

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for rate increase in)
Flagler County by Palm Coast Utility) Docket No. 951056-WS
Corporation) Filed: November 22, 1996

MOTION FOR RECONSIDERATION

Palm Coast Utility Corporation (PCUC), requests reconsideration of Order No. PSC-96-1338-FOF-WS ("the Order"), issued on November 7, 1996, for the purposes of calling to the Commission's attention three sets of computational errors and one evidentiary deficiency. The cumulative effect of the changes proposed by this motion are displayed on Attachment 11. In support hereof, PCUC states the following.

A. FIRST SET OF
COMPUTATIONAL ERRORS:
THE APPROVED WATER RATES CANNOT
GENERATE THE APPROVED WATER
REVENUE REQUIREMENT.

1. The Order found (at p. 80) that a total revenue requirement for the water division is \$5,094,035. The Order further declares (at pp. 93-94) that the approved water rates are designed to produce annual operating revenues of \$5,000,204 for the water division, excluding any miscellaneous and reuse revenues.¹ However, a review of the Commission Staff workpapers reveals that the rate design is intended to produce annual operating revenues of \$5,000,204, excluding any miscellaneous, reuse and bulk service contract revenues. In actuality, the approved water rates (at p. 109) are improperly designed and will produce only \$4,726,281, excluding any miscellaneous, reuse and bulk service contract revenues, resulting in a revenue shortfall of \$273,923. (See Att. 3.)
2. a) In designing water rates, exclusive of miscellaneous, reuse and bulk service revenues, Commission Staff first calculated the revenue for the Hammock Dunes bulk contract water rate, by applying an across-the-board percentage change in revenues and changing the existing base facility charge and gallonage charge for bulk water on an equal percentage basis. (See, generally, Order at p. 93

¹ See also September 26, 1996 Staff Recommendation, at p. 176

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and Att. 1, p. 1.)

- b) Commission Staff then determined the rate design for the remaining tariff charges by allocating the remaining revenue requirement over the factored Equivalent Residential Connections (ERCs) and gallons for the average test year. However, in doing so, Commission Staff did not remove the factored ERCs and gallons for Hammock Dunes. This "doubling up" results in the revenue requirement being spread over a larger number of ERCs and gallons than actually exist, causing both the base facility charge and gallonage charge to be too low.
- c) To compound the problem, Commission Staff included in its factored gallons the actual test year gallons of 90,781 MG for Hammock Dunes, rather than the 51,611 MG (see Att. 1, p. 2) adjusted to reflect nonrecurring flushing. That adjustment to reflect nonrecurring flushing was accepted by the Commission for the water revenue calculation for Hammock Dunes and is in fact the amount used to calculate the Hammock Dunes water rates. (See Att. 1, p. 2 and Order at pp. 58-59.)
- d) In order to produce the \$5,000,204 approved by the Commission, the basic 5/8" x 3/4" meter rate shown at p. 109 of the Order needs to be increased from \$12.53 per month + \$2.87 per MG to \$12.57 per month + \$3.17 per MG. (See Att. 2, p. 1.)
- e) The following supporting documents are included:
 - (i.) Att. 1, page 1 of 2 - Staff workpaper - Base Facility Charge and Gallonage Component Cost (supports Order pp. 93, 94 - (1) shows \$5,000,204 revenues for rate setting; (2) shows miscellaneous and bulk service excluded from revenue for rate setting; (3) shows Hammock Dunes rates separately calculated.)
 - (ii.) Att. 1, page 2 of 2 - Staff workpaper - *** Water *** - shows uncorrected Hammock Dunes bills and gallonage of 90,781 MG included in gallons used to set rates.
 - (iii.) Att. 2, pages 1 and 2 - Corrected Staff workpapers in Att. 1 - (1) shows corrected bills and gallons with corrected rate calculation.
 - (iv.) Att. 3 - Verification of Revenue Production Using Rates From Order - shows that approved

rates cannot generate approved revenue requirement.

(v.) Att. 4 - Verification of Revenue Production Using Corrected Rates - shows that corrected rates do generate approved revenue requirement.

3. Thus, the Commission, in adopting the Commission Staff's recommendation, has inadvertently made a series of computational errors which are unsupported by the record or otherwise, and has erroneously determined that the approved water rates generate the approved water revenue requirement. As a result of the foregoing, there is a revenue shortfall of \$273,923. (See Att. 11.)

**B. SECOND SET OF COMPUTATIONAL ERRORS:
THE USED AND USEFUL CALCULATION FOR WATER
AND WASTEWATER LINES UNDERSTATES THE
NUMBER OF OCCUPIED LOTS**

4. a) PCUC requested a used and useful calculation based on an ERC-based methodology, so that such factors as customer density and the varying demands of residential, multi-family and general service customers would be appropriately recognized. This is explained in PCUC's brief, at pp. 37-44.
- b) The Commission rejected that methodology and determined used and useful for lines using a "lot count" methodology. (Order, at pp. 38-43) While PCUC believes that this constitutes an error by the Commission, this motion is limited, for reconsideration purposes, to the fact that the Commission has committed errors even in its determination of used and useful on a "lot count" basis. That is to say, the actual number of connected lots recognized by the Commission on a "lot count" basis is understated, and there is insufficient record support for that element of the calculation adopted by the Commission.
5. a) The Commission determined used and useful percentages for water distribution and transmission mains, water services and wastewater gravity, PEP and force mains based on the ratio of connected lots to lots with service available. The source for the Commission's calculation was the testimony and exhibits of PSC Staff witness Amaya. Staff witness Amaya testified that she used

the lot count information from the system maps provided by PCUC. (T. 604, 606)²

- b) Ms. Amaya's determination of the number of connected lots is not supported by the maps from which she drew her conclusions.³ Ms. Amaya has understated the number of connected water and wastewater lots and, as a result, the used and useful percentages in the Order, which relied on her determination, are also understated.
- c) The used and useful percentages in the Order that are based on the "lot count" method are understated because, relying on Ms. Amaya's invalid count, they include a lot count of residential lots only in Palm Coast proper, and do not include connections to multi-family and general service customers or to beachside water customers.

6. The correct count of connections is properly determined from the average customer count for the test year. That customer count represents all customers connected, including multi-family, general

² According to Ms. Amaya's exhibits, as of October, 1995 (the date of the maps), there were 10,415 connected water lots and 9,456 connected wastewater lots (see Exh. 28 (KAA-2), pp. 1 & 3). The Commission used these numbers in its determination of used and useful. (Order, pp. 73, 74, 77, 78)

³ The maps in this record were filed in compliance with Rule 25-30.440, F.A.C. The rule requires that an applicant for a rate increase submit:

- (1) A detailed map showing:
 - a) The location and size of the applicant's distribution and collection lines as well as its plant sites, and
 - b) The location and respective classification of the applicant's customers.

PCUC complied with this requirement in its Minimum Filing Requirements (MFRs) filed on December 27, 1995.

Separate system maps were provided for water and wastewater and what the maps actually show can be summarized as follows. For each system, platted lots were identified and the number of connected residential lots was totalled and annotated on each map sheet. However, the number of connected multi-family and general service customers was not totalled and shown. For the beachside water system, the connected lot count is not annotated.

The lot count for connected lots used by Ms. Amaya in her exhibits and calculations is the lot count for connected residential only and does not include lots for general service, multi-family or beachside water customers.

The maps were not filed for the purpose of providing a lot count to be utilized in used and useful calculations nor do the rules require that they be prepared for such a purpose. Ms. Amaya's failure to account for general service, multi-family or beachside water customers is not a result of PCUC not providing information required by the Commission rules.

service and beachside water. The use of the average customer count is the method used by both PCUC and OPC to determine connected lots. The correct connected lot count, as determined by both PCUC and OPC, is 11,409 for Palm Coast and beachside water and 10,206 for Palm Coast gravity and PEP wastewater. (See Exh. 7 (FS-1), p. 103, Schedule E-3; and Exh. 25, (TLB 2 & 3) revised 5/31/96)

7. Attachment 5, consisting of 4 pages, is a summary comparison of the appropriate corrections to the lot counts. It shows the lot counts and resulting used and useful percentages, as used in the Order, and the corrected amounts, together with the sources from the record for these corrections. Attachment 6, consisting of 7 pages, is a restatement of the rate base, cost of capital and operation statements from the Order, reflecting the effect of the corrected lot count. It also includes restatements of the Commission Staff's used and useful worksheets.
8. Failure to correct the lot counts as supported by the evidence results in an understatement of \$142,213 for water rate base and \$27,348 in water revenue. It also results in an understatement of \$404,090 for wastewater rate base and \$63,743 in wastewater revenue. (See Att. 11.)

C. THIRD SET OF
COMPUTATIONAL ERRORS:
FOUR ERRORS RESULT IN
UNDERSTATED WATER AND/OR
WASTEWATER RATE BASE

9. In its conversion from year-end rate base to average rate base (which PCUC believes to be improper), the Commission erred in determination of wastewater plant balances, as follows:
 - a) The average balance of Account 106.0, Undistributed Plant was excluded in its entirety. The year-end balance of this account is zero, but the 13-month average balance is \$173,869 (See Exh. 7, (FS-1) p. 12, Schedule A-6) The Commission Staff worksheet for Plant in Service shows that this adjustment was not made. This error results in Plant in Service being understated by \$173,869.
 - b) The average balance of Account 354.4, Treatment & Disposal Structures and Improvements is

erroneous. The year-end balance of this account is \$6,581,521, before adjustments and \$6,402,440 after an adjustment to transfer \$179,081 for an oxidation basin train to Account 103.0, Future Use. That transfer is not reflected in the book balances for this account in the MFRs. The 13-month average balance for this account is \$5,578,579 before the adjustment to transfer the basin. The transfer took place in September, 1995. (See Exh. 7, (FS-1), p. 12, Schedule A-6) The adjustment, on a 13-month average basis is \$55,102 ($4/13 \times \$179,081$). The adjusted 13-month average balance is \$5,523,477 ($\$5,578,579 - \$55,102$). The Commission Staff workpapers show the adjusted 13-month average balance to be \$5,367,778, an understatement of \$155,699. Attachment 7 shows the detail of the calculation.

c) The average balance of Account 103.0, Future Use is erroneous. The year-end balance of this account is zero, before adjustments, and \$179,081 after an adjustment to transfer \$179,081 for an oxidation basin train from Account 354.4. That transfer is not reflected in the book balances for this account in the MFRs. The 13-month average balance for this account is \$210,801 before the adjustment to transfer the basin. The transfer took place in September, 1995. (See Exh. 7, (FS-1), p. 12, Schedule A-6) The adjustment, on a 13-month average basis, is \$55,102 ($4/13 \times \$179,081$). The adjusted 13-month average balance is \$265,903 ($\$210,801 + \$55,102$). The Commission Staff workpapers show the adjusted 13-month average balance to be \$210,801, an understatement of \$55,102.

10. a) The Commission found it to be appropriate to impute contributions-in-aid-of-construction (CIAC) to partially offset the approved margin reserves. While PCUC believes that the decision to impute any CIAC constitutes an error by the Commission, this motion for reconsideration is limited to the dollar amount of the imputation.
- b) The Commission imputed CIAC in the instant case using the system capacity charges proposed by PCUC in a companion docket (No. 951593-WS): \$1500 per ERC for water and \$1600 per ERC for wastewater. This resulted in a CIAC imputation of \$344,432 for water and \$849,939 for wastewater. (Order, at p.20)

- c) At the same October 16, 1996 agenda conference for the PCUC rate case, the Commission deferred consideration of PCUC's application for increased system capacity charges, when Commission Staff, which had filed a recommendation to deny the application in its entirety and to suspend PCUC's authority to collect any additional CIAC, determined that there may be merit to PCUC's Suggestion of Error.
 - d) The Commission subsequently addressed PCUC's application for increased system capacity charges on October 29, 1996, thirteen days after its vote on the rate case, and voted to approve a Staff Recommendation to increase PCUC's system capacity charges to \$1500 per ERC for water and \$1390 per ERC for wastewater. (Order forthcoming)
 - e) The Order in the instant case therefore overstates imputed CIAC for wastewater, net of imputed amortization, by \$97,344.
11. Attachment 8, consisting of three pages, shows: at page 1, a summary of the effect of the corrections on the plant balances; at page 2, the Staff Wastewater Plant in Service worksheet before adjustments; and at page 3, the Staff Wastewater Plant in Service worksheet after adjustments.
12. Attachment 9, consisting of 5 pages, is a restatement of the rate base, cost of capital and operation statements from the Order, reflecting the effect of the corrected computational errors.
13. The net effect of these four computational errors is to understate water and wastewater rate base by \$18,338 and \$301,551, respectively, and to understate water and wastewater revenue requirements by \$6,227 and 33,983, respectively. (See Att. 11.)

D. EVIDENTIARY DEFICIENCY:
THERE IS NO RECORD SUPPORT
FOR THE COMMISSION'S
NON-RECONCILIATION OF INVESTMENT TAX
CREDITS (ITCs) TO RATE BASE.

14. The cost of capital calculations offered by PCUC and Public Counsel (OPC) and received in evidence support pro rata reconciliation of capital to rate base. PCUC's initial calculation is

displayed in its MFRs. (Exh. 7 (FS-1) pp. 86-87, Schedules D-1 and D-2; T. 182) OPC's calculation shows all items of capital, except customer deposits, reconciled to rate base. This reconciliation by OPC is applied to ITCs. (Exh. 26 (KHD-1), Schedule 2)

15. a) Under cross-examination by Commission Staff, PCUC witness Seidman was asked whether it was acceptable to include in capital structure, customer deposits, ITCs and deferred taxes that are specifically related to the requested rate base and reconcile any remaining difference on a pro rata basis. Mr. Seidman responded that this was appropriate "if they can be identified." (T. 223-224)
- b) There is no Commission rule requiring an applicant for a rate increase to specifically identify ITCs as being related to specific plant.⁴ Mr. Seidman was not asked to identify any specific ITCs. Commission Staff never proposed any ITCs with which Mr. Seidman could agree or disagree. No other witness either proposed not to reconcile ITCs or was cross-examined on the subject. The matter was simply dropped after Mr. Seidman's response.
- c) Thus, there is no record support for the proposition that all ITC's are related to rate base.
- d) In actuality, all ITCs are not related to rate base. In actuality, all ITCs cannot be identified with rate base: they are related to plant, some of which is in rate base and some of which is not, depending on the used and useful adjustments to such plant balances. These actualities are not, however, reflected in the record.
16. a) Commission Staff's recommendation inadequately informed the Commission on this issue. Commission Staff accurately reported that OPC did not state a specific position on the reconciliation element of this issue, but omitted the fact that OPC's analysis did, in fact, reconcile ITCs to rate base. Commission Staff accurately reported that Mr. Seidman testified that it is acceptable to include ITCs in capital structure that are specifically related to rate base and

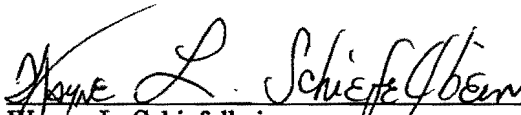
⁴ Nor is there any Commission rule requiring such applicant to specifically identify debt or equity as being related to specific plant. Given the cost-prohibitive nature of such micro-accounting, such capital items are prorated and reconciled to rate base.

reconcile any remaining difference pro rata over the investor sources of capital only, but omitted the fact that he actually testified that such general principle is appropriate if the ITCs can be identified. Commission Staff's recommendation omitted any mention of the total absence of record support to specifically identify such ITCs.

- b) The Commission nonetheless made a finding that " a pro rata adjustment should not be applied to ITCs." (Order, at p. 55) The Commission failed to consider the lack of record support from which (i) to conclude that all ITCs are related to rate base; and (ii) to base this element of the Commission's reconciliation of capital to rate base.
 - c) The decision in this case to give full weight to ITCs in the cost of capital rather than prorating to rate base is inconsistent with the Commission's treatment of ITCs in PCUC's last rate case. (See Order No. 22843, pp. 52 and 78.)
17. Based on the evidence, the only appropriate method to account for ITCs is to reconcile them to rate base along with all other components of capital, except customer deposits.
18. Attachment 10, consisting of 4 pages, is a restatement of the cost of capital and operation statements reflecting the reconciliation of ITCs to rate base.
19. Failure to reconcile ITCs to rate base results in a revenue shortfall of \$121,384 for water and \$57,148 for wastewater, based on the rate base approved by the Order. (See Att. 11.)

WHEREFORE, Palm Coast Utility Corporation requests the Commission to reconsider its decisions on the foregoing issues, and adjust rates accordingly.

Dated this 22nd day of November, 1996.


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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing has been furnished by U.S. Mail or *hand-delivery to the following parties on this 22nd day of November, 1996:

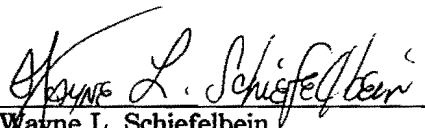
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ATTACHMENTS

<u>Att. No.</u>	<u>Referenced At. Motion Paragraph:</u>	<u>Description</u>
1.	A.2.a,c,e	Staff Worksheets - Base Facility Charge and Gallonage Component Cost (2 pages) <u>Uncorrected</u>
2.	A.2.d,e	Staff Worksheets - Base Facility Charge and Gallonage Component Cost (2 pages) <u>Corrected</u>
3.	A.1.;2.e	Verification of Revenue Production Using Rates from Order
4.	A.2.e	Verification of Revenue Production Using Corrected Rates
5.	B.7.	Summary Comparison of Corrections to Lot Counts (4 pages)
6.	B.7.	Restatement of Rate Base, Cost of Capital, Operation Statements and Staff Used and Useful Worksheets reflecting corrected lot count (7 pages)
7.	C.9.c.	Detail of Correction to Adjustment to Account 354.4
8.	C.11.	Summary of the Effect of Corrections to Computational Errors on Plant Balances, Rate Base and Revenue Requirements, including Staff Wastewater Plant in Service Worksheets before and after corrections (3 pages)
9.	C.12.	Restatement of Rate Base, Cost of Capital, and Operation Statements reflecting correction of computational errors (5 pages)
10.	D.18.	Calculation of Revenue Shortfall and Restatement of Rate Base, Cost of Capital, and Operation Statements reflecting ITC reconciliation to Rate Base (4 pages)
11.	Opening Par. & A.3., B.8., C.13., D.19	Cumulative Effect of Changes Proposed by Motion for Reconsideration

**BASE FACILITY CHARGE AND GALLONAGE COMPONENT COST
(CLASS A, B OR C WATER UTILITY)**

**PALM COAST UTILITY CORPORATION
COUNTY: FLAGLER
DOCKET NO: 951068-WS
TEST YEAR: YEAR ENDING: DECEMBER 31, 1995**

FACTORED ERC'S	173,616
FACTORED GALLONS	980,700
NO. OF BILLS	159,434

avg rate Inc: ERR

BASE FACILITY CHARGE COMPONENT CONSTRUCTION - WATER-	PERCENT ASSIGNMENT			FACTORED ERC'S		FACTORED GALLONS	
	TEST YEAR (Staff)	BASE FACILITY CHARGE	GALLONAGE CHARGE	BASE FACILITY COST	BASE FACILITY CHARGE	GALLONAGE COST	GALLONAGE CHARGE
(601.0) Salaries and Wages - Employees	716,162	50%	50%	358,081	2,0625	358,081	0.3651
(603.0) Salaries and Wages - Officers	0	0%	100%	0	0.0000	0	0.0000
(604.0) Employee Pensions and Benefits	221,843	50%	50%	110,922	0.6389	110,922	0.1131
(610.0) Purchased Water	0	0%	100%	0	0.0000	0	0.0000
(615.0) Purchased Power	228,310	0%	100%	0	0.0000	228,310	0.2328
(618.0) Chemicals	157,218	0%	100%	0	0.0000	157,218	0.1603
(620.0) Materials and Supplies	421,268	50%	50%	210,634	1.2132	210,634	0.2148
(63X.0) Contractual Services	75,395	100%	0%	75,395	0.4343	0	0.0000
(641.0) Rental of Building/Real Property	0	100%	0%	0	0.0000	0	0.0000
(642.0) Rental of Equipment	0	100%	0%	0	0.0000	0	0.0000
(650.0) Transportation Expense	45,453	50%	50%	22,727	0.1309	22,727	0.0232
(659.0) Insurance	21,211	100%	0%	21,211	0.1222	0	0.0000
(667.0) Regulatory Commission Expense	18,086	100%	0%	18,086	0.1042	0	0.0000
(675.0) Miscellaneous Expense	0	50%	50%	0	0.0000	0	0.0000
Total Expenses Required to Have Service Available:	1,904,946			817,055	4.7061	1,087,891	1.1093
Cost of providing service, including customer accounts:							
(680) Services (net)	(214,917)	42%	58%	(90,265)	(0.5662)	(124,652)	(0.1271)
	0	75%	25%	0	0.0000	0	0.0000
	0	75%	25%	0	0.0000	0	0.0000
	0	0%	100%	0	0.0000	0	0.0000
	0	50%	50%	0	0.0000	0	0.0000
	0	75%	25%	0	0.0000	0	0.0000
	0	100%	0%	0	0.0000	0	0.0000
	0	100%	0%	0	0.0000	0	0.0000
	0	75%	25%	0	0.0000	0	0.0000
	0	100%	0%	0	0.0000	0	0.0000
	0	100%	0%	0	0.0000	0	0.0000
	0	50%	50%	0	0.0000	0	0.0000
	0	50%	50%	0	0.0000	0	0.0000
Total Cost of providing service, including customer accounts:	(214,917)			(90,265)	(0.5662)	(124,652)	(0.1271)
Administrative							
Administration	1,070,158	42%	58%	449,466	2.5889	620,692	0.6329
	0	75%	25%	0	0.0000	0	0.0000
	0	75%	25%	0	0.0000	0	0.0000
	0	0%	100%	0	0.0000	0	0.0000
	0	50%	50%	0	0.0000	0	0.0000
	0	75%	25%	0	0.0000	0	0.0000
	0	100%	0%	0	0.0000	0	0.0000
	0	100%	0%	0	0.0000	0	0.0000
	0	75%	25%	0	0.0000	0	0.0000
	0	100%	0%	0	0.0000	0	0.0000
	0	100%	0%	0	0.0000	0	0.0000
	0	100%	0%	0	0.0000	0	0.0000
	0	50%	50%	0	0.0000	0	0.0000
	0	50%	50%	0	0.0000	0	0.0000
	1,070,158			449,466	2.5889	620,692	0.6329
Depreciation and Amortization:							
(403.0) Depreciation	834,551	100%	0%	834,551	4.8069	0	0.0000
(407.0) Amortization (negative)	(82,781)	100%	0%	(82,781)	(0.4768)	0	0.0000
Total Depreciation and Amortization:	751,770			751,770	4.3301	0	0.0000
Taxes Other Than Income Taxes:							
(40B.10) Regulatory Assessment Fees	229,231	40%	60%	91,892	0.5281	137,539	0.1402
(40B.11) Property taxes	150,328	100%	0%	150,328	0.8659	0	0.0000
(40B.12) Payroll Taxes	115,491	47%	53%	54,866	0.3149	60,825	0.0620
(40B.13) Other Taxes and Licenses	5,459	50%	50%	2,730	0.0157	2,730	0.0028
Total Taxes Other Than Income Taxes:	500,509			299,416	1.7246	201,093	0.2051
INCOME TAXES:							
(409.0) Federal, State, and Local Income Taxes	211,930	0%	100%	0	0.0000	211,930	0.2161
TOTAL INCOME TAXES	211,930			0	0.0000	211,930	0.2161
RETURN ON INVESTMENT	869,638	0%	100%	0	0.0000	869,638	0.8868
TOTAL REVENUE REQUIREMENT	5,094,034			2,227,442	12.7835	2,866,592	2.9230
LESS: MISCELLANEOUS REVENUES	(42,469)	100%	0%	(42,469)	(0.2446)	0	0.0000
LESS: BULK SERVICE CONTRACT REVENUES	(51,361)	4%	96%	(2,215)	(0.0128)	(49,145)	(0.0501)
TOTAL REVENUES FOR RATE SETTING	5,000,204			2,182,758	12.53	2,817,447	2.87

BASE FACILITY CHARGE GALLONAGE CHARGE

Hammock Dunes Bulk Revenues							
BFC	\$184.59	12	2215.0897	0.04312825			
Gallons	\$0.95	51611	49145.439	0.95687175			
			51360.529				

RESIDENTIAL	NUMBER BILLS	GALLONS (000's)	PRESENT RATE	REVENUE	INTERM RATE	REVENUE	REQUESTED RATE	REVENUE	RECOMMENDED RATE	REVENUE
5/8 x 3/4"	132,376		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$12.53	\$1,658,158
GALL		580,616	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$2.87	\$1,668,048
3/4"	0		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$18.79	\$0
GALL		0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$2.87	\$0
1"	0		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$31.32	\$0
GALL		0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$2.87	\$0
1-1/2"	0		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$62.63	\$0
GALL		0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$2.87	\$0
2"	0		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$100.21	\$0
GALL		0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$2.87	\$0
3"	0		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$200.42	\$0
GALL		0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$2.87	\$0
4"	0		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$313.15	\$0
GALL		0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$2.87	\$0
6"	0		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$626.31	\$0
GALL		0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$2.87	\$0
8"	0		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$1,002.09	\$0
GALL		0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$2.87	\$0
TOTAL RES.	132,376	580,616		\$0		\$0		\$0		\$3,326,206

GENL. SERV.	NO. BILLS	NO. GALS.	PRESENT RATE	REVENUE	INTERM RATE	REVENUE	PROPOSED RATE	REVENUE	RECOMMENDED RATE	REVENUE
5/8 x 3/4"	3,119		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$12.53	\$39,069
GALL		20,222	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$2.87	\$58,096
3/4"	0		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$18.79	\$0
GALL		0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$2.87	\$0
1"	720		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$31.32	\$22,647
GALL		18,161	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$2.87	\$55,048
1-1/2"	99		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$62.63	\$6,200
GALL		24,229	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$2.87	\$60,607
2"	494		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$100.21	\$42,489
GALL		40,415	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$2.87	\$116,111
3"	116		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$219.21	\$25,896
GALL		12,372	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$2.87	\$35,543
4"	36		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$313.15	\$11,274
GALL		20,885	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$2.87	\$59,426
6"	12		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$626.31	\$7,516
GALL	Uncorrected	80,761	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$2.87	\$260,804
8"	0		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$1,002.09	\$0
GALL		0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$2.87	\$0
TOTAL GS.	4,528	227,856		\$0		\$0		\$0		\$809,595

AV. RES. BILL			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$25.13	
AV. GS. BILL			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$178.80	
GRAND TOTAL	136,904	608,482		\$0		\$0		\$0		\$4,135,801

PVT. FIRE	NO. BILLS	PRESENT RATE	REVENUE	INTERM RATE	REVENUE	PROPOSED RATE	REVENUE	RECOMMENDED RATE	REVENUE	
2"	0	N/A	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$8.35	\$0
3"	0	N/A	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$18.70	\$0
4"	48	N/A	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$26.10	\$1,253
6"	312	N/A	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$52.19	\$16,284
8"	228	N/A	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$65.51	\$19,040
10"	36	N/A	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$120.04	\$4,322
12"	0	N/A	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$224.43	\$0
TOTAL PFFS	624	N/A		\$0		\$0		\$0		\$40,898

OTHER	NO. BILLS	NO. GALS.	PRESENT RATE	REVENUE	PRESENT RATE	REVENUE	PROPOSED RATE	REVENUE	RECOMMENDED RATE	REVENUE
5/8 x 3/4"	20,837		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$12.53	\$261,000
GALL		113,228	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$2.87	\$325,292
3/4"	0		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$18.79	\$0
GALL		0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$2.87	\$0
1"	580		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$31.32	\$17,537
GALL		18,437	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$2.87	\$52,968
1-1/2"	93		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$62.63	\$5,825
GALL		4,666	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$2.87	\$13,411
2"	404		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$100.21	\$40,484
GALL		31,347	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$2.87	\$80,057
3"	12		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$200.42	\$2,405
GALL		4,536	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$2.87	\$13,037
4"	0		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$313.15	\$0
GALL		0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$2.87	\$0
6"	0		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$626.31	\$0
GALL		0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$2.87	\$0
8"	0		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$1,002.09	\$0
GALL		0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$2.87	\$0
TOTAL OTHER	21,906	172,218		\$0		\$0		\$0		\$622,015

AV. OTHER BILL			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$37.53	
ALL TOTAL	156,434	680,700		\$0		\$0		\$0		\$4,998,714

gals. sold per F-1	0			\$0		\$0		\$0		\$0
ERC EXPANSION			ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR
SINGLE FAMILY	1.0 ERC/UNIT									
MULTI-FAMILY	0.5 ERC/UNIT									
MOBILE HOME	0.8 ERC/UNIT									

METER SIZE	ERC	BILLS	EXP. ERC'S	FACTORED ERC
5/8 x 3/4"	1.0	156,332	156,332	\$12.53
3/4"	1.5	0	0	\$18.79
1"	2.5	1,290	3,200	\$31.32
1-1/2"	5.0	192	960	\$62.63
2"	8.0	828	6,624	\$100.21
3" COMPOUND	15.0	130	2,080	\$200.42
3" TURBINE	17.5	0	0	\$219.21
4" COMPOUND	25.0	40	1,000	\$313.15
4" TURBINE	30.0	0	0	\$375.78
6" COMPOUND	50.0	36	1,800	\$626.31
6" TURBINE	62.5	0	0	\$782.88
8" COMPOUND	60.0	19	1,820	\$1,002.09
8" TURBINE	90.0	0	0	\$1,127.35
10" COMPOUND	115.0	0	0	\$1,440.50
10" TURBINE	145.0	0	0	\$1,816.29
12" TURBINE	215.0	0	0	\$2,893.12
TOTAL		156,659	173,616	

PALM COAST UTILITY CORPORATION
 COUNTY: FLAGLER
 DOCKET NO: 951056-WS
 TEST YEAR: YEAR ENDING: DECEMBER 31, 1996

BASE FACILITY CHARGE AND GALLONAGE COMPONENT COST
 (CLASS A, B OR C WATER UTILITY)

FACTORED ERC'S	173,016
FACTORED GALLONS	889,919
NO. OF BILLS	159,422

avg rate Inc: ERR

BASE FACILITY CHARGE COMPONENT CONSTRUCTION - WATER-	PERCENT ASSIGNMENT		FACTORED ERC'S		FACTORED GALLONS		
	TEST YEAR (Start)	BASE FACILITY CHARGE	GALLONAGE CHARGE	COST	CHARGE	COST	CHARGE
(601.0) Salaries and Wages - Employees	716,162	50%	50%	358,081	2,0696	358,081	0.4024
(603.0) Salaries and Wages - Officers	0	0%	100%	0	0.0000	0	0.0000
(604.0) Employee Pensions and Benefits	221,843	50%	50%	110,922	0.6411	110,922	0.1246
(610.0) Purchased Water	0	0%	100%	0	0.0000	0	0.0000
(615.0) Purchased Power	228,310	0%	100%	0	0.0000	228,310	0.2566
(618.0) Chemicals	157,218	0%	100%	0	0.0000	157,218	0.1767
(620.0) Materials and Supplies	421,268	50%	50%	210,634	1.2174	210,634	0.2367
(63X.0) Contractual Services	75,395	100%	0%	75,395	0.4358	0	0.0000
(641.0) Rental of Building/Real Property	0	100%	0%	0	0.0000	0	0.0000
(642.0) Rental of Equipment	0	100%	0%	0	0.0000	0	0.0000
(650.0) Transportation Expense	45,453	50%	50%	22,727	0.1314	22,727	0.0255
(659.0) Insurance	21,211	100%	0%	21,211	0.1226	0	0.0000
(667.0) Regulatory Commission Expense	18,086	100%	0%	18,086	0.1045	0	0.0000
(675.0) Miscellaneous Expense	0	50%	50%	0	0.0000	0	0.0000
Total Expenses Required to Have Service Available:	1,904,946			617,055	4,7224	1,087,891	1.2225
Cost of providing service, including customer accounts:							
(660) Services (net)	(214,917)	42%	58%	(90,265)	(0.5662)	(124,652)	(0.1401)
0	0	75%	25%	0	0.0000	0	0.0000
0	0	75%	25%	0	0.0000	0	0.0000
0	0	0%	100%	0	0.0000	0	0.0000
0	0	50%	50%	0	0.0000	0	0.0000
0	0	75%	25%	0	0.0000	0	0.0000
0	0	100%	0%	0	0.0000	0	0.0000
0	0	100%	0%	0	0.0000	0	0.0000
0	0	75%	25%	0	0.0000	0	0.0000
0	0	100%	0%	0	0.0000	0	0.0000
0	0	100%	0%	0	0.0000	0	0.0000
0	0	100%	0%	0	0.0000	0	0.0000
0	0	100%	0%	0	0.0000	0	0.0000
0	0	100%	0%	0	0.0000	0	0.0000
0	0	50%	50%	0	0.0000	0	0.0000
0	0	50%	50%	0	0.0000	0	0.0000
Total Cost of providing service, including customer accounts:	(214,917)			(90,265)	(0.5662)	(124,652)	(0.1401)
Administrative							
Administration	1,070,158	42%	58%	449,466	2.5978	620,692	0.6975
0	0	75%	25%	0	0.0000	0	0.0000
0	0	75%	25%	0	0.0000	0	0.0000
0	0	0%	100%	0	0.0000	0	0.0000
0	0	50%	50%	0	0.0000	0	0.0000
0	0	75%	25%	0	0.0000	0	0.0000
0	0	100%	0%	0	0.0000	0	0.0000
0	0	100%	0%	0	0.0000	0	0.0000
0	0	75%	25%	0	0.0000	0	0.0000
0	0	100%	0%	0	0.0000	0	0.0000
0	0	100%	0%	0	0.0000	0	0.0000
0	0	100%	0%	0	0.0000	0	0.0000
0	0	100%	0%	0	0.0000	0	0.0000
0	0	100%	0%	0	0.0000	0	0.0000
0	0	50%	50%	0	0.0000	0	0.0000
	1,070,158			449,466	2.5978	620,692	0.6975
Depreciation and Amortization:							
(403.0) Depreciation	834,551	100%	0%	834,551	4.8236	0	0.0000
(407.0) Amortization (negative)	(82,781)	100%	0%	(82,781)	(0.4785)	0	0.0000
Total Depreciation and Amortization:	751,770			751,770	4.3451	0	0.0000
Taxes Other Than Income Taxes:							
(408.10) Regulatory Assessment Fees	229,231	40%	60%	91,692	0.5300	137,539	0.1546
(408.11) Property taxes	150,328	100%	0%	150,328	0.8689	0	0.0000
(408.12) Payroll Taxes	115,491	47%	53%	54,666	0.3160	60,825	0.0683
(408.13) Other Taxes and Licenses	5,459	50%	50%	2,730	0.0158	2,730	0.0031
Total Taxes Other Than Income Taxes:	500,509			299,416	1.7306	201,093	0.2260
INCOME TAXES:							
(409.0) Federal, State, and Local Income Taxes	211,930	0%	100%	0	0.0000	211,930	0.2381
TOTAL INCOME TAXES	211,930			0	0.0000	211,930	0.2381
RETURN ON INVESTMENT	869,638	0%	100%	0	0.0000	869,638	0.9772
TOTAL REVENUE REQUIREMENT	5,094,034			2,227,442	12.8297	2,866,592	3.2212
LESS: MISCELLANEOUS REVENUES	(42,469)	100%	0%	(42,469)	(0.2455)	0	0.0000
LESS: BULK SERVICE CONTRACT REVENUES	(51,361)	4%	96%	(2,215)	(0.0128)	(49,145)	(0.0552)
TOTAL REVENUES FOR RATE SETTING	5,000,204			2,182,758	12.57	2,817,447	3.18

BASE FACILITY CHARGE GALLONAGE CHARGE

CORRECTED FOR DUNES ERCs and GALLONS

Hammock Dunes Bulk Revenues							
BFC	\$184.59	12	2215.0897	0.04312825			
Gallons	\$0.95	51611	49145.439	0.95687175			
			51360.529				

RESIDENTIAL	NUMBER BILLS	GALLONS (000's)	PRESENT RATE	REVENUE	INTERIM RATE	REVENUE	REQUESTED RATE	REVENUE	RECOMMENDED RATE	REVENUE
5/8 x 3/4" GALL	132,378	560,616	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$12.57	\$1,684,162
3/4" GALL	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.17	\$1,838,206
1" GALL	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$18.88	\$0
1-1/2" GALL	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.17	\$0
2" GALL	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$31.43	\$0
3" GALL	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.17	\$0
4" GALL	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$62.86	\$0
6" GALL	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.17	\$0
8" GALL	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$100.57	\$0
10" GALL	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.17	\$0
12" GALL	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$201.14	\$0
TOTAL RES.	132,378	560,616		\$0		\$0		\$0		\$3,502,368

GENL. SERV.	NO. BILLS	NO. GALS.	PRESENT RATE	REVENUE	INTERIM RATE	REVENUE	PROPOSED RATE	REVENUE	RECOMMENDED RATE	REVENUE
5/8 x 3/4" GAL	3,119	20,222	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$12.57	\$39,210
3/4" GAL	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.17	\$64,022
1" GAL	720	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$18.88	\$0
1-1/2" GAL	89	18,161	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.17	\$60,663
2" GAL	424	24,229	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$31.43	\$22,629
3" GAL	118	40,416	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.17	\$60,663
4" GAL	36	12,372	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$62.86	\$9,223
6" GAL	0	20,685	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.17	\$76,708
8" GAL	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$100.57	\$42,842
10" GAL	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.17	\$127,955
12" GAL	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$220.00	\$25,960
TOTAL GS.	4,516	137,085		\$0		\$0		\$0		\$551,984

AV. RES. BILL	AV. GS. BILL	GRAND TOTAL	NO. BILLS	GALLONS	REVENUE
			136,892	717,701	\$0
					\$0
					\$0
					\$4,084,353

PVT. FIRE	NO. BILLS	PRESENT RATE	REVENUE	INTERIM RATE	REVENUE	PROPOSED RATE	REVENUE	RECOMMENDED RATE	REVENUE	
2"	0	N/A	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$8.38	\$0
3"	0	N/A	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$18.78	\$0
4"	48	N/A	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$25.19	\$1,257
6"	312	N/A	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$52.36	\$16,343
8"	228	N/A	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$63.81	\$19,109
10"	36	N/A	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$120.48	\$4,337
12"	0	N/A	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$225.24	\$0
TOTAL PFFS	624	N/A		\$0		\$0		\$0		\$41,045

OTHER	NO. BILLS	NO. GALS.	PRESENT RATE	REVENUE	PRESENT RATE	REVENUE	PROPOSED RATE	REVENUE	RECOMMENDED RATE	REVENUE
5/8 x 3/4" GAL	20,837	113,228	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$12.57	\$261,946
3/4" GAL	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.17	\$356,475
1" GAL	580	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$18.88	\$0
1-1/2" GAL	83	16,437	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.17	\$17,600
2" GAL	404	4,658	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$31.43	\$12,800
3" GAL	12	31,247	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.17	\$38,371
4" GAL	0	4,536	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$62.86	\$5,846
6" GAL	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.17	\$14,779
8" GAL	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$100.57	\$40,631
10" GAL	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.17	\$99,243
12" GAL	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$201.14	\$2,414
TOTAL OTHER	21,908	172,218		\$0		\$0		\$0		\$873,871

AV. OTHER BILL	ALL TOTAL	NO. BILLS	GALLONS	REVENUE
		150,422	869,919	\$0
				\$0
				\$0
				\$4,999,070

METER SIZE	ERC	BILLS	EXP. ERC'S	FACTORED BFC
5/8x3/4"	1.0	156,332	156,332	\$12.57
3/4"	1.8	0	0	\$18.88
1"	2.5	1,280	3,200	\$31.43
1-1/2"	5.0	192	960	\$62.86
2"	8.0	828	6,624	\$100.57
3" COMPOUND	18.0	130	2,080	\$201.14
3" TURBINE	17.5	0	0	\$220.00
4" COMPOUND	25.0	40	1,000	\$314.29
4" TURBINE	30.0	0	0	\$377.14
6" COMPOUND	60.0	26	1,300	\$628.57
6" TURBINE	62.5	0	0	\$765.72
8" COMPOUND	80.0	19	1,520	\$1,005.72
8" TURBINE	90.0	0	0	\$1,131.43
10" COMPOUND	115.0	0	0	\$1,445.72
10" TURBINE	145.0	0	0	\$1,822.86
12" TURBINE	215.0	0	0	\$2,702.87
TOTAL		186,647	173,018	

CORRECTED FOR DUNES BILLS and GALLS

Test Year Revenue Calculation
For Average 1995 Customers

Company: Palm Coast Utility Corporation
Docket No.: 951056-WS
Projected Test Year Ended: 12/31/95
Water [X] Sewer []

**VERIFICATION OF REVENUE PRODUCTION
USING RATES FROM ORDER**

Results will differ slightly from PSC Staff calculations
because rates used are rounded to two decimal places

Preparer: Seidman

	(1) Average Test Year Number Bills	(2) Average Test Year Consump. in MG	(3) RATES PER ORDER	(4) Revenues at Prop. Rates
WATER				
Residential				
5/8" x 3/4"	132,376	580,616	12.53 (1)	1,658,671
M Gallons		580,616	2.87 (2)	1,666,368
Total Residential	132,376	580,616		3,325,039
General Service & Multifamily				
5/8" x 3/4"	3,119	20,222	12.53 (1)	39,081
1"	720	19,161	31.33 (1)	22,554
1 1/2"	99	24,229	62.65 (1)	6,202
2"	424	40,416	100.24 (1)	42,502
3"	118	12,372	200.48 (1)	23,657
4"	36	20,685	313.25 (1)	11,277
M Gallons - Tariff		137,085	2.87 (2)	393,434
Total GS & Multifamily	4,516	137,085		538,707
Other (Irrigation)				
5/8" x 3/4"	20,837	113,228	12.53 (1)	261,088
1"	560	18,437	31.33 (1)	17,542
1 1/2"	93	4,668	62.65 (1)	5,826
2"	404	31,347	100.24 (1)	40,497
3"	12	4,538	200.48 (1)	2,406
M Gallons		172,218	2.87 (2)	494,266
Total Other (Irrigation)	21,906	172,218		821,624
PFPS Charges				
4"	48	0	26.10	1,253
6"	312	0	52.21	16,289
8"	228	0	83.53	19,046
10"	36	0	120.08	4,323
	624	0		40,910
Public Fire Hydrants	0	0	0	0
Total Tariff Revenues, Bills, Gals.	159,422	889,919		4,726,281
				5,000,204
				273,923
Contract Rate				
6" [Hammock Dunes]	12	51,611	186.65 (3)	2,240
M Gallons - Hammock Dunes		51,611	0.96 (3)	49,693
Total Tariff + Hammock Dunes Revenues				4,778,213
Misc. Rev.				42,469
Total Revenues, Bills, Gals.	159,434	941,530		4,820,682
				5,094,034
				273,352

(1) - BFC; (2) \$/MG; (3) Separately calculated @ avg. rate change

Test Year Revenue Calculation
For Average 1995 Customers

Company: Palm Coast Utility Corporation
Docket No.: 951056-WS
Projected Test Year Ended: 12/31/95
Water Sewer

**VERIFICATION OF REVENUE PRODUCTION
USING CORRECTED RATES**

Results will differ slightly from PSC Staff calculations
because rates used are rounded to two decimal places

Preparer: Seidman

	(1) Average Test Year Number Bills	(2) Average Test Year Consump. in MG	(3) RATES PER ORDER	(4) Revenues at Prop. Rates
WATER				
Residential				
5/8" x 3/4"	132,376	580,616	12.57 (1)	1,663,966
M Gallons		580,616	3.17 (2)	1,840,553
Total Residential	132,376	580,616		3,504,519
General Service & Multifamily				
5/8" x 3/4"	3,119	20,222	12.57 (1)	39,206
1"	720	19,161	31.43 (1)	22,626
1 1/2"	99	24,229	62.85 (1)	6,222
2"	424	40,416	100.56 (1)	42,637
3"	118	12,372	201.12 (1)	23,732
4"	36	20,685	314.25 (1)	11,313
M Gallons - Tariff		137,085	3.17 (2)	434,559
Total GS & Multifamily	4,516	137,085		580,296
Other (Irrigation)				
5/8" x 3/4"	20,837	113,228	12.57 (1)	261,921
1"	560	18,437	31.43 (1)	17,598
1 1/2"	93	4,668	62.85 (1)	5,845
2"	404	31,347	100.56 (1)	40,626
3"	12	4,538	201.12 (1)	2,413
M Gallons		172,218	3.17 (2)	545,931
Total Other (Irrigation)	21,906	172,218		874,335
PFPS Charges				
4"	48	0	26.19	1,257
6"	312	0	52.38	16,341
8"	228	0	83.80	19,106
10"	36	0	120.46	4,337
	624	0		41,041
Public Fire Hydrants	0	0	0	0
Total Tariff Revenues, Bills, Gals.	159,422	889,919		
Contract Rate				
6" [Hammock Dunes]	12	51,611	186.65 (3)	2,240
M Gallons - Hammock Dunes		51,611	0.96 (3)	49,693
Total Tariff + Hammock Dunes Revenues				5,052,124
Misc. Rev.				42,469
Total Revenues, Bills, Gals.	159,434	941,530		

5,000,191	Revenue generated by rates
5,000,204	Revenue Allowed to Recover
13	Shortfall (Excess) & Rounding Diff.

5,094,593	Revenue generated by rates
5,094,034	Revenue Allowed to Recover
(559)	Shortfall (Excess) & Rounding Diff.

(1) - BFC; (2) \$/MG; (3) Separately calculated @ avg. rate change

Palm Coast Utility Corporation, Order No. PSC-96-1338-FOF-WS
 Corrections to Lot Count on Order pages 38-44

		Order		Corrected	Source
Water Dist.	Connected Lots	10,415	Customers, Palm Coast	10,532	A
	MR	767		767	
	Total	11,182		11,299	
	Total Lots	46,764		46,764	
	U&U	23.91%		24.16%	
Water Trans.	Connected Lots	10,415	Cust. PC & Beachside	11,409	B
	MR	767		767	
	Total	11,182		12,176	
	Total Lots	34,651		34,651	
	U&U	32.27%		35.14%	
Services	Connected Lots	10,415	Cust. PC & Beachside	11,409	B
	MR	767		767	
	Total	11,182		12,176	
	Total Lots	15,172		15,172	
	U&U	73.70%		80.25%	
WW Gravity	Connected Lots	8,175	Customers less PEP	8,925	C
	MR	418		418	
	Total	8,593		9,343	
	Total Lots	25,062		25,062	
	U&U	34.29%		37.28%	
PEP Lines	Connected Lots	1,281	PEP Customers	1,281	D
	MR	356		356	
	Total	1,637		1,637	
	Total Lots	21,376		21,376	
	U&U	7.66%		7.66%	

Sources for Corrected customer count:

A – Ex.7, FS-1, MFR Vol.I, page 103; Total avg minus fire protection and beachside (from Ex. 15 workpaper)

B – Ex.7, FS-1, MFR Vol.I, page 103; Total avg minus fire protection

C – Ex.7, FS-1, MFR Vol.I, page 103; Total avg minus PEP (see Note D)

D – Ex.15, Used and Useful Analysis, Table J

Customer Monthly Billing Schedule

Florida Public Service Commission

Company: Palm Coast Utility Corporation
 Docket No.: 951056-WS
 Test Year Ended: 12/31/95
 Water [X] or Sewer [X]

Exh. 7
(FS-1)

Schedule: E-3
 Page 1 of 1
 Preparer: Seidman/PCUC

Explanation: Provide a schedule of monthly customers billed or served by class.

Line No.	(1) Month/ Year	(2) Residential	(3) General Service	(4) Multi-Family Dwelling	(5) Private Fire Protection	(6) Other (List)	(7) Total
WATER CUSTOMERS							
1	Jan '95	10,663	340	13	52		11,068
2	Feb	10,762	348	13	52		11,175
3	Mar	10,819	360	13	52		11,244
4	Apr	10,895	365	13	52		11,325
5	May	10,970	364	13	52		11,399
6	Jun	10,995	361	13	52		11,421
7	Jul	* 11,057	364	13	52		11,486
8	Aug	* 11,119	370	13	52		11,554
9	Sep	* 11,181	372	13	52		11,818
10	Oct	* 11,243	374	13	52		11,682
11	Nov	* 11,305	376	13	52		11,746
12	Dec '95	* 11,367	379	13	52		11,811
Total (Average)		11,031	364	13	52		11,461

* - Projected

WASTEWATER CUSTOMERS							
1	Jan '95	9,593	285	12			9,890
2	Feb	9,644	294	12			9,950
3	Mar	9,687	305	12			10,004
4	Apr	9,751	312	12			10,075
5	May	9,812	312	12			10,136
6	Jun	9,829	327	12			10,168
7	Jul	* 9,885	330	12			10,227
8	Aug	* 9,941	334	12			10,287
9	Sep	* 9,997	336	12			10,345
10	Oct	* 10,053	339	12			10,404
11	Nov	* 10,109	341	12			10,462
12	Dec '95	* 10,165	344	12			10,521
Total (Average)		9,872	322	12			10,206

* - Projected

Palm Coast Utility Corporation
Used and Useful Analysis - Water
Calculation of ERC's

Exh 15 Workpaper
ERC-W

DESCRIPTION	1990	1991	1992	1993	1994	1995
RESIDENTIAL Customers (Average)	7,780	8,345	8,902	9,482	10,257	11,031
Consumption (1,000 Gal.)						
Regular	395,322	393,547	450,445	496,965	520,949	582,901
Irrigation	112,946	68,628	89,802	124,000	98,325	109,672
Construction	22,764	12,044	16,373	17,128	17,502	17,715
Total	531,032	474,219	556,620	638,093	636,776	690,288
Ann. Cons./Cust. (Gal.)	68,256	56,827	62,528	67,295	62,082	62,577
Cons./Cust./Day - ERC	187	150	171	184	170	171
GENERAL SERVICE Consumption (1,000 Gal.)						
Regular	65,353	69,316	72,296	92,281	87,110	86,831
Irrigation	49,145	28,395	35,285	53,578	42,553	45,863
Total	114,498	97,711	107,581	145,857	129,663	132,694
General Service - ERC	1,677	1,719	1,721	2,167	2,089	2,120
MULTI-FAMILY Consumption (1,000 Gal.)						
Regular	31,124	32,022	33,278	34,176	40,909	38,254
Irrigation	24,718	17,496	19,059	19,545	13,906	16,683
Total	55,840	49,518	52,337	53,721	54,815	54,937
Multi-Family - ERC	818	871	837	798	883	878
Total ERC's w/o DCDD	10,275	10,935	11,460	12,447	13,229	14,029
DCDD Consumption (1,000 Gal.)	17,377	43,138	50,768	95,704	99,221	(A) 51,100
DCDD ERC	255	759	812	1,422	1,598	817
TOTAL AVERAGE ERCs	10,530	11,694	12,272	13,869	14,827	14,846

Beachside ERC's	
DCDD	817
Beach (Residential)	877
Beachside ERC's Total	1,694

(A) Consumption adjusted to pro forma estimate.

Attachment No. 5

Palm Coast Utility Corporation
 Used and Useful Analysis – Sewer
 Allocation of Collecting Main

Exh. 15 Table J

		1995 Year End Cost	Used and Useful Cost
Gravity Main			
1995 Average ERC		12,435	
Less: PEP		<u>(1,281)</u>	
Subtotal		11,154	
Margin Reserve	11.93%	<u>1,331</u>	
Total ERC's		12,485	
Lots Served by Gravity Main		25,062	
Used and Useful Percentage		49.8%	
		\$22,940,448	\$11,424,343
PEP Main			
1995 Average ERC		1,281	
Margin Reserve	11.93%	<u>153</u>	
Total ERC's		1,434	
Lots Served by PEP		21,376	
Used and Useful Percentage		6.7%	
		5,862,547	392,791
Pep Tanks			
Used and Useful Percentage		100.0%	
		2,119,907	2,119,907
Force Main			
Used and Useful Percentage		73.7%	
		4,570,541	3,370,731
Total		\$35,493,443	\$17,307,772
Combined Used and Useful Percentage			48.8%

CORRECT LOG COUNT

COMPONENT	TEST YEAR PER UTILITY YEAR-END	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR PER UTILITY	COMMISSION ADJUSTMENTS	COMMISSION AD AVERAGE TEST YEAR
1 UTILITY PLANT IN SERVICE	\$ 63,505,519	\$ (2,128,199)	\$ 61,377,320	\$ (1,089,914)	60,287,406
2 LAND & LAND RIGHTS	504,632	0	504,632	0	504,632
3 NON-USED & USEFUL COMPONENTS	(8,602,553)	0	(8,602,553)	(10,256,603)	(18,859,156)
4 CWP	3,992,210	(3,992,210)	0	0	0
5 ACCUMULATED DEPRECIATION	(20,996,438)	1,074,065	(19,922,373)	938,154	(18,984,219)
6 CIAC	(16,390,083)	0	(16,390,083)	914,006	(15,476,077)
7 AMORTIZATION OF CIAC	3,241,580	0	3,241,580	(245,130)	2,996,450
8 NET DEBIT DEFERRED TAXES (USED)	1,119,911	0	1,119,911	(437,522)	682,389
9	0	0	0	0	0
10 ADVANCES FOR CONSTRUCTION	(2,672,139)	2,672,139	0	0	0
11 WORKING CAPITAL ALLOWANCE	0	0	0	0	0
12 OTHER	0	0	0	0	0
RATE BASE	\$ 23,702,639	\$ (2,374,205)	\$ 21,328,434	\$ (10,177,009)	11,151,425

COMPONENT	TEST YEAR PER UTILITY YEAR-END	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR PER UTILITY	COMMISSION ADJUSTMENTS	COMMISSION AD. AVERAGE TEST YEAR
1 UTILITY PLANT IN SERVICE	\$ 56,249,291	\$ 2,128,199	\$ 58,377,490	\$(3,924,077)	54,453,413
2 LAND & LAND RIGHTS	1,153,532	0	1,153,532	(525,555)	627,977
3 NON-USED & USEFUL COMPONENTS	18,345,687	426,872	18,772,559	(6,510,046)	12,262,513
4 CWP	0	0	0	0	0
5 ACCUMULATED DEPRECIATION	(18,107,234)	(986,635)	(19,093,869)	892,137	(18,201,732)
6 CIAC	(61,045,743)	0	(61,045,743)	300,877	(60,744,866)
7 AMORTIZATION OF CIAC	16,511,375	0	16,511,375	(786,524)	15,724,851
8 DEBIT DEFERRED INCOME TAXES	1,940,403	0	1,940,403	185,105	2,125,508
9	0	0	0	0	0
10 ADVANCES FOR CONSTRUCTION	(990,073)	405,534	(584,539)	(75,803)	(660,342)
11 WORKING CAPITAL ALLOWANCE	0	0	0	0	0
12 OTHER	0	0	0	0	0
RATE BASE	\$ 14,057,238	\$ 1,973,970	\$ 16,031,208	\$(10,443,886)	5,587,322

**PALM COAST UTILITY CORPORATION
CAPITAL STRUCTURE
TEST YEAR ENDED 12/31/95**

**SCHEDULE NO. 2
DOCKET NO. 951056-WS**

CORRECT LOT COUNT

DESCRIPTION	TOTAL CAPITAL	SPECIFIC ADJUSTMENTS (EXPLAIN)	PRO RATA ADJUSTMENTS	CAPITAL RECONCILED TO RATE BASE	RATIO	COST RATE	WEIGHTED COST
PER UTILITY 1995 - YEAR-END							
1 LONG TERM DEBT	\$ 12,125,000	\$ 0	(\$ 643,582)	11,481,418	30.73%	7.24%	2.23%
2 SHORT-TERM DEBT	4,312,000	0	(228,876)	4,083,124	10.93%	7.73%	0.84%
3 PREFERRED STOCK	0	0	0	0	0.00%	0.00%	0.00%
4 COMMON EQUITY	20,265,735	0	(1,075,683)	19,190,052	51.37%	11.10%	5.70%
5 CUSTOMER DEPOSITS	485,000	0	(25,743)	459,257	1.23%	6.00%	0.07%
6 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
7 DEFERRED ITC'S-ZERO COST	2,266,072	0	(120,281)	2,145,791	5.74%	0.00%	0.00%
8 OTHER	0	0	0	0	0.00%	0.00%	0.00%
9 TOTAL CAPITAL	\$ <u>39,453,807</u>	\$ 0	<u>(2,094,165)</u>	<u>37,359,642</u>	<u>100.00%</u>		<u>8.85%</u>
PER COMMISSION 1995 - 13-MONTH AVERAGE							
10 LONG TERM DEBT	\$ 12,557,692	\$ 0	(\$ 7,754,639)	4,803,053	28.69%	7.24%	2.08%
11 SHORT-TERM DEBT	3,668,231	0	(2,265,210)	1,403,021	8.38%	7.73%	0.65%
12 PREFERRED STOCK	0	0	0	0	0.00%	0.00%	0.00%
13 COMMON EQUITY	19,943,543	0	(12,315,557)	7,627,986	45.57%	11.10%	5.08%
14 CUSTOMER DEPOSITS	458,928	0	0	458,928	2.74%	6.00%	0.16%
15 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
15 DEFERRED ITC'S-ZERO COST	2,316,226	129,534	0	2,445,760	14.61%	0.00%	0.00%
16 OTHER	0	0	0	0	0.00%	0.00%	0.00%
17 TOTAL CAPITAL	\$ <u>38,944,618</u>	<u>129,534</u>	<u>(22,335,405)</u>	<u>16,738,747</u>	<u>100.00%</u>		<u>7.95%</u>
RANGE OF REASONABLENESS					LOW	HIGH	
RETURN ON EQUITY					<u>10.10%</u>	<u>12.10%</u>	
OVERALL RATE OF RETURN					<u>7.49%</u>	<u>8.40%</u>	

PALM COAST UTILITY CORPORATION
 STATEMENT OF WATER OPERATIONS
 TEST YEAR ENDED 12/31/95

CORRECT LOT COUNT

SCHEDULE NO. 3-A
 DOCKET NO. 951056-WS

DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 5,384,699	\$ 1,586,948	\$ 6,971,647	\$(1,571,283)	\$ 5,400,364	\$(278,981)	5,121,383
OPERATING EXPENSES:						-5.17%	
2 OPERATION AND MAINTENANCE	\$ 3,026,338	\$(222,018)	\$ 2,804,320	\$(44,132)	\$ 2,760,188	\$	2,760,188
3 DEPRECIATION	1,621,374	(437,104)	1,184,270	(346,241)	838,029		838,029
4 AMORTIZATION	(82,781)	(5,469)	(88,250)	5,469	(82,781)		(82,781)
5 TAXES OTHER THAN INCOME	874,220	(180,899)	693,321	(177,422)	515,899	(12,554)	503,344
6 INCOME TAXES	(289,553)	781,183	491,630	(175,174)	316,456	(100,257)	216,199
7 TOTAL OPERATING EXPENSES	\$ 5,149,598	\$(64,307)	\$ 5,085,291	\$(737,500)	\$ 4,347,791	\$(112,811)	4,234,980
8 OPERATING INCOME	\$ 235,101	\$ 1,651,255	\$ 1,886,356	\$(833,783)	\$ 1,052,573	\$(166,171)	886,402
9 RATE BASE	\$ 23,702,639		\$ 21,328,434		\$ 11,151,425		\$ 11,151,425
RATE OF RETURN	0.99%		8.84%		9.44%		7.95%

PALM COAST UTILITY CORPORATION
 STATEMENT OF WASTEWATER OPERATIONS
 TEST YEAR ENDED 12/31/95

CORRECT LOT COUNT

SCHEDULE NO. 3-B
 DOCKET NO. 951056-WS

DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 3,150,538	\$ 1,756,312	\$ 4,906,850	\$(1,619,645)	\$ 3,287,205	\$(118,200)	3,169,005
OPERATING EXPENSES						-3.60%	
2 OPERATION AND MAINTENANCE	\$ 2,049,154	\$(80,503)	\$ 1,968,651	\$(54,030)	\$ 1,914,621	\$	1,914,621
3 DEPRECIATION	35,244	728,836	764,080	\$(322,291)	441,789		441,789
4 AMORTIZATION	\$(57,525)	(1,309)	\$(58,834)	1,309	\$(57,525)		\$(57,525)
5 TAXES OTHER THAN INCOME	258,285	187,325	445,610	\$(122,619)	322,991	\$(5,319)	317,672
6 INCOME TAXES	131,947	237,542	369,489	\$(218,687)	150,802	\$(42,477)	108,325
7 TOTAL OPERATING EXPENSES	\$ 2,417,105	\$ 1,071,891	\$ 3,488,996	\$(716,319)	\$ 2,772,677	\$(47,796)	2,724,881
8 OPERATING INCOME	\$ 733,433	\$ 684,421	\$ 1,417,854	\$(903,326)	\$ 514,528	\$(70,404)	444,124
9 RATE BASE	\$ 14,057,238		\$ 16,031,208		\$ 5,587,322		\$ 5,587,322
RATE OF RETURN	5.22%		8.84%		9.21%		7.95%

Palm Coast Utility Corporation
 Detail of Correction to Adjustment to Account 354.4

Per Staff Workpapers Supporting Order No. PSC-96-1338-FOF-WS

Account 354.4, per PSC	Y/E Bal	13 Mo. Adj	Adjusted
	6,402,440	(1,034,662)	5,367,778

Calculation of Account 354.4 13 month average should be as follows:
 [From Ex. 7, FS-1, MFR Vol. I., p. 12 & 13]

	Per Books [Before Adj]	Transfer * Ox. Basin	After Adjustment
Dec '94	4,408,479	0	4,408,479
Jan '95	4,408,479	0	4,408,479
Feb	4,408,479	0	4,408,479
Mar	4,408,479	0	4,408,479
Apr	4,408,479	0	4,408,479
May	4,408,479	0	4,408,479
Jun	6,581,521	0	6,581,521
Jul	6,581,521	0	6,581,521
Aug	6,581,521	0	6,581,521
Sep	6,581,521	(179,081)	6,402,440
Oct	6,581,521	(179,081)	6,402,440
Nov	6,581,521	(179,081)	6,402,440
Year End Balance: Dec	6,581,521	(179,081)	6,402,440
13 Mo. Avg	5,578,579	(55,102)	5,523,477
PSC 13 Mo Avg Balance			5,367,778
PSC has understated Acct 353.4 by:			155,699

* Per Ex. 7, MFR Vol. I, p. 12 & 13, an oxidation basin train was transferred from Account 354.4 to Plant Held for Future Use in Sept, 1995. The MFR was based on actual balances through 6/95 and projected balances for 7-12/95. The projected balances do not reflect the transfer of the trains, so it was included as an adjustment to the year end balances. The above calculation correctly reflects the 13 month average of the transfer made in 9/95.

Palm Coast Utility Corporation

Summary of the Effect of Computational Error Corrections on Plant Balances, Rate Base and Revenue Requirements

		Plant	Non-U&U	U&U	
WATER PLANT		NO CORRECTIONS			
WASTEWATER PLANT					
(a)	Staff erred in adjusting Account 354.4 year end balance to 13 mo average balance. Explanation: The amounts for this account, year end and average, include \$179,081 for a 2.5 MGD oxidation basis train. In 9/95, this amount was transferred to Account 103.0, Future Use. The MFR shows a year end adjustment removing this from Account 354.4 and adding it to Account 103.0 [See Ex.7, FS-1, MFR Vol. I, p.12] Staff removed the \$210,801 average balance in Account 103.0 from Account 354.4. That amount is not in Account 354.4. The \$179,081 was removed as an adjustment; the removal is not reflected in the monthly balances. To adjust the year end balance to 13 month average, only the 13 month average of the adjustment from Sept. to Dec. needs to be adjusted. See Attachment A. The effect is to decrease the staff adjustment from \$1,034,662 to \$878,963, or increase plant by \$155,699. [See counter adjustment (c) which corrects the balance for Account 103, Future Use]	Adjustment:	155,699	82,146	73,553
(b)	Staff excluded the 13 month average balance of Account 106, Undistributed plant. Plant should be increased by \$173,869 [See Ex.7, FS-1, MFR Vol. I, p. 13, line 42, col. 15].	Adjustment:	173,869	0	173,869
(c)	This is the counter adjustment to adjustment (a). It corrects the average balance for Account 103, Future Plant to show the book amount of \$210,801 plus the \$55,102 average balance of the amount transferred from Account 354.4, in 9/95, a total of \$265,903.	Adjustment:	55,102	55,102	0
		Adjusted Balances	2,702,017,725	1,527,017,157	1,175,000,568
		Bal per Order	55,081,391	31,106,837	23,974,554
		Total Adjustments	2,646,936,334	1,495,910,320	1,151,026,014
IMPUTATION OF CIAC AGAINST MARGIN RESERVE					
(d)	Staff erred in calculating imputed CIAC by using the requested SAC rather than the approved SAC. The correction reduces imputed CIAC, net of amortization by :	Adjust Imputation	(98,862)		(98,862)
		" amortization	1,518		1,518
		Net Adjustment	(97,344)		(97,344)
NET IMPACT, INCLUDING AFFECTS ON ALLOCATIONS DEPENDENT ON PLANT RATIOS:					
			Water	Wastewater	Total
		Rate Base	18,338	301,551	319,889
		Revenue Req't	6,227	33,983	40,210

Attachment No. 8
 Page 1 of 3

PALM COAST UTILITY CORP

ACCT. NO.	WASTEWATER UTILITY PLANT ACC ACCOUNT NAME	Year End	13-Mo Avg	13-Mo Avg	Year End	STAFF	13-Mo Avg	13-Mo Avg	Year End	STAFF	13-Mo Avg	13-Mo Avg	Depr Exp	Staff	STAFF	STAFF	NET PLANT				
		Plant Per MFRs	STAFF Recom.	STAFF Specific	Adjusted Balance	Depr Rates Per MFRs	Acc Depr Per MFRs	TO	Adjusted Balance	Depr Per MFRs	Exp Per MFRs	Recom.	Adjusted Balance	Sch B-13	3th mth	Adjusted Balance	NON-U/ with MR	NON-U/ without MR	NON-U/ INCL. IN RESERVE	NON-U/ Plant	NON-U/ Acc
INTANGIBLE PLANT																					
351.1	Organization	6,130	0	6,130	3.39%	4,874	(102)	0	4,772	204	0	0	204	NA	NA	NA	NA	NA	NA	NA	NA
352.1	Franchises	2,684	0	2,684	3.20%	2,150	(43)	0	2,107	86	0	0	86	NA	NA	NA	NA	NA	NA	NA	NA
389.1	Other Plant & Misc.	121,366	0	121,366	4.16%	101,895	(2,527)	0	99,368	5,054	0	0	5,054	NA	NA	NA	NA	NA	NA	NA	NA
COLLECTION PLANT																					
353.2	Land and Land Rights	0	0	0	0.00%	0	0	0	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0
354.2	Structures and Improvements	6,560	0	6,560	3.11%	2,948	(102)	0	2,846	204	0	0	204	0.00%	0.00%	0.00%	0	0	0	0	0
360.2	Collection Sewars - Force	0	0	0	0.00%	0	0	0	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0
361.2	Collection Sewars - Gravity	35,493,443	(1,170,095)	34,323,348	2.46%	11,844,229	(437,656)	0	11,406,573	673,351	(26,791)	0	844,560	61.59%	63.07%	1.46%	21,139,750	7,025,308	520,164		
361	Advanced Mains	13,789	0	13,789	2.52%	2,491	(174)	0	2,317	348	0	0	348	0.00%	0.00%	0.00%	0	0	0	0	0
361	Advanced Mains	16,452	(731)	15,721	2.33%	665	(182)	0	493	384	(17)	0	367	0.00%	0.00%	0.00%	0	0	0	0	0
362	Services	2,964,847	0	2,964,847	2.63%	1,286,818	(39,008)	0	1,247,812	78,012	0	0	78,012	65.71%	67.38%	1.67%	1,948,201	619,937	51,262		
365.2	Flow Measuring Installation	0	0	0	0.00%	0	0	0	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0
389.2	Other Plant & Misc.	0	0	0	0.00%	0	0	0	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0
SYSTEM PUMPING PLANT																					
353.3	Land & Land Rights	207,043	0	207,043	NA	43	30	0	73	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0
354.3	Structures & Improvements	101,995	0	101,995	3.12%	44,381	(1,591)	0	42,790	3,180	0	0	3,180	61.27%	63.35%	2.08%	62,492	26,217	1,948		
370.3	Receiving Wells	0	0	0	0.00%	0	0	0	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0
371.3	Pumping Equipment	4,233,215	(86,493)	4,146,720	5.52%	1,939,909	(115,758)	0	1,824,151	233,472	(4,770)	0	228,702	61.27%	63.35%	2.08%	2,540,695	1,117,657	140,125		
389.3	Other Plant & Misc.	0	0	0	0.00%	0	0	0	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0
TREATMENT & DISPOSAL PLANT																					
353.4	Land & Land Rights	948,489	0	(525,555)	NA	40	0	0	40	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0
354.4	Structures & Improvements	8,402,440	(1,034,662)	5,367,778	3.13%	1,329,271	(93,820)	0	1,235,451	200,348	(32,377)	0	167,971	52.76%	56.76%	4.00%	2,632,040	651,824	88,621		
360.4	Treatment and Disposal Equip.	6,707,269	(1,493,240)	5,214,029	5.53%	1,480,907	(162,330)	0	1,318,577	370,636	(82,558)	0	288,277	43.96%	49.19%	5.21%	2,293,130	579,910	126,784		
361.4	Plant Sewers	0	0	0	2.86%	0	0	0	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0
362.4	Outfall Sewer Lines	0	0	0	3.33%	0	0	0	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0
389.4	Other Plant & Misc.	0	0	0	5.56%	0	0	0	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0
GENERAL PLANT																					
353	Land & Land Rights	0	0	0	NA	0	0	0	0	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
354	Structures & Improvements	534,224	0	534,224	2.47%	137,789	0	0	137,789	13,213	0	0	13,213	9.02%	13.20%	4.18%	48,167	12,429	1,192		
390	Office Furniture & Equipment	391,033	(40,961)	350,072	7.87%	201,390	(9,628)	0	191,762	30,011	(3,144)	0	26,867	9.02%	13.20%	4.18%	31,577	17,297	2,423		
390	Computer Equipment	0	0	0	18.87%	0	0	0	0	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
391	Transportation Equipment	678,806	(58,397)	620,409	11.73%	497,925	(40,068)	0	457,857	79,610	(6,849)	0	72,761	NA	NA	NA	NA	NA	NA	NA	NA
392	Stores Equipment	6,057	19	6,076	4.06%	4,189	(104)	0	4,085	247	1	0	248	NA	NA	NA	NA	NA	NA	NA	NA
393	Tools, Shop & Garage	188,947	(26,973)	159,974	4.69%	70,616	(4,373)	0	66,243	8,669	(1,360)	0	7,509	NA	NA	NA	NA	NA	NA	NA	NA
394	Laboratory Equipment	20,739	157	20,896	6.80%	9,997	(548)	0	9,451	1,410	11	0	1,421	NA	NA	NA	NA	NA	NA	NA	NA
395	Power Operated Equipment	253,942	(42,419)	211,523	5.51%	93,183	(2,967)	0	90,216	13,990	(2,337)	0	11,653	NA	NA	NA	NA	NA	NA	NA	NA
396	Communication Equipment	52,925	0	52,925	7.63%	36,599	(2,018)	0	34,581	4,037	0	0	4,037	NA	NA	NA	NA	NA	NA	NA	NA
397	Miscellaneous Equipment	1,527	(0)	1,527	0.00%	1,540	20,837	0	22,377	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
106	Undistributed Plant	0	0	0	10.00%	0	0	0	0	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
OTHER																					
103	Future Use Plant	179,081	31,720	0	210,801	0.00%	0	0	0	0	0	0	0	100.00%	100.00%	0	210,801	0	0	0	0
107	Advanced Property	0	0	0	0.00%	0	0	0	0	0	0	0	0	100.00%	100.00%	0	0	0	0	0	0
TOTALS - WASTEWATER																					
		59,531,023	(3,924,077)	(525,555)	55,081,391	19,083,669	(692,137)	0	18,201,732	1,916,866	(162,193)	0	1,754,673	56.47%	NA	NA	NA	NA	NA	932,521	

IMPUTATION OF CIAC ON MARGIN RESERVE	Treatment Plant	Collection Plant	Total	RATIO OF NON-USED & USEFUL PLANT TO PLANT	56.47%
1 Service Availability Charge (PCC or MEF)	334	1,236			
2 ERCs included in MR (Note 1)	2,229	774			
3 SAC = ERCs in MR (Line 1*Line 3)	743,428	956,450			
Net plant included as a result of MR					
4 Treat & Disposal Plant	5,125,170				
5 Collection Plant		23,087,951			
6 System Pumping Plant		2,803,188			
Total Collection and Pumping		25,891,139			
8 Amount of CIAC to impute (Lower of lines 3 or 4)	743,428	956,450	649,939		

COMPONENT	TEST YEAR PER UTILITY YEAR-END	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR PER UTILITY	COMMISSION ADJUSTMENTS	COMMISSION AD. AVERAGE TEST YEAR
1 UTILITY PLANT IN SERVICE	\$ 63,505,519	\$ (2,128,199)	\$ 61,377,320	\$ (1,089,914)	60,287,406
2 LAND & LAND RIGHTS	504,632	0	504,632	0	504,632
3 NON-USED & USEFUL COMPONENTS	(8,602,553)	0	(8,602,553)	(10,464,761)	(19,067,314)
4 CWIP	3,992,210	(3,992,210)	0	0	0
5 ACCUMULATED DEPRECIATION	(20,996,438)	1,074,065	(19,922,373)	938,154	(18,984,219)
6 CIAC	(16,390,083)	0	(16,390,083)	1,027,079	(15,363,004)
7 AMORTIZATION OF CIAC	3,241,580	0	3,241,580	(246,931)	2,994,649
8 NET DEBIT DEFERRED TAXES (USED)	1,119,911	0	1,119,911	(464,511)	655,400
9	0	0	0	0	0
10 ADVANCES FOR CONSTRUCTION	(2,672,139)	2,672,139	0	0	0
11 WORKING CAPITAL ALLOWANCE	0	0	0	0	0
12 OTHER	0	0	0	0	0
RATE BASE	\$ 23,702,639	\$ (2,374,205)	21,328,434	\$ (10,300,884)	11,027,550

COMPONENT	TEST YEAR PER UTILITY YEAR-END	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR PER UTILITY	COMMISSION ADJUSTMENTS	COMMISSION AD. AVERAGE TEST YEAR
1 UTILITY PLANT IN SERVICE	\$ 56,249,291	\$ 2,128,199	\$ 58,377,490	(\$ 3,539,407)	54,838,083
2 LAND & LAND RIGHTS	1,153,532	0	1,153,532	(525,555)	627,977
3 NON-USED & USEFUL COMPONENTS	18,345,687	426,872	18,772,559	(7,062,145)	11,710,414
4 CWP	0	0	0	0	0
5 ACCUMULATED DEPRECIATION	(18,107,234)	(986,635)	(19,093,869)	883,444	(18,210,425)
6 CIAC	(61,045,743)	0	(61,045,743)	399,739	(60,646,004)
7 AMORTIZATION OF CIAC	16,511,375	0	16,511,375	(788,042)	15,723,333
8 DEBIT DEFERRED INCOME TAXES	1,940,403	0	1,940,403	161,345	2,101,748
9	0	0	0	0	0
10 ADVANCES FOR CONSTRUCTION	(990,073)	405,534	(584,539)	(75,803)	(660,342)
11 WORKING CAPITAL ALLOWANCE	0	0	0	0	0
12 OTHER	0	0	0	0	0
RATE BASE	\$ 14,057,238	\$ 1,973,970	\$ 16,031,208	(\$ 10,546,425)	5,484,783

**PALM COAST UTILITY CORPORATION
CAPITAL STRUCTURE
TEST YEAR ENDED 12/31/95**

MATH ERRORS CORRECTED

**SCHEDULE NO. 2
DOCKET NO. 951056 - WS**

DESCRIPTION	TOTAL CAPITAL	SPECIFIC ADJUSTMENTS (EXPLAIN)	PRO RATA ADJUSTMENTS	CAPITAL RECONCILED TO RATE BASE	RATIO	COST RATE	WEIGHTED COST
PER UTILITY 1995 - YEAR-END							
1 LONG TERM DEBT	\$ 12,125,000	\$ 0	(643,582)\$	11,481,418	30.73%	7.24%	2.23%
2 SHORT-TERM DEBT	4,312,000	0	(228,876)	4,083,124	10.93%	7.73%	0.84%
3 PREFERRED STOCK	0	0	0	0	0.00%	0.00%	0.00%
4 COMMON EQUITY	20,265,735	0	(1,075,683)	19,190,052	51.37%	11.10%	5.70%
5 CUSTOMER DEPOSITS	485,000	0	(25,743)	459,257	1.23%	6.00%	0.07%
6 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
7 DEFERRED ITC'S - ZERO COST	2,266,072	0	(120,281)	2,145,791	5.74%	0.00%	0.00%
8 OTHER	0	0	0	0	0.00%	0.00%	0.00%
9 TOTAL CAPITAL	\$ 39,453,807	0	(2,094,165)\$	37,359,642	100.00%		8.85%
PER COMMISSION 1995 - 13-MONTH AVERAGE							
10 LONG TERM DEBT	\$ 12,557,692	\$ 0	(7,833,247)\$	4,724,445	28.61%	7.24%	2.07%
11 SHORT-TERM DEBT	3,668,231	0	(2,288,172)	1,380,059	8.36%	7.73%	0.65%
12 PREFERRED STOCK	0	0	0	0	0.00%	0.00%	0.00%
13 COMMON EQUITY	19,943,543	0	(12,440,399)	7,503,144	45.44%	11.10%	5.04%
14 CUSTOMER DEPOSITS	458,926	0	0	458,926	2.78%	6.00%	0.17%
15 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
15 DEFERRED ITC'S - ZERO COST	2,316,226	129,534	0	2,445,760	14.81%	0.00%	0.00%
16 OTHER	0	0	0	0	0.00%	0.00%	0.00%
17 TOTAL CAPITAL	\$ 38,944,618	129,534	(22,561,819)\$	16,512,333	100.00%		7.93%

RANGE OF REASONABLENESS	LOW	HIGH
RETURN ON EQUITY	<u>10.10%</u>	<u>12.10%</u>
OVERALL RATE OF RETURN	<u>7.47%</u>	<u>8.38%</u>

PALM COAST UTILITY CORPORATION
 STATEMENT OF WATER OPERATIONS
 TEST YEAR ENDED 12/31/95

MATH ERRORS CORRECTED

SCHEDULE NO. 3-A
 DOCKET NO. 951056-WS

DESCRIPTION	TEST YEAR PER UTILITY 1996	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1996	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 5,384,699	\$ 1,586,948	\$ 6,971,647	(1,571,283)\$	5,400,364 \$	(300,102)\$	5,100,262
OPERATING EXPENSES:						-5.56%	
2 OPERATION AND MAINTENANCE	\$ 3,026,338	(222,018)\$	2,804,320	(44,132)\$	2,760,188 \$	\$	2,760,188
3 DEPRECIATION	1,621,374	(437,104)	1,184,270	(349,719)	834,551		834,551
4 AMORTIZATION	(82,781)	(5,469)	(88,250)	5,469	(82,781)		(82,781)
5 TAXES OTHER THAN INCOME	874,220	(180,899)	693,321	(179,028)	514,293	(13,505)	500,788
6 INCOME TAXES	(289,553)	781,183	491,630	(170,601)	321,029	(107,847)	213,182
7 TOTAL OPERATING EXPENSES	\$ 5,149,598	(64,307)\$	5,085,291	(738,011)\$	4,347,280 \$	(121,351)\$	4,225,929
8 OPERATING INCOME	\$ 235,101	1,651,255 \$	1,886,356	(833,272)\$	1,053,084 \$	(178,751)\$	874,333
9 RATE BASE	\$ 23,702,639		\$ 21,328,434		\$ 11,027,550		\$ 11,027,550
RATE OF RETURN	0.99%		8.84%		9.55%		7.93%

PALM COAST UTILITY CORPORATION
 STATEMENT OF WASTEWATER OPERATIONS
 TEST YEAR ENDED 12/31/95

MATH ERRORS CORRECTED

SCHEDULE NO. 3-B
 DOCKET NO. 951056-WS

DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 3,150,538	\$ 1,756,312	\$ 4,906,850	(\$ 1,619,645)	\$ 3,287,205	(\$ 147,960)	3,139,245
OPERATING EXPENSES						-4.50%	
2 OPERATION AND MAINTENANCE	\$ 2,049,154	(\$ 80,503)	\$ 1,968,651	(\$ 54,030)	\$ 1,914,621	\$	1,914,621
3 DEPRECIATION	35,244	728,836	764,080	(336,933)	427,147		427,147
4 AMORTIZATION	(57,525)	(1,309)	(58,834)	1,309	(57,525)		(57,525)
5 TAXES OTHER THAN INCOME	258,285	187,325	445,610	(124,848)	320,762	(6,658)	314,103
6 INCOME TAXES	131,947	237,542	369,489	(210,287)	159,202	(53,172)	106,031
7 TOTAL OPERATING EXPENSES	\$ 2,417,105	\$ 1,071,891	\$ 3,488,996	(\$ 724,789)	\$ 2,764,207	(\$ 59,830)	2,704,377
8 OPERATING INCOME	\$ 733,433	\$ 684,421	\$ 1,417,854	(\$ 894,856)	\$ 522,998	(\$ 88,130)	434,868
9 RATE BASE	\$ 14,057,238	\$	\$ 16,031,208	\$	\$ 5,484,783	\$	\$ 5,484,783
RATE OF RETURN	5.22%		8.84%		9.54%		7.93%

Palm Coast Utility Corporation
 Revenue Shortfall Resulting from Failure to Reconcile ITCs to Rate Base

	Water	Wastewater	Total
Revenue Requirement with ITCs Reconciled to Rate Base	5,215,419	3,162,410	8,377,829
Revenue Requirement per Order	5,094,035	3,105,262	8,199,297
Revenue Shortfall	121,384	57,148	178,532
Cost of Capital with Reconciliation			8.74%
Cost of Capital per Order			7.90%

PALM COAST UTILITY CORPORATION
 CAPITAL STRUCTURE
 TEST YEAR ENDED 12/31/95

SCHEDULE NO. 2
 DOCKET NO. 951056-WS

CORRECTED FOR CAPITALIZATION

DESCRIPTION	TOTAL CAPITAL	SPECIFIC ADJUSTMENTS (EXPLAIN)	PRO RATA ADJUSTMENTS	CAPITAL RECONCILED TO RATE BASE	RATIO	COST RATE	WEIGHTED COST
PER UTILITY 1995 - YEAR-END							
1 LONG TERM DEBT	\$ 12,125,000	0	0 \$ (643,582)\$	11,481,418	30.73%	7.24%	2.23%
2 SHORT-TERM DEBT	4,312,000	0	(228,878)	4,083,124	10.93%	7.73%	0.84%
3 PREFERRED STOCK	0	0	0	0	0.00%	0.00%	0.00%
4 COMMON EQUITY	20,265,735	0	(1,075,683)	19,190,052	51.37%	11.10%	5.70%
5 CUSTOMER DEPOSITS	485,000	0	(25,743)	459,257	1.23%	6.00%	0.07%
6 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
7 DEFERRED ITC'S-ZERO COST	2,266,072	0	(120,281)	2,145,791	5.74%	0.00%	0.00%
8 OTHER	0	0	0	0	0.00%	0.00%	0.00%
9 TOTAL CAPITAL	\$ <u>39,453,807</u> \$	0 \$	<u>(2,094,185)</u> \$	<u>37,359,642</u>	<u>100.00%</u>		<u>8.85%</u>
PER COMMISSION 1995 - 13-MONTH AVERAGE							
10 LONG TERM DEBT	\$ 12,557,692	0	0 \$ (7,441,143)\$	5,116,549	31.60%	7.24%	2.29%
11 SHORT-TERM DEBT	3,666,231	0	(2,173,635)	1,494,596	9.23%	7.73%	0.71%
12 PREFERRED STOCK	0	0	0	0	0.00%	0.00%	0.00%
13 COMMON EQUITY	19,943,543	0	(11,817,878)	8,125,665	50.18%	11.10%	5.57%
14 CUSTOMER DEPOSITS	458,926	0	0	458,926	2.83%	6.00%	0.17%
15 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
15 DEFERRED ITC'S-ZERO COST	2,316,226	129,534	(1,448,251)	996,509	6.15%	0.00%	0.00%
16 OTHER	0	0	0	0	0.00%	0.00%	0.00%
17 TOTAL CAPITAL	\$ <u>36,944,618</u> \$	<u>129,534</u> \$	<u>(22,881,708)</u> \$	<u>16,192,444</u>	<u>100.00%</u>		<u>8.74%</u>
RANGE OF REASONABLENESS					<u>LOW</u>	<u>HIGH</u>	
RETURN ON EQUITY					<u>10.10%</u>	<u>12.10%</u>	
OVERALL RATE OF RETURN					<u>8.24%</u>	<u>9.24%</u>	

PALM COAST UTILITY CORPORATION
 STATEMENT OF WATER OPERATIONS
 TEST YEAR ENDED 12/31/95

SCHEDULE NO. 3-A
 DOCKET NO. 951056-W8

CORRECTED FOR CAPITALISATION

DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 5,384,699 \$	1,586,948 \$	6,971,647 \$	(1,571,283)\$	5,400,364 \$	(184,945)\$	5,215,419
OPERATING EXPENSES:						-3.42%	
2 OPERATION AND MAINTENANCE	\$ 3,026,338 \$	(222,018)\$	2,804,320 \$	(44,132)\$	2,760,188 \$	\$	2,760,188
3 DEPRECIATION	1,621,374	(437,104)	1,184,270	(349,719)	834,551		834,551
4 AMORTIZATION	(82,781)	(5,469)	(88,250)	5,469	(82,781)		(82,781)
5 TAXES OTHER THAN INCOME	874,220	(180,899)	693,321	(179,028)	514,293	(8,323)	505,970
6 INCOME TAXES	(289,553)	781,183	491,630	(190,122)	301,508	(66,463)	235,045
7 TOTAL OPERATING EXPENSES	\$ 5,149,598 \$	(64,307)\$	5,085,291 \$	(757,532)\$	4,327,759 \$	(74,786)\$	4,252,974
8 OPERATING INCOME	\$ 235,101 \$	1,651,255 \$	1,886,356 \$	(813,751)\$	1,072,605 \$	(110,160)\$	962,445
9 RATE BASE	\$ 23,702,639	\$	21,328,434	\$	11,009,212	\$	11,009,212
RATE OF RETURN	0.99%		8.84%		9.74%		8.74%

PALM COAST UTILITY CORPORATION
 STATEMENT OF WASTEWATER OPERATIONS
 TEST YEAR ENDED 12/31/95

SCHEDULE NO. 3-B
 DOCKET NO. 951656-W8

CORRECTED FOR CAPITALIZATION

DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 3,150,538	\$ 1,756,312	\$ 4,906,850	(\$1,619,645)	\$ 3,287,205	(\$124,795)	3,162,410
OPERATING EXPENSES						-3.80%	
2 OPERATION AND MAINTENANCE	\$ 2,049,154	(\$90,503)	\$ 1,968,651	(\$54,030)	\$ 1,914,621	\$	\$ 1,914,621
3 DEPRECIATION	352,444	728,836	764,080	(\$337,397)	426,683		426,683
4 AMORTIZATION	(\$57,525)	(1,309)	(\$58,834)	1,309	(\$57,525)		(\$57,525)
5 TAXES OTHER THAN INCOME	258,285	187,325	445,610	(125,151)	320,459	(\$5,616)	314,843
6 INCOME TAXES	131,947	237,542	369,489	(\$213,981)	155,508	(\$44,847)	110,661
7 TOTAL OPERATING EXPENSES	\$ 2,417,105	\$ 1,071,891	\$ 3,488,996	(\$729,250)	\$ 2,759,746	(\$50,463)	2,709,283
8 OPERATING INCOME	\$ 733,433	\$ 684,421	\$ 1,417,854	(\$690,395)	\$ 527,459	(\$74,332)	453,127
9 RATE BASE	\$ 14,057,238		\$ 16,031,208		\$ 5,183,232		\$ 5,183,232
RATE OF RETURN	5.22%		8.84%		10.18%		8.74%

PALM COAST UTILITY CORPORATION
 CUMULATIVE EFFECT OF CHANGES PROPOSED BY MOTION FOR RECONSIDERATION

A.	RATE STRUCTURE CORRECTION	
	The water rate in Order results in a shortfall of \$273,923 from revenues authorized in Order.	
	The basic 5/8" x 3/4" rate in Order is:	\$12.53/mo + \$2.87/MG
	The corrected rate necessary to produce authorized revenues is:	\$12.57/mo + \$3.17/MG

	Water			Wastewater			Total		
	Rate Base	Revenue	Return	Rate Base	Revenue	Return	Rate Base	Revenue	Return
B.	Amounts Granted by Order								
	11,009,212	5,094,035	7.90%	5,183,232	3,105,262	7.90%	16,192,444	8,199,297	7.90%
	11,151,425	5,121,383	7.95%	5,587,322	3,169,005	7.95%	16,738,747	8,290,388	7.95%
	142,213	27,348	0.05%	404,090	63,743	0.05%	546,303	91,091	0.05%
C.	Correct Computational Errors								
	11,027,550	5,100,262	7.93%	5,484,783	3,139,245	7.93%	16,512,333	8,239,507	7.93%
	18,338	6,227	0.03%	301,551	33,983	0.03%	319,889	40,210	0.03%
D.	Reconcile ITCs to Rate Base								
	11,009,212	5,215,419	8.74%	5,183,232	3,162,410	8.74%	16,192,444	8,377,829	8.74%
	0	121,384	0.84%	0	57,148	0.84%	0	178,532	0.84%
	Total Effect of Corrections			Total Effect of Corrections			Total Effect of Corrections		
	160,551	154,959	0.92%	705,641	154,874	0.92%	866,192	309,833	0.92%