is used.

(4) The averaging method used by the Commission to calculate rate base and cost of capital shall be a 13-month average for Class A utilities and the simple beginning and end-of-year average for Class B and C utilities.

On MFR Schedule A-18, Sanlando reflected a 13-month average debit ADITs balance of \$7,063. On MFR Schedule A-19, the utility reflected a 13-month average credit ADITs balance of \$62,405 and a 13-month average customer deposits balance of \$123,053. Therefore, in accordance with Rule 25-30.433(3) and (4), F.A.C., we find that the 13-month average net credit ADITs balance of \$55,342 (\$62,405 less \$7,063) and the 13-month average customer deposits balance of \$123,053 are the appropriate amounts to be included in the capital structure calculation. As such, the utility's ADITs balance shall be reduced by \$116,278 (\$171,620 less \$55,342), and its customer deposits balance shall be increased by \$1,182 (\$123,053 less \$121,871).

Further, in its interim request, Sanlando used a 11.78% return on equity (ROE) based on our 2005 leverage formula. By Order No. PSC-00-1263-PAA-WS, the utility's minimum of the range of its last authorized ROE is 8.81%. Based on the above, we find that the interim weighted average cost of capital is 7.48%.

NET OPERATING INCOME

Based on our review, we approve herein several adjustments to operating expenses. The utility included adjustments to increase water and wastewater expenses by \$174,176 and \$167,948, respectively, for salary & wages, employees benefits, and purchased power. Also, Sanlando made corresponding adjustments to increase payroll taxes by \$4,527 for water and \$3,563 for wastewater. Pursuant to Section 367.082(5)(b)1, F.S., only those adjustments consistent with the most recent individual rate proceeding of the utility and annualizing any rate changes occurring during the interim test year may be made. We find that the above adjustments are pro forma in nature because they are beyond the interim test year. As such, the utility's expense and payroll tax adjustments shall be removed from the interim net operating income calculation.

On MFR Schedule B-15, Sanlando reflected historical per book regulatory assessment fees (RAFs) of \$89,605 for water and \$143,497 for wastewater. Using the 4.50% RAF rate pursuant to Section 367.145, F.S., and Rule 25-30.120, F.A.C., we calculated RAFs of \$92,361 for water and \$147,937 for wastewater. As such, the utility's historical per book RAFs are understated and shall be increased by \$2,756 for water and by \$4,440 for wastewater. Based on the above, the appropriate test year operating income, before any revenue increase, is \$204,569 for water and \$581,744 for wastewater.

REVENUE REQUIREMENT

Based on the above adjustments, we find it appropriate to approve a revenue requirements of \$2,098,272 for water and \$3,431,093 for wastewater. This represents interim increases in annual revenues of \$12,315 (or 0.59%) for water and \$99,409 (or 2.98%) for wastewater. This will allow the utility the opportunity to recover its water and wastewater operating expenses and earn a 7.48% return on its water and wastewater rate bases.

INTERIM RATES

Interim water and wastewater service rates for Sanlando shall be designed to allow the utility the opportunity to generate annual operating revenues of \$2,098,272 for water operations and \$3,431,093 for wastewater operations. Before removal of miscellaneous revenues, this results in increases of \$12,315 or 0.59% for water and \$99,409 or 2.98% for wastewater. To determine the appropriate percentage increase to apply to the service rates, miscellaneous service revenues shall be removed from the test year revenues. The calculation is as follows:

	<u>Water</u>	<u>Wastewater</u>
1 Total Test Year Revenues	\$2,085,957	\$3,331,684
2 Less: Miscellaneous Revenues	<u>10,833</u>	<u>17,347</u>
3 Test Year Revenues from Service Rates	\$2,075,124	\$3,314,337
4 Revenue Increase	<u>\$12,315</u>	<u>\$99,409</u>
5 % Service Rate Increase (Line 4/Line3)	<u>0.59%</u>	<u>3.00%</u>

The interim rate increase of 0.59% for water and 3.00% for wastewater shall be applied as an across-the-board increase to the service rates in effect as of December 31, 2005. The approved rates shall be effective for service rendered as of the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. The rates shall not be implemented until Commission staff verifies that the tariff sheets are consistent with our decision, the proposed customer notice is adequate, and the required security has been filed. The utility shall provide proof of the date notice was given within 10 days after the date of notice.

The utility's test year, proposed interim and final rates, and the approved interim rates are shown on Schedule No. 4-A for water and Schedule No. 4-B for wastewater.

SECURITY FOR REFUND

Pursuant to Section 367.082, F.S., revenues collected under interim rates shall be placed under bond, escrow, letter of credit, or corporate undertaking subject to refund with interest at a rate ordered by this Commission. As discussed previously, the total annual interim increase is \$111,724 for water and wastewater. In accordance with Rule 25-30.360, F.A.C., we have calculated the potential refund of revenues and interest collected under interim conditions to be \$66,127. This amount is based on an estimated seven months of revenue being collected from the approved interim rates over the utility's current authorized rates shown on Schedules Nos. 4A and 4B.

Sanlando is a wholly-owned subsidiary of UI, which provides all investor capital to its subsidiaries. UI has requested a corporate undertaking to secure any interim increases granted in Dockets Nos. 060254-SU, 060255-SU, 060256-SU, 060257-WS, 060258-WS, 060260-WS, 060261-WS, and 060262-WS. As such, we reviewed the financial statements of the parent company. As a result of our interim action taken in all of the above dockets, the total requested cumulative corporate undertaking amount is \$718,575, which includes \$66,127 subject to refund for this docket.

The criteria for a corporate undertaking includes sufficient liquidity, ownership equity, profitability, and interest coverage to guarantee any potential refund. We have reviewed UI's financial statements from 2003 to 2005 to determine the financial condition of the parent company. Our analysis shows that UI has experienced a significant decline in liquidity and interest coverage during 2005 compared to prior years. However, UI's average equity ratio over the three-year period has been 40%. Additionally, net income has been on average six times greater than the requested cumulative corporate undertaking amount. UI's financial performance has demonstrated adequate levels of both profitability and equity capitalization to offset the recent decline in liquidity and interest coverage. Based upon this analysis, we find that a cumulative corporate undertaking of \$718,575 is acceptable contingent upon the receipt of the written guarantee of UI and written confirmation that UI does not have any outstanding guarantees on behalf of UI-owned utilities in other states.

Pursuant to Rule 25-30.360(6), F.A.C., the utility shall provide a report by the 20th day of each month indicating the monthly and total revenue collected subject to refund. Should a refund be required, the refund shall be with interest and undertaken in accordance with Rule 25-30.360, F.A.C.

In no instance shall maintenance and administrative costs associated with any refund be borne by the customers. The costs are the responsibility of, and shall be borne by, the utility.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the final water and wastewater rates proposed by Sanlando Utilities Corp. are hereby suspended. It is further

ORDERED that the request for an interim rate increase for water and wastewater rates by Sanlando Utilities Corp. is hereby granted, subject to our modifications, as set forth in the body of this Order. It is further

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

ORDERED that the approved interim rates shall be effective for service rendered as of the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1)(a), F.A.C. It is further

ORDERED that the interim rates shall not be implemented until Commission staff verifies that the tariff sheets are consistent with our decision, the proposed customer notice is adequate, and the required security has been filed. It is further

ORDERED that Sanlando Utilities Corp. shall provide proof of the date notice was given within 10 days after the date of notice. It is further

ORDERED that Utilities, Inc., shall file a corporate undertaking on behalf of its subsidiaries to guarantee any potential refunds of revenues collected under interim conditions, as set forth in the body of this Order, contingent upon receipt of the written guarantee of Utilities, Inc. and written confirmation of UI's continued attestation that it does not have any outstanding guarantees on behalf of UI-owned utilities in other states, and in the cumulative amount of \$718,575, which includes an amount of \$66,127 subject to refund in this docket. It is further

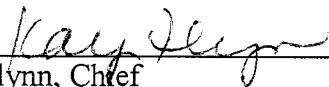
ORDERED that, pursuant to Rule 25-30.360(6), F.A.C., the utility shall provide a report by the 20th of each month indicating the monthly and total revenue collected subject to refund. It is further

ORDERED that, should a refund be required, the refund shall be with interest and undertaken in accordance with Rule 25-30.360, F.A.C. It is further

ORDERED that this docket shall remain open pending the Commission's final action on the utility's requested rate increase.

By ORDER of the Florida Public Service Commission this 7th day of August, 2006.

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

By: 
Kay Flynn, Chief
Bureau of Records

(S E A L)

JSB

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.

Any party adversely affected by this order, which is non-final in nature, may request (1) reconsideration within 15 days pursuant to 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. A motion for reconsideration shall be filed with the Director, Division of the Commission Clerk and Administrative Services, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Citizens of the State of Florida v. Mayo, 316 So.2d 262 (Fla. 1975), states that an order on interim rates is not final or reviewable until a final order is issued. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

Sanlando Utilities Corporation Schedule of Water Rate Base Test Year Ended 12/31/05				Schedule No. 1-A Docket No. 060258-WS Interim	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Comm. Adjust- ments	Comm.- Adjusted Test Year
1 Plant in Service	\$15,392,075	(\$189,106)	\$15,202,969	\$0	\$15,202,969
2 Land and Land Rights	123,772	0	123,772	0	123,772
3 Non-used and Useful Components	0	0	0	0	0
4 Accumulated Depreciation	(8,283,471)	(69,341)	(8,352,812)	0	(8,352,812)
5 CIAC	(11,463,717)	0	(11,463,717)	0	(11,463,717)
6 Amortization of CIAC	7,208,315	0	7,208,315	0	7,208,315
7 Working Capital Allowance	<u>115,186</u>	<u>0</u>	<u>115,186</u>	<u>0</u>	<u>115,186</u>
8 Rate Base	<u>\$3,092,160</u>	<u>(\$258,447)</u>	<u>\$2,833,713</u>	<u>\$0</u>	<u>\$2,833,713</u>

Sanlando Utilities Corporation Schedule of Wastewater Rate Base Test Year Ended 12/31/05				Schedule No. 1-B Docket No. 060258-WS Interim	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Comm. Adjust- ments	Comm.- Adjusted Test Year
1 Plant in Service	\$22,423,326	\$189,106	\$22,612,432	\$0	\$22,612,432
2 Land and Land Rights	202,552	0	202,552	0	202,552
3 Non-used and Useful Components	0	0	0	0	0
4 Accumulated Depreciation	(10,546,485)	69,341	(10,477,144)	0	(10,477,144)
5 CIAC	(12,337,150)	0	(12,337,150)	0	(12,337,150)
6 Amortization of CIAC	8,278,582	0	8,278,582	0	8,278,582
7 Working Capital Allowance	<u>291,995</u>	<u>0</u>	<u>291,995</u>	<u>0</u>	<u>291,995</u>
8 Rate Base	<u>\$8,312,820</u>	<u>\$258,447</u>	<u>\$8,571,267</u>	<u>\$0</u>	<u>\$8,571,267</u>

Sanlando Utilities Corporation Capital Structure - 13-Month Average Test Year Ended 12/31/05						Schedule No. 2 Docket No. 060258-WS Interim		
Description	Total Capital	Specific Adjustments	Subtotal Adjusted Capital	Prorata Adjustments	Capital Reconciled to Rate Base	Ratio	Cost Rate	Weighted Cost
Per Utility								
1 Long-term Debt	\$133,025,102	\$0	\$133,025,102	(\$126,572,660)	\$6,452,442	56.58%	6.65%	3.76%
2 Short-term Debt	4,522,923	0	4,522,923	(4,304,027)	218,896	1.92%	5.01%	0.10%
3 Preferred Stock	0	0	0	0	0	0.00%	0.00%	0.00%
4 Common Equity	91,510,699	0	91,510,699	(87,070,548)	4,440,151	38.93%	11.78%	4.59%
5 Customer Deposits	121,871	0	121,871	0	121,871	1.07%	6.00%	0.06%
6 Deferred Income Taxes	<u>171,620</u>	<u>0</u>	<u>171,620</u>	<u>0</u>	<u>171,620</u>	<u>1.50%</u>	0.00%	<u>0.00%</u>
7 Total Capital	<u>\$229,352,215</u>	<u>\$0</u>	<u>\$229,352,215</u>	<u>(\$217,947,235)</u>	<u>\$11,404,980</u>	<u>100.00%</u>		<u>8.51%</u>
Per Commission								
8 Long-term Debt	\$133,025,102	\$0	\$133,025,102	(\$126,406,852)	\$6,618,250	58.03%	6.65%	3.86%
9 Short-term Debt	4,522,923	0	4,522,923	(4,297,899)	225,024	1.97%	5.01%	0.10%
10 Preferred Stock	0	0	0	0	0	0.00%	0.00%	0.00%
11 Common Equity	91,510,699	0	91,510,699	(86,957,869)	4,552,830	39.92%	8.81%	3.52%
12 Customer Deposits	121,871	1,182	123,053	(116,931)	6,122	0.05%	6.00%	0.00%
13 Deferred Income Taxes	<u>171,620</u>	<u>(116,278)</u>	<u>55,342</u>	<u>(52,589)</u>	<u>2,753</u>	<u>0.02%</u>	0.00%	<u>0.00%</u>
14 Total Capital	<u>\$229,352,215</u>	<u>(\$115,096)</u>	<u>\$229,237,119</u>	<u>(\$217,832,139)</u>	<u>\$11,404,980</u>	<u>100.00%</u>		<u>7.48%</u>
						LOW	HIGH	
RETURN ON EQUITY						<u>8.81%</u>	<u>10.81%</u>	
OVERALL RATE OF RETURN						<u>7.48%</u>	<u>8.28%</u>	

Sanlando Utilities Corporation Statement of Water Operations Test Year Ended 12/31/05						Schedule No. 3-A Docket No. 060258-WS Interim	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Comm. Adjust- ments	Comm. Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$2,052,465</u>	<u>\$272,985</u>	<u>\$2,325,450</u>	<u>(\$239,493)</u>	<u>\$2,085,957</u>	\$12,315 0.59%	<u>\$2,098,272</u>
Operating Expenses							
2 Operation & Maintenance	\$1,408,097	\$174,176	\$1,582,273	(\$174,176)	\$1,408,097		\$1,408,097
3 Depreciation	181,254	(360)	180,894	0	180,894		180,894
4 Amortization	5,313	0	5,313	0	5,313		5,313
5 Taxes Other Than Income	227,119	19,567	246,686	(15,304)	231,382	554	231,936
6 Income Taxes	<u>35,074</u>	<u>34,061</u>	<u>69,135</u>	<u>(13,432)</u>	<u>55,703</u>	<u>4,426</u>	<u>60,128</u>
7 Total Operating Expense	<u>\$1,856,857</u>	<u>\$227,444</u>	<u>\$2,084,301</u>	<u>(\$202,913)</u>	<u>\$1,881,388</u>	<u>\$4,980</u>	<u>\$1,886,368</u>
8 Operating Income	<u>\$195,608</u>	<u>\$45,541</u>	<u>\$241,149</u>	<u>(\$36,580)</u>	<u>\$204,569</u>	<u>\$7,335</u>	<u>\$211,904</u>
9 Rate Base	<u>\$3,092,160</u>		<u>\$2,833,713</u>		<u>\$2,833,713</u>		<u>\$2,833,713</u>
10 Rate of Return	<u>6.33%</u>		<u>8.51%</u>		<u>7.22%</u>		<u>7.48%</u>

Sanlando Utilities Corporation Statement of Wastewater Operations Test Year Ended 12/31/05						Schedule No. 3-B Docket No. 060258-WS Interim	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Comm. Adjust- ments	Comm.- Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$3,287,485</u>	<u>\$486,001</u>	<u>\$3,773,486</u>	<u>(\$441,802)</u>	<u>\$3,331,684</u>	<u>\$99,409</u> 2.98%	<u>\$3,431,093</u>
Operating Expenses							
2 Operation & Maintenance	\$1,997,793	\$167,948	\$2,165,741	(\$167,948)	\$1,997,793		\$1,997,793
3 Depreciation	291,577	360	291,937	0	291,937		291,937
4 Amortization	2,205	0	2,205	0	2,205		2,205
5 Taxes Other Than Income	305,428	29,873	335,301	(23,444)	311,857	4,473	316,330
6 Income Taxes	<u>126,411</u>	<u>122,476</u>	<u>248,887</u>	<u>(102,739)</u>	<u>146,148</u>	<u>35,724</u>	<u>181,872</u>
7 Total Operating Expense	<u>\$2,723,414</u>	<u>\$320,657</u>	<u>\$3,044,071</u>	<u>(\$294,131)</u>	<u>\$2,749,940</u>	<u>\$40,198</u>	<u>\$2,790,137</u>
8 Operating Income	<u>\$564,071</u>	<u>\$165,344</u>	<u>\$729,415</u>	<u>(\$147,671)</u>	<u>\$581,744</u>	<u>\$59,211</u>	<u>\$640,955</u>
9 Rate Base	<u>\$8,312,820</u>		<u>\$8,571,267</u>		<u>\$8,571,267</u>		<u>\$8,571,267</u>
10 Rate of Return	<u>6.79%</u>		<u>8.51%</u>		<u>6.79%</u>		<u>7.48%</u>

Sanlando Utilities Corporation Water Monthly Service Rates Test Year Ended 12/31/05		Schedule No. 4-A Docket No. 060258-WS Interim		
	Rates Prior to Filing	Utility Requested Interim	Utility Requested Final	Comm. Approved Interim
Residential, General Service, Bulk Sales, and Multi-Family				
Base Facility Charge by Meter Size:				
5/8" x 3/4"	\$4.25	\$4.74	\$5.11	\$4.28
3/4"	\$6.36	\$7.09	\$7.65	\$6.40
1"	\$10.58	\$11.81	\$12.71	\$10.64
1-1/2"	\$21.19	\$23.65	\$25.45	\$21.32
2"	\$33.90	\$37.84	\$40.72	\$34.10
3"	\$67.79	\$75.66	\$81.43	\$68.19
4"	\$105.95	\$118.15	\$127.27	\$106.58
6"	\$211.89	\$236.49	\$254.54	\$213.15
8"	\$380.93	\$425.15	\$457.57	\$383.19
Gallonge Charge, per 1,000 Gallons	\$0.4350	\$0.4850	\$0.5230	\$0.4376
<u>Private Fire Protection</u>				
Base Facility Charge by Meter Size:				
1 1/2"	\$86.96	\$96.99	\$104.56	\$87.48
2"	\$139.15	\$155.30	\$167.14	\$139.98
3"	\$278.27	\$310.35	\$334.59	\$279.92
4"	\$434.80	\$485.28	\$522.27	\$437.38
6"	\$869.61	\$970.56	\$1,044.56	\$874.77
8"	\$1,391.41	\$1,552.94	\$1,671.33	\$1,399.67
<u>Typical Residential Bills 5/8" x 3/4" Meter</u>				
3,000 Gallons	\$5.56	\$6.20	\$6.68	\$5.59
5,000 Gallons	\$6.43	\$7.17	\$7.73	\$6.47
10,000 Gallons	\$8.60	\$9.59	\$10.34	\$8.66

Sanlando Utilities Corporation		SCHEDULE NO. 4-B		
Wastewater Monthly Service Rates		Docket No. 060258-WS		
Test Year Ended 12/31/05		Interim		
	Rates Prior to Filing	Utility Requested Interim	Utility Requested Final	Comm. Approved Interim
<u>Residential</u>				
Base Facility Charge All Meter Sizes:	\$11.35	\$12.87	\$13.71	\$11.69
Gallage Charge - Per 1,000 gallons (10,000 gallon cap)	\$1.51	\$1.71	\$1.82	\$1.56
<u>Flat Rate Service</u>				
Residential Single Family	\$24.00	\$27.22	\$28.98	\$24.72
Multiple Dwelling Unit	\$24.00	\$27.22	\$28.98	\$24.72
General Service	\$24.00	\$27.22	\$28.98	\$24.72
<u>Bulk Service</u>				
6"	\$566.93	\$642.84	\$684.79	\$583.93
8"	\$907.07	\$1,028.53	\$1,095.65	\$934.28
Gallage Charge - Per 1,000	\$1.88	\$2.06	\$2.27	\$1.94
<u>Multi-Residential and General Service</u>				
Base Facility Charge by Meter Size:				
5/8" x 3/4"	\$11.35	\$12.87	\$13.71	\$11.69
3/4"	\$17.01	\$19.29	\$20.55	\$17.52
1"	\$28.35	\$32.16	\$34.23	\$29.20
1-1/2"	\$56.70	\$64.32	\$68.46	\$58.40
2"	\$90.71	\$102.90	\$109.53	\$93.43
3"	\$181.40	\$205.77	\$219.04	\$186.84
4"	\$283.45	\$321.53	\$342.26	\$291.95
6"	\$566.93	\$643.10	\$684.56	\$583.93
8"	\$907.07	\$1,028.94	\$1,095.28	\$934.28
Gallage Charge, per 1,000 Gallons	\$1.82	\$2.06	\$2.20	\$1.87
<u>Typical Residential Bills 5/8" x 3/4" Meter</u>				
3,000 Gallons	\$16.81	\$19.05	\$20.31	\$16.37
5,000 Gallons	\$20.45	\$23.17	\$24.71	\$19.49
10,000 Gallons (Wastewater Gallage Cap - 10,000 Gallons)	\$29.55	\$33.47	\$35.71	\$27.29