

PALM COAST UTILITY CORPORATION

DOCKET NO. 951056-WS

NEW SCHEDULES

MFR VOLUME III

Insert the following schedule in Volume III following the Organizational Chart in the Section titled, COSTS CHARGED OR ALLOCATED BY PARENT & AFFILIATE, 25-30.436(4)(h):

SUMMARY OF INFORMATION PROVIDED IN COMPLIANCE WITH 25-30.436(4)(h), pages 1, 2 and 3 of 3.

DOCUMENT NUMBER-DATE

01627 FEB 12 88

FPSC-RECORDS/REPORTING

ORIGINAL
FILE 077

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FPSC-RECORDS/REPORTING

1. Information Required by Rule 25-30.436(4)(h)1. - The total costs being allocated or charged prior to any allocation or charging as well as the name of the entity from which the costs are being allocated or charged and its relationship to the utility.

(1)	(2)	(3)	(4) COSTS CHARGED TO PCUC				(7)	(8)	(9)	(10)	(11)	
			G/L Acct No.	1994	Total	1995 Test Year						
						Actual 6 mos.						Proj. 6 mos.
	DESCRIPTION OF COST						TOTAL PARENT/AFFILIATE EXP. BEFORE CHARGE		CHARGING ENTITY	RELATIONSHIP		
1.	Contract Service Charge	634	19,789	21,201	10,608	10,593	*	21,201	ITT	Parent		
2.	Medical & Life Plans	604/704	397,472	332,506	135,238	197,268	*	332,506	ITT	Parent		
3.	Liability Insurance Plans											
3.a.	Business & Property	659/759	25,450	26,994	13,490	13,504	*	26,994	ITT	Parent		
3.b.	Workers compensation	604/704	84,401	35,842	28,890	6,952	*	35,842	ITT	Parent		
3.c.	General Liability	657/757	4915	11,783	4731	7052	*	11,783	ITT	Parent		
3.d.	Auto liability	656/756	31,718	17,351	5,445	11,906	*	17,351	ITT	Parent		
4.	Retirement Plan	604/704	159,749	155,738	77,864	77,874		243,000,000	ITT	Parent		
5.	Investment & Savings Plan	604/704	55,272	63,319	34,689	28,630	*	63,319	ITT	Parent		
6.	Post Retirement Medical	604/704	46,201	49,960	24,990	24,990		24,000,000	ITT	Parent		
7.	Employee Relations Services	634	0	46,668	23,334	23,334		706,450	ITT-CDC	Affiliate		
8.	Accounts Payable Processing	632	0	10,564	5,000	5,564		169,522	ITT-CDC	Affiliate		
9.	Payroll Processing	635	3,556	3,556	1,778	1,778		374,621	ITT-CDC	Affiliate		
10.	Systems Programming & Data Processing	635	230,882	225,658	108,156	117,502		828,597	ITT-CDC	Affiliate		

- NOTES: (1) The information in the above chart, relating to identification of the charging entity and the charge totals for the parent were provided in MFR Volume III of the 12/27/95 filing, although not in tabular form.
 (2) The information on costs charged to PCUC, in columns (3) - (7), is not required by this rule, but is furnished to aid in matching up the respective cost components.
 (3) An asterisk in col (8) indicates that these costs are unit specific and therefore the total cost to the unit is the total cost before it is charged.

2. Information Required by Rule 25-30.436(4)(h)2. - For costs allocated or charged to the utility in excess of one percent of test year revenues:
 a. a detailed description & itemization; and b. the amount of each itemized cost.

1% THRESHOLD FOR DETAILING CHARGES - \$117,448/yr. The following are charges meeting the threshold criteria:										
(1)	(2)	(3)	(4) COSTS CHARGED TO PCUC				(7)	(8)		
			G/L Acct No.	1994	Total	1995 Test Year				
						Actual 6 mos.				Proj. 6 mos.
1.	Medical & Life Plans	604/704	397,472	332,506	135,238	197,268		Detailed Description		
2.	Retirement Plan	604/704	159,749	155,738	77,864	77,874				
3.	Systems Programming & Data Processing	635	230,882	225,658	108,156	117,502				

Plans are processed through Mass Mutual & Hartford, respectively, and administered by ITT. The plans are self funded benefit plans, not insurance. As such, actual unit claims are compared to budgeted charges and settled annually, after adjustments for retention, pooled premiums & admin. costs approximating 20%.
 The utility participates in the ITT salaried retirement plan at an estimated expense of 7% of employee compensation. The plan is funded with third party trustees. Administrative costs total approx. 0.16% of pensionable compensation.
 Charged at ITT-CDC rate per unit of programmer, or system main frame time used: Programmer - \$33.00/hour
 Print - \$.009/spool page of print
 Sign-on time - \$.55/minute
 Computer time - \$70.00/hour, plus \$.066/million bytes of storage

NOTE: The detailed description was provided in MFR Volume III of the 12/27/95 filing, although not in tabular form.

SUMMARY OF INFORMATION PROVIDED IN COMPLIANCE WITH 25-30.436(4)(h) AS FOUND IN VOLUME III OF THE MFR

3. Information Required by Rule 25-30.436(4)(h)3. - The allocation or direct charging method used and the basis for that method.

(1)	(2) DESCRIPTION OF COST	(4) CHARGING METHOD
1.	Contract Service Charge	Charge for administrative services & advice. The amount charged to subsidiaries ranges from 0.25% to 1.00% of revenues. The charge to PCUC is 0.25% of revenues.
2.	Medical & Life Plans	Plans are processed through Mass Mutual & Hartford, respectively, and administered by ITT. The plans are self funded benefit plans, not insurance. As such, actual unit claims are compared to budgeted charges and settled annually, after adjustments for retention, pooled premiums & admin. costs approximating 20%.
3.	Liability Insurance Plans	
3.a.	Business & Property	Unit determined insurable values; premium @ approx. \$.80/\$1000
3.b.	Workers compensation	Unit premiums are adjusted annually to reflect actual claims, plus a 1.50 conversion factor for handling, taxes & prevention.
3.c.	General liability	Unit premiums are adjusted annually to reflect actual claims, plus a 2.0 conversion factor for handling, taxes & prevention.
3.d.	Auto liability	Unit premiums are adjusted annually to reflect actual claims, plus a 1.50 conversion factor for handling, taxes & prevention.
4.	Retirement Plan	The utility participates in the ITT salaried retirement plan at an estimated expense of 7% of employee compensation. The plan is funded with third party trustees. Administrative costs total approx. 0.16% of pensionable compensation.
5.	Investment & Savings Plan	The company expense is associated with matching 50% of an employee's first 6% investment in the plan. Administrative charges approximate 1.25% of the total unit investment.
6.	Post Retirement Medical	The utility, through ITT, provides health care benefits for certain eligible retired employees, and has prefunded a portion of this obligation through trust funds in accordance with SFAS No. 106.
7.	Employee Relations Services	Monthly fee, per agreement.
8.	Accounts Payable Processing	Monthly fee, per agreement.
9.	Payroll Processing	Monthly fee, per agreement.
10.	Systems Programming & Data Processing	Charged at ITT-CDC rate per unit of programmer, or system main frame time used: Programmer - \$33.00/hour Print - \$.009/spool page of print Sign-on time - \$.55/minute Computer time - \$70.00/hour, plus \$.066/million bytes of storage.

NOTE: The descriptions and bases for the allocation methods were provided in MFR Volume III of the 12/27/95 filing, although not in tabular form.

4. Information Required by Rule 25-30.436(4)(h)4. - The workpapers used to develop the allocation method, including but not limited to the numerator and denominator of each allocation factor.

RESPONSE - Not applicable. None of the charges were allocated.

5. Information Required by Rule 25-30.436(4)(h)5. - The workpapers used to develop, where applicable, the basis for the direct charging method.

RESPONSE - No workpapers.

6. Information Required by Rule 25-30.436(4)(h)6. - An organizational chart of the relationship between the utility and its parent and affiliated companies and the relationship of any related parties.

RESPONSE - See MFR Volume III of the 12/27/95 filing.

7. Information Required by Rule 25-30.436(4)(h)7. - A copy of any contracts or agreements between the utility and its parent or affiliated companies for services rendered between or among them.

RESPONSE - The only written contracts or agreements are for services provided by ITT-CDC. These take the form of letters or memos, copies of which were provided in MFR Volume III, filed 12/27/95.