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March 17, 1997

HAND DELIVERY

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

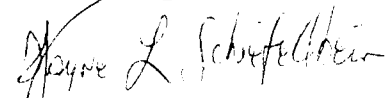
RE: Docket No. 951056-WS
Application by PALM COAST UTILITY CORPORATION
for a rate increase in Flagler County, Florida

Dear Ms. Bayo:

Enclosed for filing on behalf of Palm Coast Utility Corporation in the above docket are an original and fifteen copies of a Notice of Filing PSC Staff Electronic Spreadsheets.

Please acknowledge receipt of the foregoing by stamping the enclosed extra copy of this letter and returning same to my attention. Thank you for your assistance.

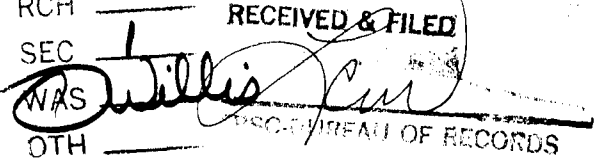
Sincerely,



Wayne L. Schiefelbein

- ACK 3
- AFA _____
- APP _____
- CAF _____
- CMU _____ WLS/pav
- Enclosures
- CTR _____
- EAG _____
- LEG 1
- LIN 3
- OPC _____
- RCH _____
- SEC _____
- WAS _____
- OTH _____

RECEIVED & FILED



DOCUMENT NUMBER DATE
32766 MAR 17 97
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for rate)
increase in Flagler County by)
PALM COAST UTILITY CORPORATION)

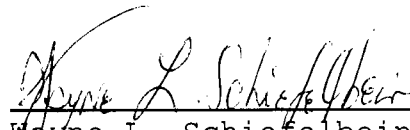
Docket No. 951056-WS
Filed: March 17, 1997

NOTICE OF FILING PSC STAFF ELECTRONIC SPREADSHEETS

Palm Coast Utility Corporation (PCUC) hereby gives notice of its filing of the PSC Staff Electronic Spreadsheets provided to PCUC in response to its March 10, 1997 public records request regarding the March 6, 1997 Staff recommendation for the above docket.

DATED this 17th day of March, 1997.

Respectfully submitted,



Wayne L. Schiefelbein
Gatlin, Schiefelbein & Cowdery, P.A.
1709-D Mahan Drive
Tallahassee, Florida 32308
(904) 877-5609

Attorneys for
PALM COAST UTILITY CORPORATION

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by hand delivery to Ms. Bobbie Reyes, Esquire, Division of Legal Services, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0850, to Mr. Stephen C. Reilly, Associate Public Counsel, Office of Public Counsel, Claude Pepper Building, Room 812, 111 West Madison Street, Tallahassee, Florida 32399-1400, and to Mr. Richard Melson, Esquire, Hopping, Green, Sams & Smith, 123 South Calhoun Street, Tallahassee, Florida 32314, and by U.S. Mail to Mr. Albert J. Hadeed, County Attorney, 1200 East Moody Boulevard, #11, Bunnell, Florida 32110-9764, and to Mr. Arthur L. Sirkin, c/o County Attorney, 1200 East Moody Blvd., #11, Bunnell, Florida 32110, on this 17th day of March, 1997.



Wayne L. Schiefelbein

02766 MAR 17 97

FPSC-RECORDS/REPORTING

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PRINTOUT OF
PSC STAFF ELECTRONIC SPREADSHEETS
PROVIDED TO PCUC
IN SUPPORT OF STAFF MARCH 6, 1997 RECOMMENDATION
ON MOTIONS FOR RECONSIDERATION

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

**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	\$ <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 STAFF 1995 — 13—MONTH AVERAGE							
10 LONG TERM DEBT	\$ 12,557,692	\$ 0	\$(6,519,103)	6,038,589	31.74%	7.24%	2.30%
11 SHORT—TERM DEBT	3,668,231	0	(1,904,297)	1,763,934	9.27%	7.73%	0.72%
12 PREFERRED STOCK	0	0	0	0	0.00%	0.00%	0.00%
13 COMMON EQUITY	19,943,543	0	(10,353,337)	9,590,206	50.40%	11.10%	5.60%
14 CUSTOMER DEPOSITS	458,926	0	0	458,926	2.41%	6.00%	0.14%
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	(1,269,673)	1,176,087	6.18%	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>\$(20,046,411)</u>	<u>19,027,741</u>	<u>100.00%</u>		<u>8.75%</u>
RANGE OF REASONABLENESS					LOW	HIGH	
RETURN ON EQUITY					<u>10.10%</u>	<u>12.10%</u>	
OVERALL RATE OF RETURN					<u>8.25%</u>	<u>9.26%</u>	

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PALM COAST UTILITY CORP																		
Used & Useful Adjustments to CIAC & Accumulated Amortization of CIAC																		
<u>WATER</u>			Test Year En 13-Mo Avg	13-Mo Avg	Composite 13-Mo Avg						Test Year			NON-U/U				
<u>Classification</u>	CIAC per	Staff	Staff	NON-U/U	NON-U/U	MFR Sch	MFRs Sch	MFRs Sch	MFRs Sch	MFRs Sch	MFRs Sch	MFRs Sch	MFRs Sch	MFRs Sch	MFRs Sch	MFRs Sch	MFRs Sch	
	'MFRs Sch	Recom.	Adjusted															%-CIAC
		Adjustment	Balance															AMORTIZ
Plant Capacity Fees	9,513,590	(405,598)	9,107,992	0.00%	0	3.19%	2,029,065	(168,216)	1,860,849	0.00%	0	303,198	(12,926)	290,272	0			
Line/Main Extensions	0	0	0	0.00%	0	3.19%	0	0	0	0.00%	0	0	0	0	0			
Meter Installation Fees	2,812,617	(102,004)	2,710,613	0.00%	0	3.19%	596,807	(45,333)	551,474	0.00%	0	89,638	(3,251)	86,387	0			
Contributed Lines	2,449,876	(292,755)	2,157,121	73.10%	1,576,855	3.19%	442,778	(18,960)	423,818	73.10%	309,811	78,078	(9,330)	68,747	50,254			
Other - Advance Capacity Charge	1,614,000	(571,154)	1,042,846	30.00%	312,854	3.19%	172,930	(19,911)	153,019	30.00%	45,906	51,438	(18,203)	33,236	9,971			
Service Installation Fees	0	0	0	0.00%	0	3.19%	0	0	0	0.00%	0	0	0	0	0			
Total	16,390,083	(1,371,511)	15,018,572		1,889,709		3,241,580	(252,420)	2,989,160		355,717	522,352	(43,710)	478,642	60,225			

<u>WASTEWATER</u>																		
<u>Classification</u>	13-Mo Avg	13-Mo Avg	13-Mo Avg	NON-U/U	NON-U/U	MFR Sch	MFRs Sch	MFRs Sch	MFRs Sch	MFRs Sch	MFRs Sch	MFRs Sch	MFRs Sch	MFRs Sch	MFRs Sch	MFRs Sch	MFRs Sch	NON-U/U
	CIAC per	Staff	Staff															
Plant Capacity Fees	16,106,163	(608,171)	15,497,992	0.00%	0	3.07%	4,846,216	(260,840)	4,585,376	0.00%	0	494,733	(18,681)	476,052	0			
Line/Main Extensions	0	0	0	0.00%	0	0.00%	0	0	0	0.00%	0	0	0	0	0			
Meter Installation Fees	0	0	0	0.00%	0	0.00%	0	0	0	0.00%	0	0	0	0	0			
Contributed Lines	2,374,667	(297,705)	2,076,962	60.51%	1,256,770	3.07%	620,081	(18,126)	601,955	60.51%	364,243	72,943	(9,145)	63,798	38,604			
Other-Trust	8,124,376	(14,194)	7,982,435	100.00%	7,982,435	0.00%	0	0	0	100.00%	0	0	0	0	0			
Other-Prepaid	34,440,537	(102,999)	34,337,538	100.00%	34,337,538	3.07%	11,045,078	(520,605)	10,524,473	100.00%	10,524,473	1,057,910	(3,164)	1,054,746	1,054,746			
Total	61,045,743	(1,150,816)	59,894,927		43,576,743		18,511,375	(799,571)	15,711,804		10,888,716	1,625,586	(30,990)	1,594,596	1,093,350			

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Range:A:DIT

**CALCULATION OF USED AND USEFUL NET DEBIT DEFERRED TAXES
13-MONTH AVERAGE
TYE 12/31/95**

	<u>1988</u>	<u>1995</u>	<u>CHANGE</u>	<u>%OF TOTAL</u>	<u>%NON-USEI</u>
WATER					
CIAC-USED	6,159	13,817	7,658		
CIAC-NON-USED	1,451	1,890	439		
ADVANCES-NON-USED	<u>1,838</u>	<u>2,385</u>	<u>547</u>		
TOTAL WATER	9,448	18,092	<u>8,644</u>	38.20%	11.40%
WASTEWATER					
CIAC-USED	8,854	16,998	8,144		
CIAC-NON-USED	33,618	35,594	1,976		
CIAC IN TRUST-NON-USED	4,416	7,982	3,566		
ADVANCES-NON-USED	<u>362</u>	<u>660</u>	<u>298</u>		
TOTAL WATER	47,250	61,235	<u>13,985</u>	<u>61.80%</u>	41.76%
TOTAL WAW			22,629	100.00%	

PREPAID POST '86, AVG	TOTAL	WATER	WASTEWATER
13-MONTH AVG PER PCUC	11,674,629	4,459,592	7,215,037
STAFF ADJUSTMENT	<u>(378,629)</u>	<u>(218,090)</u>	<u>(160,539)</u>
ADJUSTED POST '86	11,296,000	4,241,502	7,054,498
NON-USED AND USEFUL	3,429,953	483,682	2,946,272

13 MONTH AVERAGE 1995- GROSS DEBITS

	<u>TOTAL</u>	<u>WATER</u>	<u>WASTEWATER</u>
PRE 87	2,388,952	0	2,388,952
POST 86	11,296,000	4,241,502	7,054,498
CIAC TAX GROSS-UP	<u>(4,256,932)</u>	<u>(2,518,588)</u>	<u>(1,738,344)</u>
TOTAL GROSS DEBITS	9,428,020	1,722,914	7,705,106
ADJUSTMENTS			
A. DISALLOWED PER ORDER	(2,388,952)	0	(2,388,952)
B. NON-USED	<u>(3,429,953)</u>	<u>(483,682)</u>	<u>(2,946,272)</u>
TOTAL ADJUSTMENTS	(5,818,905)	(483,682)	(5,335,224)
ADJUSTED USED DEBITS	<u>3,609,115</u>	<u>1,239,232</u>	<u>2,369,883</u>

GROSS DEFERRED CREDITS

	<u>TOTAL</u>	<u>WATER</u>	<u>WASTEWATER</u>
PLANT IN SERVICE	116,079,017	60,792,037	55,286,980
% TO TOTAL	100.00%	52.37%	47.63%
13-MONTH AVERAGE CR DITS	1,654,529	866,498	788,031
TOTAL NON-USED PLANT %		43.70%	55.62%
NON-USED CREDIT DITS	<u>817,030</u>	<u>378,694</u>	<u>438,336</u>
NET USED DIT CREDITS	<u>837,499</u>	<u>487,803</u>	<u>349,696</u>
NET DEBIT AND CREDIT USED	<u>2,771,616</u>	<u>751,429</u>	<u>2,020,187</u>

	<u>USED DR</u>	<u>USED CR</u>	<u>NET USED</u>
WATER			
PER UTILITY 13-MO. AVG	1,875,326	(694,679)	1,180,647
PER STAFF 13-MO. AVG	1,239,232	(487,803)	751,429
WASTEWATER			
PER UTILITY 13-MO. AVG	2,402,495	(504,354)	1,898,141
PER STAFF 13-MO. AVG	2,369,883	(349,696)	2,020,187

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Range:A:EQUITY

Cost of Equity Capital – Per Current Leverage Graph
(UPDATE EVERYTIME THE LEVERAGE GRAPH IS CHANGED)

Cost of Equity Leverage Formula $0.0905 + (.01131/ER)$

$ER = \text{Equity Ratio} = \text{Common Equity} / (\text{Common} + \text{Preferred} + \text{LT Debt} + \text{ST Debt})$

Equity Ratio	55.14%
Cost of Equity	11.10%
Leverage Formula	11.10%
Ceiling for ROE @ 40%	11.88%

Range:A:ITC

Cost of Deferred Investment Tax Credits

Option 1 = zero cost, no amortization included in above the line income tax expense.

Option 2= Overall weighted cost of investor sources of capital and amortization included as a reduction to above the line income tax expense.

Calculation of Overall Weighted Cost of Investor Sources of Capital

	<u>Amount</u>	<u>Ratio</u>	<u>Cost</u>	<u>Weighted Cost</u>
Long-term Debt	6,038,589	34.72%	7.24%	2.51%
Short-term Debt	1,763,934	10.14%	7.73%	0.78%
Preferred Stock	0	0.00%	0.00%	0.00%
Common Stock	<u>9,590,206</u>	<u>55.14%</u>	11.10%	<u>6.12%</u>
Total Investor Sources of Funds	<u>17,392,728</u>	<u>100.00%</u>		<u>9.42%</u>

**PALM COAST UTILITY CORPORATION—RECONSIDERATION
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/95**

**SCHEDULE NO. 3-C
DOCKET NO. 951056-WS**

EXPLANATION	WATER	WASTEWATER
<u>OPERATING REVENUES</u>		
1 Remove requested final revenue increase	(1,479,626)	(1,575,817)
2 To include non-utility income	1,802	50,834
3 To remove year end adjustment	(93,459)	(94,662)
Total	<u>(1,571,283)</u>	<u>(1,619,645)</u>
<u>OPERATION & MAINTENANCE EXPENSE</u>		
1 Adjustment per stipulation No. 2 (Audit Exception No. 4)	(6,276)	896
2 Remove unsupported affiliate charges	(15,153)	(10,259)
3 Remove non-recurring personnel services expenses	(10,204)	(6,909)
4 Remove non-recurring legal fees	(4,457)	(3,017)
5 Reflect additional current rate case expense	11,185	11,185
6 To reduce chamber dues & rental expenses per Stipulation No. 3	(828)	(36,981)
7 To remove year end adjustment for power & chemicals	(18,399)	(8,945)
Total	<u>(44,132)</u>	<u>(54,030)</u>
<u>DEPRECIATION EXPENSE—NET</u>		
1 Imputation of CIAC—MR 1-48	(21,936)	(20,877)
2 Net used and useful adjustment	(345,024)	(303,396)
Total	<u>(366,960)</u>	<u>(324,273)</u>
<u>AMORTIZATION, CIAC TAX GROSS UP</u>		
To remove year end adjustment	<u>5,469</u>	<u>1,309</u>
<u>TAXES OTHER THAN INCOME</u>		
1 Remove RAF's on revenue adjustment	(70,708)	(72,884)
2 Non-used and useful property taxes 1-108	(95,390)	(50,482)
Total	<u>(166,097)</u>	<u>(123,366)</u>
<u>INCOME TAXES</u>		
To adjust to test year income tax expense	<u>(234,609)</u>	<u>(228,753)</u>
<u>OPERATING REVENUES</u>		
Adjustment to reflect revenue requirement	\$ <u>82,723</u>	\$ <u>(54,209)</u>
<u>TAXES OTHER THAN INCOME TAXES</u>		
Regulatory assessment taxes on additional revenues	\$ <u>3,723</u>	\$ <u>(2,439)</u>
<u>INCOME TAXES</u>		
Income taxes related to revenue requirement	\$ <u>29,728</u>	\$ <u>(19,481)</u>

PALM COAST UTILITY CORPORATION—RECONSIDERATION ADJUSTMENTS TO OPERATING STATEMENTS TEST YEAR ENDED 12/31/95		SCHEDULE NO. 3—C DOCKET NO. 951056—WS PAGE 2 OF 2	
EXPLANATION		WATER	WASTEWATER
(1)	<u>DEPRECIATION</u> a) To correspond with non—used and useful plant	\$ 0	\$ 0
(6)	<u>OPERATING REVENUES</u> a) Adjustment to reflect recommended revenue requirement	\$ <u>82,723</u>	\$ <u>(54,209)</u>
(7)	<u>TAXES OTHER THAN INCOME TAXES</u> a) Regulatory assessment taxes on additional revenues	\$ <u>3,723</u>	\$ <u>(2,439)</u>
(8)	<u>INCOME TAXES</u> a) Income taxes related to recommended income amount	\$ <u>29,728</u>	\$ <u>(19,481)</u>

Range:A:NOIS

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

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

DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF 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	\$(54,209)	3,232,996
OPERATING EXPENSES						-1.65%	
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	(324,273)	439,807		439,807
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	(123,366)	322,244	(2,439)	319,805
6 INCOME TAXES	131,947	237,542	369,489	(228,753)	140,736	(19,481)	121,255
7 TOTAL OPERATING EXPENSES	\$ 2,417,105	\$ 1,071,891	\$ 3,488,996	\$(729,112)	\$ 2,759,884	\$(21,920)	2,737,963
8 OPERATING INCOME	\$ 733,433	\$ 684,421	\$ 1,417,854	\$(890,533)	\$ 527,321	\$(32,289)	495,032
9 RATE BASE	\$ 14,057,238	\$	\$ 16,031,208	\$	\$ 5,654,867	\$	\$ 5,654,867
RATE OF RETURN	5.22%		8.84%		9.33%		8.75%

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

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

DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF 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 \$	82,723 \$	5,483,087
OPERATING EXPENSES:						1.53%	
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	(366,960)	817,310		817,310
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	(166,097)	527,224	3,723	530,946
6 INCOMETAXES	(289,553)	781,183	491,630	(234,609)	257,021	29,728	286,749
7 TOTAL OPERATING EXPENSES	\$ 5,149,598 \$	(64,307)\$	5,085,291 \$	(806,329)\$	4,278,962 \$	33,450 \$	4,312,413
8 OPERATING INCOME	\$ 235,101 \$	1,651,255 \$	1,886,356 \$	(764,954)\$	1,121,402 \$	49,273 \$	1,170,674
9 RATE BASE	\$ 23,702,639	\$	21,328,434	\$	13,372,875	\$	13,372,875
RATE OF RETURN	0.99%		8.84%		8.39%		8.75%

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**PALM COAST UTILITY CORPORATION
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/95**

**SCHEDULE NO. 1-C
DOCKET NO. 951056-WS**

EXPLANATION	WATER	WASTEWATER
<u>PLANT IN SERVICE</u>		
To reflect 13-month average test year	<u>(1,089,914)</u>	<u>(3,718,488)</u>
<u>LAND</u>		
1 Adjust cost from affiliate for sprayfield site	0	(207,233)
2 Adjust cost from affiliate for Rib site	0	(318,322)
Total	<u>0</u>	<u>(525,555)</u>
<u>NON-USED AND USEFUL</u>		
To reflect net non-used and useful adjustment	<u>(7,896,742)</u>	<u>(6,710,060)</u>
<u>ACCUMULATED DEPRECIATION</u>		
1 To reflect 13-month average test year	<u>957,830</u>	<u>892,137</u>
<u>CIAC</u>		
1 To reflect 13-month average test year	1,371,511	1,150,816
2 Imputation of CIAC-MR	(688,310)	(680,040)
Total	<u>683,201</u>	<u>470,776</u>
<u>ACCUM. AMORT. OF CIAC</u>		
1 To reflect 13-month average test year	(252,420)	(799,571)
2 Imputation of CIAC on margin reserve	10,968	10,439
Total	<u>(241,452)</u>	<u>(789,132)</u>
<u>DEFERRED INCOME TAXES</u>		
To reflect 13-month average test year	<u>(368,482)</u>	<u>79,784</u>
Total		
<u>ADVANCES FOR CONSTRUCTION</u>		
To reflect 13-month average test year	<u>0</u>	<u>(75,803)</u>

PALM COAST UTILITY CORPORATION – RECONSIDERATION ADJUSTMENTS TO RATE BASE TEST YEAR ENDED 12/31/95		SCHEDULE NO. 1–B T1.5 PAGE 2 OF 2	
EXPLANATION		WATER	WASTEWATER
(12)	a) Adjust to reflect 1994 Test Year To remove		
(12)			
(13)	<u>OTHER</u>		

**PALM COAST UTILITY CORPORATION-RECONSIDERATION
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/95**

**SCHEDULE NO. 1-B
DOCKET NO. 951056-WS**

COMPONENT	TEST YEAR PER UTILITY YEAR-END	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR PER UTILITY	STAFF ADJUSTMENTS	STAFF ADJ. AVERAGE TEST YEAR
1 UTILITY PLANT IN SERVICE	\$ 56,249,291	\$ 2,128,199	\$ 58,377,490	\$(3,718,488)	54,659,002
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	(6,710,060)	12,062,499
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)	470,776	(60,574,967)
7 AMORTIZATION OF CIAC	16,511,375	0	16,511,375	(789,132)	15,722,243
8 DEBIT DEFERRED INCOME TAXES	1,940,403	0	1,940,403	79,784	2,020,187
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	\$(10,376,341)	5,654,867

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Range:A:RBW

**PALM COAST UTILITY CORPORATION-RECONSIDERATION
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/95**

**SCHEDULE NO. 1-A
DOCKET NO. 951056-WS**

COMPONENT	TEST YEAR PER UTILITY YEAR-END	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR PER UTILITY	STAFF ADJUSTMENTS	STAFF ADJ. 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)	(7,896,742)	(16,499,295)
4 CWIP	3,992,210	(3,992,210)	0	0	0
5 ACCUMULATED DEPRECIATION	(20,996,438)	1,074,065	(19,922,373)	957,830	(18,964,543)
6 CIAC	(16,390,083)	0	(16,390,083)	683,201	(15,706,882)
7 AMORTIZATION OF CIAC	3,241,580	0	3,241,580	(241,452)	3,000,128
8 NET DEBIT DEFERRED TAXES (USED)	1,119,911	0	1,119,911	(368,482)	751,429
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	\$(7,955,559)	13,372,875

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PALM COAST UTILITY CORPORATION—RECONSIDERATION DOCKET NO. 951056—WS
TEST YEAR ENDED 12/31/95
REVENUE REQUIREMENT CALCULATION

TAX CALCULATIONS	TEST YEAR		REVENUE REQUIRED	
	WATER	SEWER	WATER	SEWER
TEST YEAR REVENUES	\$ 5,400,364	\$ 3,287,205	\$ 5,483,087	\$ 3,232,996
TOTAL O&M EXPENSE	2,760,188	1,914,621	2,760,188	1,914,621
NET DEPRECIATION EXPENSE	817,310	439,807	817,310	439,807
AMORTIZATION	(82,781)	(57,525)	(82,781)	(57,525)
TAXES OTHER THAN INCOME	527,224	322,244	530,946	319,805
INTEREST EXPENSE (Rate Base X Wtd Cost of Interest + ITC Synchronization)	<u>422,446</u>	<u>178,636</u>	<u>422,446</u>	<u>178,636</u>
TAXABLE INCOME	955,977	489,422	1,034,978	437,652
COMPOSITE TAX RATE (State & Federal)	<u>37.630%</u>	<u>37.630%</u>	<u>37.630%</u>	<u>37.630%</u>
GROSS PROVISION FOR INCOME TAXES	359,734	184,169	389,462	164,688
SPECIFIC ADJUSTMENTS TO INCOME TAXES (IF REQUIRED)				
PARENT DEBT ADJUSTMENT	(102,713)	(43,433)	(102,713)	(43,433)
ITC AMORTIZATION	0	0	0	0
WRITE-DOWN OF TAXES	0	0	0	0
OTHER	0	0	0	0
TOTAL SPECIFIC ADJUSTMENTS	<u>(102,713)</u>	<u>(43,433)</u>	<u>(102,713)</u>	<u>(43,433)</u>
ADJUSTED PROVISION FOR INCOME TAXES	\$ <u>257,021</u>	\$ <u>140,736</u>	\$ <u>286,749</u>	\$ <u>121,255</u>

CALCULATION OF INTEREST SYNCHRONIZATION ADJUSTMENT FOR WTD COST ITCs
 (% of debt to total investor sources of funds (LT-D,ST-D,CE,Pfd) X wtd cost of ITCs in capital structure)

Included in Interest Exp Calculation Above (BI15) 0.0000%

CALCULATION OF REVENUE REQUIREMENT INCREASE	WATER	SEWER
TEST YEAR REVENUES	\$ 5,400,364	\$ 3,287,205
TOTAL O&M EXPENSE	2,760,188	1,914,621
NET DEPRECIATION EXPENSE	817,310	439,807
AMORTIZATION	(82,781)	(57,525)
TAXES OTHER THAN INCOME (TEST YEAR)	527,224	322,244
INCOME TAXES (TEST YEAR)	<u>257,021</u>	<u>140,736</u>
NOI GENERATED	1,121,402	527,321
RETURN ALLOWED (WRB • ORR)	<u>1,170,674</u>	<u>495,032</u>
NOI DEFICIENCY	(49,273)	32,289
ESCALATION FACTOR FOR INCOME TAXES & RAFS (See calculation below)	<u>1.67888</u>	<u>1.67888</u>
REVENUE INCREASE	\$ <u>82,723</u>	\$ <u>(54,209)</u>

NOTE: NEVER INCREASE REVENUE REQUIREMENT OVER THE AMOUNT REQUESTED BY THE UTILITY FOR EACH SYSTEM. @IF STATEMENTS IN (AL13) & (AL52) SHOULD PREVENT THIS FROM OCCURRING.

35% Fed Tax Composite Rate (State & Fed) is 38.57%

ESCALATION FACTOR CALCULATION	
Income Tax Rate (FIT and SIT)	0.37630
Expansion factor	1.60333
Expansion factor w/ RAF	1.678885

PALM COAST UTILITY CORPORATION - RECONSIDERATION				DOCKET NO. 951056 - WS		
OPERATION AND MAINTENANCE EXPENSES - WASTEWATER						
TEST YEAR ENDED 12/31/95						
ACCT NO.	ACCOUNT TITLE	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	UTILITY ADJUSTED TEST YEAR	STAFF ADJUSTMENTS	STAFF ADJUSTED TEST YEAR
701	SALARIES AND WAGES - EMPLOYEES	\$ 0	\$ 0	\$ 0	\$ 0	0
703	SALARIES AND WAGES - OFFICERS, DIRECTORS, ETC.	0	0	0	0	0
704	EMPLOYEE PENSIONS AND BENEFITS	0	0	0	0	0
710	PURCHASED SEWAGE TREATMENT	0	0	0	0	0
711	SLUDGE REMOVAL EXPENSE	0	0	0	0	0
715	PURCHASED POWER	0	0	0	0	0
716	FUEL FOR POWER PRODUCTION	0	0	0	0	0
718	CHEMICALS	0	0	0	0	0
720	MATERIALS AND SUPPLIES	0	0	0	0	0
731	CONTRACTUAL SERVICES - ENGR.	0	0	0	0	0
732	CONTRACTUAL SERVICES - ACCT.	0	0	0	0	0
733	CONTRACTUAL SERVICES - LEGAL	0	0	0	0	0
734	CONTRACTUAL SERVICES - MGMT. FEES	0	0	0	0	0
735	CONTRACTUAL SERVICES - OTHER	0	0	0	0	0
741	RENTAL OF BUILDING/REAL PROPERTY	0	0	0	0	0
742	RENTAL OF EQUIPMENT	0	0	0	0	0
750	TRANSPORTATION EXPENSES	0	0	0	0	0
756	INSURANCE - VEHICLE	0	0	0	0	0
757	INSURANCE - GENERAL LIABILITY	0	0	0	0	0
758	INSURANCE - WORKMAN'S COMPENSATION	0	0	0	0	0
759	INSURANCE - OTHER	0	0	0	0	0
760	ADVERTISING EXPENSE	0	0	0	0	0
766	REGULATORY COMM. EXPENSES - AMORT. OF RATE CASE EXPENSE	0	0	0	0	0
767	REGULATORY COMM. EXPENSES - OTHER	0	0	0	0	0
770	BAD DEBT EXPENSE	0	0	0	0	0
775	MISCELLANEOUS EXPENSES	0	0	0	0	0
	SERVICES NET	0				
	TOTAL OPERATION AND MAINTENANCE	\$ 0	\$ 0	\$ 0	\$ 0	0

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PALM COAST UTILITY CORP NON-USED AND USEFUL SUMMARY	Sched A-7		
	AMOUNT PER UTILITY	AMOUNT PER STAFF	ADJUST PER STAFF
WATER			
PLANT	(13,615,786)	(26,568,579)	(12,952,793)
LAND	0	0	0
ACCUMULATED DEPRECIATION	3,896,893	8,535,292	4,638,399
CIAC	1,319,118	1,889,709	570,591
ACCUMULATED AMORT CIAC	(202,778)	(355,717)	(152,939)
ADVANCES FOR CONSTRUCTION	0	0	0
OTHER	0	0	0
TOTAL NON-USED AND USEFUL	<u>(8,602,553)</u>	<u>(16,499,295)</u>	<u>(7,896,742)</u>
NON-USED AND USEFUL DEPR EXP	296,334	670,908	374,574
NON-USED AND USEFUL AMORT EXP	30,675	60,225	29,550
NET ADJUSTMENT-WATER	<u>(265,659)</u>	<u>(610,683)</u>	<u>(345,024)</u>
PROPERTY TAX EXPENSE-GROSS (Sch B-15)	290000	290000	0
Ratio of non-used plant to total (per staff)		43.70%	
Non-used property tax	31352	126,742	(95,390)
WASTEWATER			
PLANT	(20,225,569)	(30,752,916)	(10,527,347)
LAND	0	0	0
ACCUMULATED DEPRECIATION	6,759,615	10,127,389	3,367,774
CIAC	43,537,577	43,576,743	39,166
ACCUMULATED AMORT CIAC	(11,299,063)	(10,888,716)	410,347
ADVANCES FOR CONSTRUCTION	0	0	0
OTHER	0	0	0
TOTAL NON-USED AND USEFUL	<u>18,772,560</u>	<u>12,062,500</u>	<u>(6,710,060)</u>
NON-USED AND USEFUL DEPR EXP	587,624	923,923	336,299
NON-USED AND USEFUL AMORT EXP	1,060,447	1,093,350	32,903
NET ADJUSTMENT-WASTEWATER	<u>472,823</u>	<u>169,427</u>	<u>(303,396)</u>
PROPERTY TAX EXPENSE-GROSS (Sch B-15)	210,000	210000	0
Ratio of non-used plant to total (per staff)		55.62%	
Non-used property tax	66,329	116,811	(50,482)

PALM COAST UTILITY CORPORATION - RECONSIDERATION				DOCKET NO. 951056 - WS			
TAXES OTHER THAN INCOME							
TEST YEAR ENDED 12/31/95							
	TEST YEAR	UTILITY ADJUSTMENTS	UTILITY ADJUSTED TEST YEAR	STAFF ADJUSTMENTS	STAFF ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
WATER							
PERSONAL PROPERTY	290,000	(31,352)	258,648	(95,390)	163,258		163,258
PAYROLL	147,208	(31,717)	115,491	0	115,491		115,491
REGULATORY ASSESSMENT FEES	430,425	(116,701)	313,724	(70,708)	243,016	3,723	246,739
OTHER	6,587	(1,128)	5,459	0	5,459		5,459
TOTAL	874,220	(180,898)	693,322	(166,097)	527,225	3,723	530,947
WASTEWATER							
PERSONAL PROPERTY	210,000	(66,329)	143,671	(50,482)	93,189		93,189
PAYROLL	45,989	31,717	77,706	0	77,706		77,706
REGULATORY ASSESSMENT FEES	0	220,808	220,808	(72,884)	147,924	(2,439)	145,485
OTHER	2,296	1,128	3,424	0	3,424		3,424
TOTAL	258,285	187,324	445,609	(123,366)	322,243	(2,439)	319,804

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PALM COAST UTILITY CORPORATION - RECONSIDERATION				DOCKET NO. 951056 - WS		
OPERATION AND MAINTENANCE EXPENSES - WATER						
TEST YEAR ENDED 12/31/95						
ACCT NO.	ACCOUNT TITLE	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	UTILITY ADJUSTED TEST YEAR	STAFF ADJUSTMENTS	STAFF ADJUSTED TEST YEAR
601	SALARIES AND WAGES - EMPLOYEES	\$ 0	\$ 0	\$ 0	\$ 0	0
603	SALARIES AND WAGES - OFFICERS, DIRECTORS, ETC.	0	0	0	0	0
604	EMPLOYEE PENSIONS AND BENEFITS	0	0	0	0	0
610	PURCHASED WATER	0	0	0	0	0
615	PURCHASED POWER	0	0	0	0	0
616	FUEL FOR POWER PRODUCTION	0	0	0	0	0
618	CHEMICALS	0	0	0	0	0
620	MATERIALS AND SUPPLIES	0	0	0	0	0
631	CONTRACTUAL SERVICES - ENGR	0	0	0	0	0
632	CONTRACTUAL SERVICES - ACCT.	0	0	0	0	0
633	CONTRACTUAL SERVICES - LEGAL	0	0	0	0	0
634	CONTRACTUAL SERVICES - MGMT. FEES	0	0	0	0	0
635	CONTRACTUAL SERVICES - OTHER	0	0	0	0	0
641	RENTAL OF BUILDING/REAL PROPERTY	0	0	0	0	0
642	RENTAL OF EQUIPMENT	0	0	0	0	0
650	TRANSPORTATION EXPENSES	0	0	0	0	0
656	INSURANCE - VEHICLE	0	0	0	0	0
657	INSURANCE - GENERAL LIABILITY	0	0	0	0	0
658	INSURANCE - WORKMAN'S COMP.	0	0	0	0	0
659	INSURANCE - OTHER	0	0	0	0	0
660	ADVERTISING EXPENSE	0	0	0	0	0
666	REGULATORY COMM. EXPENSES - AMORT. OF RATE CASE EXPENSE	0	0	0	0	0
667	REGULATORY COMM. EXPENSES - OTHER	0	0	0	0	0
670	BAD DEBT EXPENSE	0	0	0	0	0
675	MISCELLANEOUS EXPENSES	0	0	0	0	0
	SERVICES NET	0				
	TOTAL OPERATION AND MAINTENANCE	\$ 0	\$ 0	\$ 0	\$ 0	0

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PALM COAST UTILITY CORP

ACCT. NO.	ACCOUNT NAME	Year End	13-Mo Avg	STAFF	13-Mo Avg	Depr	Year End	STAFF	13-Mo Avg	13-Mo Avg	Depr Exp	Staff	STAFF	STAFF	NET PLANT				
		Plant	Recom.	Specific	STAFF	Rates Per	Ass Depr	Adjustmen	STAFF	STAFF	STAFF	Per MFRs	Depr Exp	Recom.	Adjusted	NON-USED	NON-USED	NON-USED	NON-USED
		Per MFRs	Adjustmen	Adjustmen	Balance	MFRs	Per MFRs	TO	Specific A	Adjusted	Sch B - 13.13	with	with	with	with	with	with	with	with
INTANGIBLE PLANT																			
351.1	Organization	6,130	0		6,130	3.33%	4,874	(102)	0	4,772	204	0	0	204	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
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
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	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	0	0
360.2	Collection Sewers - Force	0	0		0	0.00%	0	0	0	0	0	0	0	0	0.00%	0.00%	0	0	0
361.2	Collection Sewers - Gravity	35,493,443	(1,170,095)		34,323,348	2.46%	11,844,229	(437,856)	0	11,406,573	873,361	(28,791)	0	844,560	60.51%	61.99%	339,168	20,769,058	6,902,117
361	Advanced Mans	13,789	0		13,789	2.52%	2,491	(174)	0	2,317	348	0	0	348	0.00%	0.00%	0	0	0
361	Advanced Mans	16,452	(731)		15,721	2.33%	685	(192)	0	493	384	(17)	0	367	0.00%	0.00%	0	0	0
362	Services	2,964,847	0		2,964,847	2.63%	1,288,818	(39,006)	0	1,247,812	78,012	0	0	78,012	65.71%	67.38%	28,674	1,948,201	819,937
365.2	Flow Measuring Installation	0	0		0	0.00%	0	0	0	0	0	0	0	0	0.00%	0.00%	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	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	0	0
354.3	Structures & Improvements	101,985	0		101,985	3.12%	44,381	(1,591)	0	42,790	3,180	0	0	3,180	61.27%	63.35%	1,231	62,492	26,217
370.3	Receiving Wells	0	0		0	0.00%	0	0	0	0	0	0	0	0	0.00%	0.00%	0	0	0
371.3	Pumping Equipment	4,233,215	(86,495)		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%	48,309	2,540,695	1,117,657
389.3	Other Plant & Misc.	0	0		0	0.00%	0	0	0	0	0	0	0	0	0.00%	0.00%	0	0	0
TREATMENT & DISPOSAL PLANT																			
353.4	Land & Land Rights	946,489	0	(525,555)	420,934	NA	40	0	0	40	0	0	0	0	0.00%	0.00%	0	0	0
354.4	Structures & Improvements	6,402,440	(1,002,942)		5,399,498	3.13%	1,329,271	(93,820)	0	1,235,451	200,348	(31,385)	0	168,963	52.78%	56.76%	166,562	2,848,775	651,824
380.4	Treatment and Disposal Equip.	6,707,269	(1,493,240)		5,214,029	5.53%	1,480,907	(162,330)	0	1,318,577	370,836	(82,559)	0	288,277	43.98%	49.19%	202,953	2,293,130	579,910
381.4	Plant Sewers	0	0		0	2.86%	0	0	0	0	0	0	0	0	0.00%	0.00%	0	0	0
382.4	Outfall Sewer Lines	0	0		0	3.33%	0	0	0	0	0	0	0	0	0.00%	0.00%	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	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
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%	16,571	48,187	12,429
390	Office Furniture & Equipment	391,033	(40,961)		350,072	7.67%	201,390	(9,628)	0	191,762	30,011	(3,144)	0	26,867	9.02%	13.20%	6,617	31,577	17,297
390	Computer Equipment	0	0		0	16.67%	0	0	0	0	0	0	0	0	NA	NA	NA	NA	NA
391	Transportation Equipment	678,806	(58,397)		620,409	11.73%	497,925	(40,068)	0	457,857	79,510	(6,849)	0	72,761	NA	NA	NA	NA	NA
392	Stores Equipment	6,057	19		6,076	4.08%	4,189	(104)	0	4,085	247	1	0	248	NA	NA	NA	NA	NA
393	Tools, Shop & Garage	188,947	(28,973)		159,974	4.69%	70,616	(4,373)	0	66,243	8,869	(1,360)	0	7,509	NA	NA	NA	NA	NA
394	Laboratory Equipment	20,739	157		20,896	6.80%	9,997	(546)	0	9,451	1,410	11	0	1,421	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
396	Communication Equipment	52,925	0		52,925	7.63%	36,596	(2,018)	0	34,581	4,037	0	0	4,037	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
106	Undistributed Plant	0	173,869		173,869	0.00%	0	0	0	0	0	0	0	0	NA	NA	NA	NA	NA
OTHER																			
103	Future Use Plant	179,081	31,720		210,801	0.00%	0	0	0	0	0	0	0	0	100.00%	100.00%	0	210,801	0
107	Advanced Property	0	0		0	0.00%	0	0	0	0	0	0	0	0	100.00%	100.00%	0	0	0
INTANGIBLE PLANT																			
130,200		130,200	0		130,200		108,919	(2,672)	0	106,247	5,344	0	0	5,344	0.00%	NA	NA	0	0
COLLECTION PLANT																			
38,495,091	(1,170,826)	37,324,265		37,324,265		13,137,171	(477,130)	0	12,660,041	952,299	(28,808)	0	923,491	60.86%	NA	NA	22,717,259	7,722,055	562,305
SYSTEM PUMPING PLANT																			
4,542,253	(86,495)	4,455,758		4,455,758		1,984,333	(117,319)	0	1,867,014	236,652	(4,770)	0	231,882	58.42%	NA	NA	2,603,198	1,143,875	142,074
TREATMENT & DISPOSAL PLANT																			
14,056,198	(2,496,182)	11,034,461		11,034,461		2,810,218	(256,150)	0	2,554,068	571,184	(113,944)	0	457,240	46.60%	NA	NA	5,141,905	1,231,734	215,929
GENERAL PLANT																			
2,128,200	3,295	2,131,495		2,131,495		1,053,228	(38,866)	0	1,014,362	151,387	(13,678)	0	137,709	3.74%	NA	NA	79,764	29,726	3,615
OTHER PLANT																			
179,081	31,720	210,801		210,801		0	0	0	0	0	0	0	0	100.00%	100.00%	0	210,801	0	
TOTALS - WASTEWATER																			
59,531,023	(3,718,488)	55,286,980		55,286,980		19,093,869	(892,137)	0	18,201,732	1,916,866	(161,200)	0	1,755,666	55.62%	NA	NA	30,752,816	10,127,389	923,823

IMPUTATION OF CIAC ON MARGIN RESERVE

	Treatment Plant	Collection Plant	Total
1 Service Availability Charge (PGC or MEF)	334	1,266	1,600
2 ERCs included in MR (Note 1)	1,138	774	
3 SAC * ERCs in MR (Line 1*Line3)	380,417	979,863	680,040
Net plant included as a result of MR			
4 Treat & Disposal Plant	369,515		
5 Collection Plant		367,843	
6 System Pumping Plant		49,541	
Total Collection and Pumping		417,384	786,889
8 Amount of CIAC to impute (Lower of lines 3 or 4)			680,040
9 Composite CIAC Amortization rate (Sch B - 13 p2)			3.07%
10 Amortization Expense (CIAC * rate)			20,877
11 Accum Amort (50% of amortization)			10,439

RATIO OF NON-USED & USEFUL PLANT TO PLANT 1 55.62%

1434
21

Range:C:A1.D3

PCUC CORRECTIONS TO SCHEDULES

ACCT # CELL #

PALM COAST UTILITY CORPORATION—RECONSIDERATION DOCKET NO. 951056—WS
SCHEDULE OF RATE CASE EXPENSE
TEST YEAR ENDED 12/31/95

	<u>TOTAL REQUEST PER MFRs</u>	<u>TOTAL PER STAFF</u>	<u>ADJUSTMENT</u>
Accounting	0	0	0
Engineering	0	0	0
Legal	0	0	0
Filing Fee	0	0	0
Notice & Mailing	0	0	0
Other (Explain)	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>0</u>	<u>0</u>	<u>0</u>

RECONSID.WK3

1. Water Distribution Mains

Investment in Distribution Mains: \$18,096,693

	<u>Commission Approved</u>	<u>PCUC Reconsideration</u>	<u>Staff Recommended</u>
Number of Connections (Residential)	10,415	10,155	10,155
Number of Connections (General Service and Multi-family)	0	377	0
Number of Connections (Beachside)	0	0	0
Margin Reserve	767	767	767
Total	11,182	11,299	10,922
Used and Useful Percentage (Divide total by 46,764)	23.91%	24.16%	23.36%
Used and Useful Investment	\$4,327,201	\$4,372,477	\$4,226,586
Difference			(\$100,615)

2. Water Transmission Mains

Investment in Transmission Mains: \$7,799,367

	<u>Commission Approved</u>	<u>PCUC Reconsideration</u>	<u>Staff Recommended</u>
Number of Connections (Residential)	10,415	10,155	10,155
Number of Connections (General Service and Multi-family)	0	377	377
Number of Connections (Beachside)	0	877	877
Margin Reserve	767	767	767
Total	11,182	12,176	12,176
Used and Useful Percentage (Divide total by 34,651)	32.27%	35.14%	35.14%
Used and Useful Investment	\$2,516,883	\$2,740,616	\$2,740,616
Difference			\$223,733

3. Water Services

Investment in Water Services:	\$1,035,265		
	<u>Commission Approved</u>	<u>PCUC Reconsideration</u>	<u>Staff Recommended</u>
Number of Connections (Residential)	10,415	10,155	10,155
Number of Connections (General Service and Multi-family)	0	377	377
Number of Connections (Beachside)	0	877	0
Margin Reserve	767	767	767
Total	11,182	12,176	11,299
Used and Useful Percentage (Divide total by 15,172)	73.70%	80.25%	74.47%
Used and Useful Investment	\$763,006	\$830,832	\$770,990
Difference			\$7,984

4. Wastewater Gravity Mains

Investment in Gravity Mains:	\$22,727,333		
	<u>Commission Approved</u>	<u>PCUC Reconsideration</u>	<u>Staff Recommended</u>
Number of Connections (Residential)	8,175	8,591	8,591
Number of Connections (General Service and Multi-family)	0	334	0
Number of Connections (Beachside)	0	0	0
Margin Reserve	418	418	418
Total	8,593	9,343	9,009
Used and Useful Percentage (Divide total by 25,062)	34.29%	37.28%	35.95%
Used and Useful Investment	\$7,793,202	\$8,472,750	\$8,170,476
Difference			\$377,274

Reallocation of Acct. 361.2			With Margin Reserve		Without Margin Reserve	
	Year-End	13-month avg	U&U %	U&U \$	U&U %	U&U \$
Gravity Mains	\$22,940,448	\$22,184,181	35.95%	\$7,975,213	34.28%	\$7,604,737
Force Mains	\$4,570,541	\$4,419,866	69.99%	\$3,093,464	69.07%	\$3,052,802
PEP Tanks	\$2,119,907	\$2,050,021	100.00%	\$2,050,021	100.00%	\$2,050,021
PEP Mains	\$5,862,547	\$5,669,279	7.66%	\$434,267	5.99%	\$339,590
		\$34,323,348		\$13,552,965		\$13,047,150
	\$35,493,443	\$34,323,348		Non U&U \$ (w/MR) \$20,770,383		Non U&U \$ (w/o MR) \$21,276,198
				Composite U&U (w/MR) 39.49%		Composite U&U (w/o MR) 38.01%
				Composite non-U&U (w/MR) 60.51%		Composite non-U&U (w/o MR) 61.99%

951056W3.WK3

1438

28

PALM COAST UTILITY CORPORATION
 COUNTY: FLAGLER
 DOCKET NO: 951056-W8
 TEST YEAR: YEAR ENDING: DECEMBER 31, 1995

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

FACTORED ERC'S	173,018
FACTORED GALLONS	889,919
NO. OF BILLS	158,422
avg rate Inc:	ERR

BASE FACILITY CHARGE
 COMPONENT CONSTRUCTION
 -WATER-

	TEST YEAR (Staff)	PERCENT ASSIGNMENT		FACTORED ERC'S		FACTORED GALLONS	
		BASE FACILITY CHARGE	GALLONAGE CHARGE	BASE FACILITY COST	CHARGE	GALLONAGE COST	CHARGE
(601.0) Salaries and Wages - Employees	716,162	50%	50%	358,081	2,0686	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
(810.0) Purchased Water	0	0%	100%	0	0.0000	0	0.0000
(815.0) Purchased Power	228,310	0%	100%	0	0.0000	228,310	0.2566
(818.0) 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			817,055	4.7224	1,087,891	1.2225

Cost of providing service, including customer accounts:

(690) 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	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	50%	50%	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	817,310	100%	0%	817,310	4.7239	0	0.0000
(407.0) Amortization (negative)	(82,781)	100%	0%	(82,781)	(0.4785)	0	0.0000
Total Depreciation and Amortization:	734,529			734,529	4.2455	0	0.0000

Taxes Other Than Income Taxes:

(408.10) Regulatory Assessment Fees	246,739	40%	60%	98,696	0.5704	148,043	0.1684
(408.11) Property Taxes	163,258	100%	0%	163,258	0.8436	0	0.0000
(408.12) Payroll Taxes	115,491	47%	53%	54,866	0.3160	60,625	0.0683
(408.13) Other Taxes and Licenses	5,459	50%	50%	2,730	0.0156	2,730	0.0031
Total Taxes Other Than Income Taxes:	530,947			319,349	1.8456	211,598	0.2378

INCOME TAXES:

(409.0) Federal, State, and Local Income Taxes	286,749	0%	100%	0	0.0000	286,749	0.3222
TOTAL INCOME TAXES	286,749			0	0.0000	286,749	0.3222

RETURN ON INVESTMENT

	1,170,674	0%	100%	0	0.0000	1,170,674	1.3155
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TOTAL REVENUE REQUIREMENT

	5,483,086			2,230,134	12.8453	3,252,952	3.6553
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LESS: MISCELLANEOUS REVENUES

(42,466)	(42,466)	100%	0%	(42,466)	(0.2455)	0	0.0000
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LESS: BULK SERVICE CONTRACT REVENUES (DUNES)

(55,318)	(55,318)	4%	96%	(2,386)	(0.0138)	(52,930)	(0.0599)
TOTAL REVENUES FOR RATE SETTING	5,385,301			2,185,278	12.59	3,200,022	3.60

BASE FACILITY CHARGE GALLONAGE CHARGE

Hammock Dunes Bulk Revenues

BFC	\$198.81	12	2385.662	0.04312825
Gallons	\$1.03	51611	52929.867	0.95687175
			55315.529	

PALM COAST UTILITY CORPORATION
DOCKET NO: 951056-W3
TEST YEAR: YEAR ENDING: DECEMBER 31, 1995

*** WATER ****

RESIDENTIAL	NUMBER BILLS	GALLONS (000's)	PRESENT		INTERIM		REQUESTED		RECOMMENDED		pres.rate % of tl revs	recom rate % of tl revs
			RATE	REVENUE	RATE	REVENUE	RATE	REVENUE	RATE	REVENUE		
5/8 x 3/4"	132,376	580,616	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$12.59	\$1,666,081	ERR	38%
GALL.			\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$2,087,813	ERR	48%
3/4"	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$18.88	\$0		
GALL.			\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$0	ERR	85%
1"	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$31.47	\$0		
GALL.			\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$0		
1-1/2"	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$62.93	\$0		
GALL.			\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$0		
2"	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$100.69	\$0		
GALL.			\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$0		
3"	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$201.38	\$0		
GALL.			\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$0		
4"	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$314.65	\$0		
GALL.			\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$0		
6"	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$629.30	\$0		
GALL.			\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$0		
8"	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$1,006.86	\$0		
GALL.			\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$0		
TOTAL RES.	132,376	580,616		\$0		\$0		\$0		\$3,753,904		

GENL. SERV.	NO. BILLS	NO. GALS.	PRESENT		INTERIM		PROPOSED		RECOMMENDED		present rates	staff recom	util proposed
			RATE	REVENUE	RATE	REVENUE	RATE	REVENUE	RATE	REVENUE			
5/8 x 3/4"	3,119		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$12.59	\$39,256			
GALL.		20,222	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$72,715			
3/4"	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$18.88	\$0			
GALL.			\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$0			
1"	720		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$31.47	\$22,655			
GALL.		19,161	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$68,900	ERR	0.59%	ERR
1-1/2"	99		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$62.93	\$6,230	ERR	1.01%	ERR
GALL.		24,229	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$87,124			
2"	424		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$100.69	\$42,692	ERR	1.60%	ERR
GALL.		40,416	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$145,330			
3"	118		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$220.26	\$25,990			
GALL.		12,372	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$44,488			
4"	36		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$314.65	\$11,327			
GALL.		20,885	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$74,380			
6"	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$629.30	\$0			
GALL.			\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$0			
8"	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$1,006.86	\$0			
GALL.			\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$0			
TOTAL GS.	4,516	137,085		\$0		\$0		\$0		\$641,039			

AV. RES. BILL			\$0.00		\$0.00		\$0.00		\$28.36				
AV. GS. BILL			\$0.00		\$0.00		\$0.00		\$141.96				
GRAND TOTAL	136,892	717,701		\$0		\$0		\$0		\$4,394,993			

PVT. FIRE	NO. BILLS	NO. GALS.	PRESENT		INTERIM		PROPOSED		RECOMMENDED	
			RATE	REVENUE	RATE	REVENUE	RATE	REVENUE	RATE	REVENUE
2"	0	N/A	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$8.39	\$0
3"	0	N/A	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$16.78	\$0
4"	48	N/A	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$26.22	\$1,259
6"	312	N/A	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$52.44	\$16,362
8"	228	N/A	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$83.91	\$19,131
10"	36	N/A	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$120.62	\$4,342
12"	0	N/A	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$225.50	\$0
TOTAL PFPs	624	N/A		\$0		\$0		\$0		\$41,093

OTHER	NO. BILLS	NO. GALS.	PRESENT		PRESENT		PROPOSED		RECOMMENDED	
			RATE	REVENUE	RATE	REVENUE	RATE	REVENUE	RATE	REVENUE
5/8 x 3/4"	20,837		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$12.59	\$262,249
GALL.		113,228	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$407,152
3/4"	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$18.88	\$0
GALL.			\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$0
1"	560		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$31.47	\$17,620
GALL.		18,437	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$66,297
1-1/2"	93		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$62.93	\$5,653
GALL.		4,688	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$16,785
2"	404		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$100.69	\$40,878
GALL.		31,347	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$112,719
3"	12		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$201.38	\$2,417
GALL.		4,538	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$16,318
4"	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$314.65	\$0
GALL.			\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$0
6"	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$629.30	\$0
GALL.			\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$0
8"	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$1,006.86	\$0
GALL.			\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$0
TOTAL OTHER	21,906	172,218		\$0		\$0		\$0		\$948,088

AV. OTHER BILL			\$0.00		\$0.00		\$0.00		\$43.28			
ALL TOTAL	156,422	886,919		\$0		\$0		\$0		\$5,384,174		
gals. sold per F-1		0		\$0		\$0		\$0		\$0		
ERC EXPANSION			ERR	ERR		ERR		ERR		ERR		

REVENUE
COMPARISON

\$5,493,086
\$98,912
2%

SINGLE FAMILY 1.0 ERC/UNIT
 MULTI-FAMILY 0.8 ERC/UNIT
 MOBILE HOME 0.8 ERC/UNIT

diff due to rate inc. not reflected in mfrs

METER SIZE	ERC	BILLS	EXP. ERC'S	FACTORED BFC
5/8"x3/4"	1.0	156,332	156,332	\$12.59
3/4"	1.5	0	0	\$18.88
1"	2.5	1,280	3,200	\$31.47
1-1/2"	5.0	192	960	\$62.93
2"	8.0	828	6,624	\$100.69
3" COMPOUND	16.0	130	2,080	\$201.38
3" TURBINE	17.5	0	0	\$220.26
4" COMPOUND	25.0	40	1,000	\$314.65
4" TURBINE	30.0	0	0	\$377.58
6" COMPOUND	50.0	26	1,300	\$629.30
6" TURBINE	62.5	0	0	\$786.63
8" COMPOUND	80.0	19	1,520	\$1,006.88
8" TURBINE	90.0	0	0	\$1,132.74
10" COMPOUND	115.0	0	0	\$1,447.40
10" TURBINE	145.0	0	0	\$1,824.98
12" TURBINE	215.0	0	0	\$2,706.00
TOTAL		158,847	173,016	

RESIDENTIAL BILL SCHEDULE	GALLONS	PRESENT	INTERM	PROPOSED	RECOMMENDED	
	3,000	\$0.00	\$0.00	\$0.00	\$23.37	ERR
	5,000	\$0.00	\$0.00	\$0.00	\$30.57	ERR
	10,000	\$0.00	\$0.00	\$0.00	\$48.54	ERR

PALM COAST UTILITY CORPORATION

ERR

**COUNTY: FLAGLER
DOCKET NO: 951056-WS**

FACTORED BASE FACILITY CHARGE

MONTHLY

BI-MONTHLY

5/8" X 3/4"	\$12.59	\$25.17
3/4"	\$18.88	\$37.76
1"	\$31.47	\$62.93
1 1/2"	\$62.93	\$125.86
2"	\$100.69	\$201.38
3"	\$201.38	\$402.75
4"	\$314.65	\$629.30
6"	\$629.30	\$1,258.61
8"	\$1,006.88	\$2,013.77

GALLONAGE CHARGE

\$3.60

\$3.60

RESIDENTIAL BILLS

5/8" X 3/4"

3,000 gallons	\$	23.39
5,000 gallons	\$	30.59
10,000 gallons	\$	48.59

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PALM COAST UTILITY CORPORATION
 COUNTY: FLAGLER
 DOCKET NO: 951056-W5
 TEST YEAR: YEAR ENDING: DECEMBER 31, 1995

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

Enter Cap t gallons
 FACTORED ERC'S 128,014
 FACTORED GALLONS 577,068
 NO. OF BILLS (monthly 122,468)

BASE FACILITY CHARGE COMPONENT CONSTRUCTION -SEWER-	PERCENTAGE ASSIGNMENT		FACTORED ERC'S		FACTORED GALLONS		
	TEST YEAR (Staff)	BASE FACILITY CHARGE	GALLONAGE CHARGE	BASE FACILITY COST	BASE FACILITY CHARGE	GALLONAGE COST	GALLONAGE CHARGE
Expenses Required to Have the Service Available:							
(701.0) Salaries and Wages - Employees	514,580	50%	50%	257,290	2.0099	257,290	0.4459
(703.0) Salaries and Wages - Officers	0	75%	25%	0	0.0000	0	0.0000
(704.0) Employee Pensions and Benefits	165,423	50%	50%	82,712	0.8481	82,712	0.1433
(710.0) Purchased Sewage Treatment	0	0%	100%	0	0.0000	0	0.0000
(711.0) Sludge Removal Expense	113,703	0%	100%	0	0.0000	113,703	0.1970
(715.0) Purchased Power	162,245	0%	100%	0	0.0000	162,245	0.2812
(718.0) Chemicals	31,942	0%	100%	0	0.0000	31,942	0.0554
(720.0) Materials and Supplies	200,539	50%	50%	100,270	0.7833	100,270	0.1738
(73X.0) Contractual Services	74,122	100%	0%	74,122	0.5790	0	0.0000
(741.0) Rental of Building/Real Property	0	100%	0%	0	0.0000	0	0.0000
(742.0) Rental of Equipment	0	100%	0%	0	0.0000	0	0.0000
(750.0) Transportation Expense	66,394	50%	50%	33,197	0.2593	33,197	0.0575
(759.0) Insurance	12,784	100%	0%	12,784	0.0999	0	0.0000
(767.0) Regulatory Commission Expense	7,814	50%	50%	3,907	0.0305	3,907	0.0068
(775.0) Miscellaneous Expense	0	50%	50%	0	0.0000	0	0.0000
Total Expenses Required to Have the Service Available:	1,349,546			564,281	4.4080	785,265	1.3608
Cost of providing service, including customer accounts:							
(690) Services (net)	(138,900)	41%	59%	(56,949)	(0.4449)	(81,951)	(0.1420)
(703.7) Salaries and Wages - Officers	0	75%	25%	0	0.0000	0	0.0000
(704.7) Employee Pensions and Benefits	0	75%	25%	0	0.0000	0	0.0000
(715.7) Purchased Power	0	0%	100%	0	0.0000	0	0.0000
(720.7) Materials and Supplies	0	50%	50%	0	0.0000	0	0.0000
(73X.7) Contractual Services	0	75%	25%	0	0.0000	0	0.0000
(741.7) Rental of Building/Real Property	0	100%	0%	0	0.0000	0	0.0000
(742.7) Rental of Equipment	0	100%	0%	0	0.0000	0	0.0000
(750.7) Transportation Expense	0	75%	25%	0	0.0000	0	0.0000
(759.7) Insurance	0	100%	0%	0	0.0000	0	0.0000
(767.7) Regulatory Commission Expense	0	100%	0%	0	0.0000	0	0.0000
(770.7) Bad Debt Expense	0	50%	50%	0	0.0000	0	0.0000
(775.7) Miscellaneous Expense	0	0%	100%	0	0.0000	0	0.0000
Total Cost of providing service, including customer accounts:	(138,900)			(56,949)	-0.4449	(81,951)	-0.1420
Administrative and General Expenses:							
(701.8) Salaries and Wages - Employees	0	75%	25%	0	0.0000	0	0.0000
(703.8) Salaries and Wages - Officers	0	75%	25%	0	0.0000	0	0.0000
(704.8) Employee Pensions and Benefits	0	75%	25%	0	0.0000	0	0.0000
(715.8) Purchased Power	0	0%	100%	0	0.0000	0	0.0000
(720.8) Materials and Supplies	0	50%	50%	0	0.0000	0	0.0000
(73X.8) Contractual Services	0	75%	25%	0	0.0000	0	0.0000
(741.8) Rental of Building/Real Property	0	100%	0%	0	0.0000	0	0.0000
(742.8) Rental of Equipment	0	100%	0%	0	0.0000	0	0.0000
(750.8) Transportation Expense	0	75%	25%	0	0.0000	0	0.0000
(759.8) Insurance	0	100%	0%	0	0.0000	0	0.0000
(760.7) Advertising	0	100%	0%	0	0.0000	0	0.0000
(767.8) Regulatory Commission Expense	0	100%	0%	0	0.0000	0	0.0000
(775.) Miscellaneous Expense	703,974	41%	59%	288,629	2.2547	415,345	0.7197
Total Administrative and General Expenses:	703,974			288,629	2.2547	415,345	0.7197
Depreciation and Amortization:							
(403.0) Depreciation	439,807	100%	0%	439,807	3.4356	0	0.0000
(407.0) Amortization	(57,525)	100%	0%	(57,525)	(0.4494)	0	0.0000
Total Depreciation and Amortization:	382,282			382,282	2.9863	0	0.0000
Taxes Other Than Income Taxes:							
(408.10) Regulatory Assessment Fees	145,485	40%	60%	58,194	0.4546	87,291	0.1513
(408.11) Property taxes	93,189	100%	0%	93,189	0.7280	0	0.0000
(408.12) Payroll Taxes	77,706	100%	0%	77,706	0.6070	0	0.0000
(408.13) Other Taxes and Licenses	3,424	100%	0%	3,424	0.0267	0	0.0000
Total Taxes Other Than Income Taxes:	319,804			232,513	1.8163	87,291	0.1513
INCOME TAXES:							
(409.0) Federal, State, and Local Income Taxes	121,255	0%	100%	0	0.0000	121,255	0.2101
TOTAL INCOME TAXES	121,255			0	0.0000	121,255	0.2101
RETURN ON INVESTMENT	495,032	0%	100%	0	0.0000	495,032	0.8578
TOTAL REVENUE REQUIREMENT	3,232,993			1,410,756	11.02	1,822,237	3.16
LESS: MISCELLANEOUS REVENUES	(59,023)	100%	0%	(59,023)	(0.4611)	0	0.0000
REUSE REVENUES	(25,550)	0%	100%	0	0.0000	(25,550)	-0.0443
	(84,573)			(59,023)	-0.4611	(25,550)	-0.0443
TOTAL REVENUES FOR RATE SETTING	\$3,148,420			\$1,351,733	10.5593	\$1,796,687	3.1135

BASE FACILITY CHARGE GALLONAGE CHARGE

PALM COAST UTILITY CORPORATION
DOCKET NO: 951056-WS
TEST YEAR: YEAR ENDING: DECEMBER 31, 1995

FACTORED BASE FACILITY CHARGE

	<u>MONTHLY</u>	<u>BI-MONTHLY</u> <u>IF APPLICABLE</u>
5/8" X 3/4"	\$ 10.56	21.12
3/4"	\$ 15.84	31.68
1"	\$ 26.40	52.80
1 1/2"	\$ 52.80	105.59
2"	\$ 84.47	168.95
3"	\$ 168.95	337.90
4"	\$ 263.98	527.96
6"	\$ 527.96	1,055.93
8"	\$ 844.74	1,689.48

GALLONAGE RATE

Residential (cap)	\$ 3.00	0 t gals
General Service	\$ 3.60	

RESIDENTIAL BILLS

	<u>5/8" X 3/4"</u>	<u>BI-MONTHLY</u>
3,000 gallons	\$ 19.89	30.45
5,000 gallons	\$ 26.11	36.67
10,000 gallons	cap, T GALS.: *\$ 41.66	52.22

DIFFERENTIATED GALLONAGE RATE		
RES. GAL.	465,767	
GS. GAL.	111,301	FACTORED
OTHER GAL.	0	PERCENTAGE
TOTAL GAL.	577,068	<u>96.2858%</u>
BASIC RATE	\$3.11	
RES. RATE	\$3.00	DIFFERENTIAL
GS. RATE	\$3.60	<u>20.00%</u>

avg. rate increase:

PALM COAST UTILITY CORPORATION											** WASTEWATER **			FROM GAL		FROM BFC
TEST YEAR: YEAR ENDING: DECEMBER 31, 1995																
RESIDENTIAL	NUMBER	GALLONS	PRESENT	INTERIM	PROPOSED	RECOMMENDED										
ALL METER SIZE	BILLS	(000's)	RATE	REVENUE	RATE	REVENUE	RATE	REVENUE	RATE	REVENUE	ERR	ERR	ERR			
TOTAL RES.	118,466	465,767	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$10.56	\$1,250,914	1,396,292	465,767	1250914			
CONSOL. GAL.		465,767	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.00	\$1,396,292						
TOTAL RES.	118,466	465,767		\$0		\$0		\$0		\$2,647,206						
COMMERCIAL																
5/8 x 3/4"	2,827		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$10.56	\$29,851			29,851			
GAL.		14,578	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$52,443	52,443					
3/4"	0		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$15.84	\$0						
GAL.		0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$0						
1"	646		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$26.40	\$17,053			17,053			
GAL.		16,384	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$58,940	58,940					
1-1/2"	98		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$52.80	\$5,174			5,174			
GAL.		24,040	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$86,482	86,482					
2"	312		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$84.47	\$26,356			26,356			
GAL.		31,799	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$114,394	114,394					
3"	95		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$168.95	\$16,050			16,050			
GAL.		9,439	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$33,956	33,956					
4"	24		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$263.98	\$6,336			6,336			
GAL.		15,061	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$54,180	54,180					
6"	0		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$527.96	\$0	0		0			
GAL.		0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$0	0		0			
8"	0		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$844.74	\$0	0		0			
GAL.		0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.60	\$0	0		0			
TOTAL CS.	4,002	111,301		\$0		\$0		\$0		\$501,214	400,394	111,301	100,820			
AV. RES. BILL				\$0.00		\$0.00		\$0.00		\$22.35						
AV. CS. BILL				\$0.00		\$0.00		\$0.00		\$125.24	ERR	ERR	ERR			
GRAND TOTAL	122,468	577,068		\$0		\$0		\$0		\$3,148,420	1,796,687	ERR	1,351,733			
FACTORED GALLONS		599,328								\$0	ERR		ERR			
OTHER																
5/8 x 3/4"	0		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	10.55926	\$0						
GAL.		0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.11	\$0						
3/4"	0		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	15.83889	\$0						
GAL.		0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.11	\$0						
1"	0		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	26.39815	\$0						
GAL.		0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.11	\$0						
1-1/2"	0		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	52.79631	\$0						
GAL.		0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.11	\$0						
2"	0		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	84.47409	\$0						
GAL.		0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.11	\$0						
3"	0		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	168.9482	\$0						
GAL.		0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.11	\$0						
4"	0		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	263.9815	\$0						
GAL.		0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.11	\$0						
6"	0		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	527.9631	\$0						
GAL.		0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.11	\$0						
8"	0		\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	844.7409	\$0						
GAL.		0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$3.11	\$0						
TOTAL OTHER	0	0		\$0		\$0		\$0		\$0						
AV. OTHER BILL				\$0.00		\$0.00		\$0.00		\$0.00						
MISC. SERV. CHARGES				0		0		0		-59023						
ALL TOTAL	122,468	577,068		\$0		\$0		\$0		\$3,089,397						
PER MFRS/%				0	ERR	0		0	ERR	3232993	95.558%					
ERC EXPANSION				0		0		0		0						
SINGLE FAMILY		1.0 ERC/UNIT		ERR		0		0		3,089,397						
MULTI-FAMILY		0.8 ERC/UNIT		ERR		ERR		ERR		1.00						
MOBILE HOME		0.8 ERC/UNIT higher due to change in rate - 12/90		ok		ok		ok								
METER SIZE																
5/8x3/4"	1.0	121,293	121,293			\$10.56										
3/4"	1.5	0	0			\$15.84										
1"	2.5	646	1,615			\$26.40										
1-1/2"	5.0	98	490			\$52.80										
2"	8.0	312	2,496			\$84.47										
3" COMPOUND	16.0	95	1,520			\$168.95										
3" TURBINE	17.5	0	0			\$184.79										
4"	25.0	24	600			\$263.98										
4" TURBINE	30.0	0	0			\$316.78										
6"	50.0	0	0			\$527.96										
6" TURBINE	62.5	0	0			\$659.95										
8"	80.0	0	0			\$844.74										
8" TURBINE	90.0	0	0			\$950.33										
10"	115.0	0	0			\$1,214.32										
10" TURBINE	145.0	0	0			\$1,531.09										
12"	215.0	0	0			\$2,270.24										
TOTAL		122,468	128,014													
RESIDENTIAL BILL SCHEDULE																
		GALLONS	PRESENT	INTERIM	PROPOSED	RECOMMENDED										
		3,000	\$0.00	\$0.00	\$0.00	\$19.55										
		5,000	\$0.00	\$0.00	\$0.00	\$25.55										
		10,000	\$0.00	\$0.00	\$0.00	\$40.54										

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PALM COAST UTILITY CORPORATION
 FLAGLER COUNTY
 Docket No. 951056-WS
 Test Year Ended: December 31, 1995

Schedule No. 4-A

**WATER
 RATE SCHEDULE**

Monthly Service Rates

	Rates Prior to Filing	Commissioner Approved Interim	Utility Requested Final	Per Order 96-1338	Staff Recommended Final	
Residential, General Service, and Multi-Family						
Base Facility Charge:						
Meter Size:						
5/8" x 3/4"	\$10.55	\$11.49	\$15.36	\$12.53	\$12.59	
1"	\$26.34	\$28.71	\$38.39	\$31.32	\$31.47	
1-1/2"	\$52.69	\$57.42	\$76.79	\$62.63	\$62.93	meter
2"	\$84.29	\$91.87	\$122.86	\$100.21	\$100.69	equiv.
3"	\$168.58	\$183.73	\$245.71	\$200.42	\$201.38	1.00
4"	\$263.41	\$287.09	\$383.93	\$313.15	\$314.65	2.50
6"	\$526.81	\$574.16	\$767.84	\$626.31	\$629.30	5.00
						8.00
Gallonage Charge, per 1,000 Gallons	\$3.60	\$3.92	\$4.52	\$2.87	\$3.60	16.00
						25.00
						50.00
Bulk Service						
6" - Hammock Dunes - BFC	\$195.79	\$213.39	\$285.64	\$184.59	\$198.81	
Gallonage Charge, per 1,000 Gallons	\$1.01	\$1.10	\$1.26	\$0.95	\$1.03	
Irrigation Service - All Classes						
Base Facility Charge:						
Meter Size:						
5/8" x 3/4"	\$5.27	\$5.75	\$7.68	\$6.26	\$6.29	
1"	\$26.34	\$28.71	\$38.39	\$31.32	\$31.47	
1-1/2"	\$52.69	\$57.42	\$76.79	\$62.63	\$62.93	
2"	\$84.29	\$91.87	\$122.86	\$100.21	\$100.69	
3"	\$168.58	\$183.73	\$245.71	\$200.42	\$201.38	
4"	\$263.41	\$287.09	\$383.93	\$313.15	\$314.65	
6"	\$526.81	\$574.16	\$767.84	\$626.31	\$629.30	
Gallonage Charge, per 1,000 Gallons	\$3.60	\$3.92	\$4.52	\$2.87	\$3.60	
Private Fire Protection						
Line Size						
4"	\$87.89	\$95.68	\$31.97	\$26.10	\$26.22	
6"	\$175.60	\$191.38	\$63.87	\$52.19	\$52.44	
8"	\$280.95	\$306.20	\$102.18	\$83.51	\$83.91	
10"	\$403.83	\$440.13	\$146.88	\$120.04	\$120.62	
12"	\$754.94	\$822.80	\$274.58	\$224.43	\$225.50	
Public Fire Hydrants						
Per Hydrant - Per Year	\$100.00	\$100.00	\$0.00	\$0.00	\$0.00	

Typical Residential Bills

5/8" x 3/4" meter					
3,000 Gallons	\$21.35	\$23.25	\$28.92	\$21.14	\$23.37
5,000 Gallons	\$28.55	\$31.09	\$37.96	\$26.89	\$30.57
10,000 Gallons	\$46.55	\$50.69	\$60.56	\$41.26	\$46.54

WATER

14-Mar-97

Percentage Increase:		
	STAFF RECOMM	5,483,087
	TTL CURRENT REVS	5,400,364
	bulk raw water revs for sale to wwtp	0
	MISC SERVICE CHARGES	(42,469)
	Est. revs from water sales	5,357,895
	total rev. increase	82,723
	% increase in water rates:	1.54%

WASTEWATER

Percentage Increase:		
	STAFF RECOMM	3,232,996
	TTL CURRENT REVS	3,287,205
	bulk raw water revs for sale to wwtp	0
	MISC SERVICE CHARGES	59,023
	Est. revs from water sales	3,346,228
	total rev. increase	(54,209)
	% increase in water rates:	-1.62%

**PALM COAST UTILITY CORPORATION
 FLAGLER COUNTY
 Docket No. 951056-WS
 Test Year Ended: December 31, 1995**

Schedule 5-A

**WATER
 RATE SCHEDULE**

**Schedule of Rate Decrease After Expiration of
 Amortization Period for Rate Case Expense**

	Staff Recommended Final	Rate Decrease
<u>Residential, General Service, and Multi-Family</u>		
Base Facility Charge:		
Meter Size:		
5/8" x 3/4"	\$12.59	\$0.12
1"	\$31.47	\$0.30
1-1/2"	\$62.93	\$0.59
2"	\$100.69	\$0.95
3"	\$201.38	\$1.89
4"	\$314.65	\$2.96
6"	\$629.30	\$5.92
Gallonage Charge, per 1,000 Gallons	\$3.60	\$0.03
<u>Bulk Service</u>		
6" - Hammock Dunes - BFC	\$198.81	\$1.87
Gallonage Charge, per 1,000 Gallons	\$1.03	\$0.01
<u>Irrigation Service - All Classes</u>		
Base Facility Charge:		
Meter Size:		
5/8" x 3/4"	\$6.29	\$0.06
1"	\$31.47	\$0.30
1-1/2"	\$62.93	\$0.59
2"	\$100.69	\$0.95
3"	\$201.38	\$1.89
4"	\$314.65	\$2.96
6"	\$629.30	\$5.92
Gallonage Charge, per 1,000 Gallons	\$3.60	\$0.03
<u>Private Fire Protection</u>		
<u>Line Size</u>		
4"	\$26.22	\$0.25
6"	\$52.44	\$0.49
8"	\$83.91	\$0.79
10"	\$120.62	\$1.13
12"	\$225.50	\$2.12
<u>Public Fire Hydrants</u>		
Per Hydrant - Per Year	\$0.00	\$0.00

A:Y1.AD9

staff recom.	5,440,618	remove misc. service charges, \$42,469
4 yr rate red	51,176	gross-up for regulatory assessment fees /.955

% change	0.94%	

INTERIM REFUND CALCULATION

WATER

Percentage Increase:		
STAFF RECOM – INTERIM RECALCULATION		5,431,911
APPROVED INTERIM REVENUE	5,491,319	
bulk raw water revs for sale to wwtp	0	
MISC SERVICE CHARGES	(42,469)	(42,469)
Est. revs from water sales	5,448,850	5,389,442

total rev. increase		(59,408)
% increase in water rates:		-1.09%

WASTEWATER

Percentage Increase:		
STAFF RECOM – INTERIM RECALCULATION		3,181,820
APPROVED INTERIM REVENUE	3,432,636	
bulk raw water revs for sale to wwtp	0	
MISC SERVICE CHARGES	59,023	59,023
Est. revs from water sales	3,491,659	3,240,843

total rev. increase		(250,816)
% increase in water rates:		-7.18%

PCUC-S2.WK3

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RATE SCHEDULE

WASTEWATER

Monthly Service Rates

	Rates Prior to Filing	Commission Approved Interim	Utility Requested Final	Per Order 96-1338	Staff Recommended Final	
Residential Service						
Base Facility Charge: All meter sizes	\$11.10	\$12.75	\$13.46	\$10.42	\$10.56	
Gallorage Charge Per 1,000 gallons (8,000 gallon cap)	\$3.61	\$3.36	\$4.66	\$2.81	\$3.00	
General Service						
Base Facility Charge: Meter Size:						meter equiv.
5/8" x 3/4"	\$11.10	\$12.75	\$13.46	\$10.42	\$10.56	1.00
1"	\$27.72	\$31.85	\$33.65	\$26.06	\$26.40	2.50
1-1/2"	\$55.44	\$63.68	\$67.31	\$55.46	\$52.80	5.00
2"	\$88.69	\$101.88	\$107.69	\$88.73	\$84.47	8.00
3"	\$177.39	\$203.77	\$215.38	\$177.46	\$168.95	16.00
4"	\$277.18	\$318.40	\$336.53	\$277.29	\$263.98	25.00
6"	\$554.35	\$636.79	\$673.05	\$554.58	\$527.96	50.00
8"						
Gallorage Charge, per 1,000 Gallons	\$3.52	\$4.04	\$5.60	\$3.55	\$3.60	

Reuse

	Rates Prior to Filing	Commission Approved Interim	Utility Requested Final	Per Order 96-1338	Per Order 96-1338
Per 1,000 gallons	\$0.00	\$0.00	\$0.67	\$0.07	\$0.07

Typical Residential Bill

5/8" x 3/4" meter					
3,000 Gallons	\$21.93	\$22.83	\$27.44	\$18.87	\$19.55
5,000 Gallons	\$29.15	\$29.55	\$36.76	\$24.49	\$25.55
10,000 Gallons (Sewer Cap - 8,000 Gallons)	\$32.76	\$32.91	\$41.42	\$27.31	\$28.55

		14-Mar-97	
Percentage Increase:			
	STAFF RECOMM	3,232,996	
	TTL CURRENT REVS	3,287,205	
	buk raw water revs for sale to wwtp	0	
	MISC SERVICE CHARGES	59,023	59,023
	Est. revs from water sales	3,346,228	3,292,019
	total rev. increase		(54,209)
	% increase in water rates:		-1.62%

**PALM COAST UTILITY CORPORATION
 FLAGLER COUNTY
 Docket No. 951056-WS
 Test Year Ended: December 31, 1995**

Schedule 5-B

RATE SCHEDULE

**Schedule of Rate Decrease After Expiration of
 Amortization Period for Rate Case Expense**

Wastewater

Monthly Rates

	Staff Recommended <u>Final</u>	Rate <u>Decrease</u>
<u>Residential Service</u>		
Base Facility Charge: All meter sizes	\$10.56	\$0.17
Gallorage Charge Per 1,000 gallons (8,000 gallon cap)	\$3.00	\$0.05
<u>General Service</u>		
Base Facility Charge: Meter Size:		
5/8" x 3/4"	\$10.56	\$0.17
1"	\$26.40	\$0.43
1-1/2"	\$52.80	\$0.86
2"	\$84.47	\$1.37
3"	\$168.95	\$2.75
4"	\$263.98	\$4.29
6"	\$527.96	\$8.58
8"		
Gallorage Charge, per 1,000 Gallons	\$3.60	\$0.06

A:W1.AB4

staff recom.	3,148,423	remove misc. service charges and reuse
4 yr rate red	51,176	

% change	1.63%	

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

**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	\$ <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 STAFF 1995 — 13—MONTH AVERAGE							
10 LONG TERM DEBT	\$ 12,557,692	\$ 0	(6,519,103)	\$ 6,038,589	31.74%	7.24%	2.30%
11 SHORT—TERM DEBT	3,668,231	0	(1,904,297)	1,763,934	9.27%	7.73%	0.72%
12 PREFERRED STOCK	0	0	0	0	0.00%	0.00%	0.00%
13 COMMON EQUITY	19,943,543	0	(10,353,337)	9,590,206	50.40%	11.10%	5.60%
14 CUSTOMER DEPOSITS	458,926	0	0	458,926	2.41%	6.00%	0.14%
15 DEFERRED INCOME TAXES	0	0	0	0	0.00%	0.00%	0.00%
16 DEFERRED ITC'S—ZERO COST	2,316,226	129,534	(1,269,673)	1,176,087	6.18%	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>(20,046,411)</u>	<u>19,027,741</u>	<u>100.00%</u>		<u>8.75%</u>
RANGE OF REASONABLENESS					LOW	HIGH	
RETURN ON EQUITY					<u>10.10%</u>	<u>12.10%</u>	
OVERALL RATE OF RETURN					<u>8.25%</u>	<u>9.26%</u>	

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PALM COAST UTILITY CORP																
Used & Useful Adjustments to CIAC & Accumulated Amortization of CIAC																
WATER																
Classification	Test Year	En 13-Mo	Avg	13-Mo	Avg	Composite 13-Mo						Test Year			NON-U/U	
	CIAC per	Staff	Staff	Staff	Staff	Amort	Rate	AA	CIAC/	Staff	Staff	Amort	Staff	Staff	TEST YEA	
	MFRs Sch	Recom.	Adjusted	NON-U/U	NON-U/U	MFR Sch	MFRs Sch	Recom.	Adjusted	NON-U/U	NON-U/U	Per MFR S	Recom.	Adjusted	AMORTIZ	
	A-12 p1	Adjustments	Balance	%-CIAC	CIAC	B-13	A-14 p1	C	Adjustment	Balance	%-AA/CIAC	AA/CIAC	B-14 p2	Adjustment	Balance	CIAC
Plant Capacity Fees	9,513,590	(405,598)	9,107,992	0.00%	0	3.19%	2,029,065	(168,216)	1,860,849	0.00%	0	303,196	(12,926)	290,272	0	
Line/Main Extensions	0	0	0	0.00%	0	3.19%	0	0	0	0.00%	0	0	0	0	0	
Meter Installation Fees	2,812,617	(102,004)	2,710,613	0.00%	0	3.19%	596,807	(45,333)	551,474	0.00%	0	89,638	(3,251)	86,387	0	
Contributed Lines	2,449,876	(292,755)	2,157,121	73.10%	1,576,855	3.19%	442,778	(18,960)	423,818	73.10%	309,811	78,078	(9,330)	68,747	50,254	
Other - Advance Capacity Charge	1,614,000	(571,154)	1,042,846	30.00%	312,854	3.19%	172,930	(19,911)	153,019	30.00%	45,906	51,438	(18,203)	33,236	9,971	
Service Installation Fees	0	0	0	0.00%	0	3.19%	0	0	0	0.00%	0	0	0	0	0	
Total	16,390,083	(1,371,511)	15,018,572		1,889,709		3,241,580	(252,420)	2,989,160		355,717	522,352	(43,710)	478,642	60,225	
WASTEWATER																
Classification	13-Mo	Avg	13-Mo	Avg	13-Mo	Avg	Composite Year End						Test Year			NON-U/U
	CIAC per	Staff	Staff	Staff	Staff	Staff	Amort	Rate	AA	CIAC/	Staff	Staff	Amort	Staff	Staff	TEST YEA
	MFRs Sch	Recom.	Adjusted	NON-U/U	NON-U/U	MFR Sch	MFRs Sch	Recom.	Adjusted	NON-U/U	NON-U/U	Per MFR S	Recom.	Adjusted	AMORTIZ	
	A-12 p1	Col Adjustments	Balance	%-CIAC	CIAC	B-13	A-14 p1	C	Adjustment	Balance	%-AA/CIAC	AA/CIAC	B-14 p2	Adjustment	Balance	CIAC
Plant Capacity Fees	16,106,163	(808,171)	15,497,992	0.00%	0	3.07%	4,846,216	(260,840)	4,585,376	0.00%	0	494,733	(18,681)	476,052	0	
Line/Main Extensions	0	0	0	0.00%	0	0.00%	0	0	0	0.00%	0	0	0	0	0	
Meter Installation Fees	0	0	0	0.00%	0	0.00%	0	0	0	0.00%	0	0	0	0	0	
Contributed Lines	2,374,667	(297,705)	2,076,962	60.51%	1,256,770	3.07%	620,081	(18,126)	601,955	60.51%	364,243	72,943	(9,145)	63,798	38,604	
Other - Trust	8,124,376	(14,194.1)	7,982,435	100.00%	7,982,435	0.00%	0	0	0	100.00%	0	0	0	0	0	
Other - Prepaid	34,440,537	(102,999)	34,337,538	100.00%	34,337,538	3.07%	11,045,078	(520,605)	10,524,473	100.00%	10,524,473	1,057,910	(3,164)	1,054,746	1,054,746	
Total	61,045,743	(1,150,816)	59,894,927		43,578,743		16,511,375	(799,571)	15,711,804		10,888,716	1,625,586	(30,990)	1,594,596	1,093,350	

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**CALCULATION OF USED AND USEFUL NET DEBIT DEFERRED TAXES
13- MONTH AVERAGE
TYE 12/31/95**

	<u>1988</u>	<u>1995</u>	<u>CHANGE</u>	<u>%OF TOTAL</u>	<u>%NON-USEI</u>
<u>WATER</u>					
CIAC-USED	6,159	13,817	7,658		
CIAC-NON-USED	1,451	1,890	439		
ADVANCES-NON-USED	<u>1,838</u>	<u>2,385</u>	<u>547</u>		
TOTAL WATER	9,448	18,092	<u>8,644</u>	38.20%	11.40%
<u>WASTEWATER</u>					
CIAC-USED	8,854	16,998	8,144		
CIAC-NON-USED	33,618	35,594	1,976		
CIAC IN TRUST- NON-USED	4,416	7,982	3,566		
ADVANCES-NON-USED	<u>382</u>	<u>660</u>	<u>298</u>		
TOTAL WATER	47,250	61,235	<u>13,985</u>	<u>61.80%</u>	41.76%
TOTAL WAW			22,629	100.00%	

	<u>TOTAL</u>	<u>WATER</u>	<u>WASTEWATER</u>
PREPAID POST '86, AVG			
13-MONTH AVG PER PCUC	11,674,629	4,459,592	7,215,037
STAFF ADJUSTMENT	<u>(378,629)</u>	<u>(218,090)</u>	<u>(160,539)</u>
ADJUSTED POST '86	11,296,000	4,241,502	7,054,498
NON-USED AND USEFUL	3,429,953	483,682	2,946,272

13 MONTH AVERAGE 1995- GROSS DEBITS

	<u>TOTAL</u>	<u>WATER</u>	<u>WASTEWATER</u>
PRE 87	2,388,952	0	2,388,952
POST 86	11,296,000	4,241,502	7,054,498
CIAC TAX GROSS-UP	<u>(4,256,932)</u>	<u>(2,518,588)</u>	<u>(1,738,344)</u>
TOTAL GROSS DEBITS	9,428,020	1,722,914	7,705,106
ADJUSTMENTS			
A. DISALLOWED PER ORDER	<u>(2,388,952)</u>	0	<u>(2,388,952)</u>
B. NON-USED	<u>(3,429,953)</u>	<u>(483,682)</u>	<u>(2,946,272)</u>
TOTAL ADJUSTMENTS	<u>(5,818,905)</u>	<u>(483,682)</u>	<u>(5,335,224)</u>
ADJUSTED USED DEBITS	<u>3,609,115</u>	<u>1,239,232</u>	<u>2,369,883</u>

GROSS DEFERRED CREDITS

	<u>TOTAL</u>	<u>WATER</u>	<u>WASTEWATER</u>
PLANT IN SERVICE	116,079,017	60,792,037	55,286,980
% TO TOTAL	100.00%	52.37%	47.63%
13-MONTH AVERAGE CR DITS	1,654,529	866,498	788,031
TOTAL NON-USED PLANT %		43.70%	55.62%
NON-USED CREDIT DITS	<u>817,030</u>	<u>378,694</u>	<u>438,336</u>
NET USED DIT CREDITS	<u>837,499</u>	<u>487,803</u>	<u>349,696</u>
NET DEBIT AND CREDIT USED	<u>2,771,616</u>	<u>751,429</u>	<u>2,020,187</u>

	<u>USED DR</u>	<u>USED CR</u>	<u>NET USED</u>
<u>WATER</u>			
PER UTILITY 13-MO. AVG	1,875,326	(694,679)	1,180,647
PER STAFF 13-MO. AVG	1,239,232	(487,803)	751,429
<u>WASTEWATER</u>			
PER UTILITY 13-MO. AVG	2,402,495	(504,354)	1,898,141
PER STAFF 13-MO. AVG	2,369,883	(349,696)	2,020,187

Range:A:EQUITY

Cost of Equity Capital -- Per Current Leverage Graph
(UPDATE EVERYTIME THE LEVERAGE GRAPH IS CHANGED)

Cost of Equity Leverage Formula $0.0905 + (.01131/ER)$

$ER = \text{Equity Ratio} = \text{Common Equity} / (\text{Common} + \text{Preferred} + \text{LT Debt} + \text{ST Debt})$

Equity Ratio	55.14%
Cost of Equity	11.10%
Leverage Formula	11.10%
Ceiling for ROE @ 40%	11.88%

Range:A:ITC

Cost of Deferred Investment Tax Credits

Option 1 = zero cost, no amortization included in above the line income tax expense.

Option 2= Overall weighted cost of investor sources of capital and amortization included as a reduction to above the line income tax expense.

Calculation of Overall Weighted Cost of Investor Sources of Capital

	<u>Amount</u>	<u>Ratio</u>	<u>Cost</u>	<u>Weighted Cost</u>
Long-term Debt	6,038,589	34.72%	7.24%	2.51%
Short-term Debt	1,763,934	10.14%	7.73%	0.78%
Preferred Stock	0	0.00%	0.00%	0.00%
Common Stock	<u>9,590,206</u>	<u>55.14%</u>	11.10%	<u>6.12%</u>
Total Investor Sources of Funds	<u>17,392,728</u>	<u>100.00%</u>		<u>9.42%</u>

**PALM COAST UTILITY CORPORATION-RECONSIDERATION
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/95**

**SCHEDULE NO. 3-C
DOCKET NO. 951056-WS**

EXPLANATION	WATER	WASTEWATER
<u>OPERATING REVENUES</u>		
1 Remove requested final revenue increase	(1,479,626)	(1,575,817)
2 To include non-utility income	1,802	50,834
3 To remove year end adjustment	(93,459)	(94,662)
Total	<u>(1,571,283)</u>	<u>(1,619,645)</u>
<u>OPERATION & MAINTENANCE EXPENSE</u>		
1 Adjustment per stipulation No. 2 (Audit Exception No. 4)	(6,276)	896
2 Remove unsupported affiliate charges	(15,153)	(10,259)
3 Remove non-recurring personnel services expenses	(10,204)	(6,909)
4 Remove non-recurring legal fees	(4,457)	(3,017)
5 Reflect additional current rate case expense	(37,688)	(37,688)
6 To reduce chamber dues & rental expenses per Stipulation No. 3	(828)	(36,981)
7 To remove year end adjustment for power & chemicals	(18,399)	(8,945)
Total	<u>(93,005)</u>	<u>(102,903)</u>
<u>DEPRECIATION EXPENSE--NET</u>		
1 Imputation of CIAC-MR I-48	(21,936)	(20,877)
2 Net used and useful adjustment	(345,024)	(303,396)
Total	<u>(366,960)</u>	<u>(324,273)</u>
<u>AMORTIZATION, CIAC TAX GROSS UP</u>		
To remove year end adjustment	<u>5,469</u>	<u>1,309</u>
<u>TAXES OTHER THAN INCOME</u>		
1 Remove RAF's on revenue adjustment	(70,708)	(72,884)
2 Non-used and useful property taxes I-108	(95,390)	(50,482)
Total	<u>(166,097)</u>	<u>(123,366)</u>
<u>INCOME TAXES</u>		
To adjust to test year income tax expense	<u>(216,218)</u>	<u>(210,362)</u>
<u>OPERATING REVENUES</u>		
Adjustment to reflect revenue requirement	\$ <u>31,547</u>	\$ <u>(105,385)</u>
<u>TAXES OTHER THAN INCOME TAXES</u>		
Regulatory assessment taxes on additional revenues	\$ <u>1,420</u>	\$ <u>(4,742)</u>
<u>INCOME TAXES</u>		
Income taxes related to revenue requirement	\$ <u>11,337</u>	\$ <u>(37,872)</u>

**PALM COAST UTILITY CORPORATION—RECONSIDERATION
ADJUSTMENTS TO OPERATING STATEMENTS
TEST YEAR ENDED 12/31/95**

**SCHEDULE NO. 3—C
DOCKET NO. 951056—WS
PAGE 2 OF 2**

EXPLANATION	WATER	WASTEWATER
(1) <u>DEPRECIATION</u> a) To correspond with non—used and useful plant	\$ 0	\$ 0
(6) <u>OPERATING REVENUES</u> a) Adjustment to reflect recommended revenue requirement	\$ <u>31,547</u>	\$ <u>(105,385)</u>
(7) <u>TAXES OTHER THAN INCOME TAXES</u> a) Regulatory assessment taxes on additional revenues	\$ <u>1,420</u>	\$ <u>(4,742)</u>
(8) <u>INCOME TAXES</u> a) Income taxes related to recommended income amount	\$ <u>11,337</u>	\$ <u>(37,872)</u>

PALM COAST UTILITY CORPORATION-RECONSIDERATION							SCHEDULE NO. 3-B	
STATEMENT OF WASTEWATER OPERATIONS							DOCKET NO. 951056-W6	
TEST YEAR ENDED 12/31/95								
DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF 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	(\$ 105,385)	\$ 3,181,820	
OPERATING EXPENSES						-3.21%		
2 OPERATION AND MAINTENANCE	\$ 2,049,154	(\$ 80,503)	\$ 1,968,651	(\$ 102,903)	\$ 1,865,748	\$	\$ 1,865,748	
3 DEPRECIATION	35,244	728,836	764,080	(324,273)	439,807		439,807	
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	(123,366)	322,244	(4,742)	317,502	
6 INCOME TAXES	131,947	237,542	369,489	(210,362)	159,127	(37,872)	121,255	
7 TOTAL OPERATING EXPENSES	\$ 2,417,105	\$ 1,071,891	\$ 3,488,996	(\$ 759,595)	\$ 2,729,401	(\$ 42,614)	\$ 2,686,787	
8 OPERATING INCOME	\$ 733,433	\$ 684,421	\$ 1,417,854	(\$ 860,050)	\$ 557,804	(\$ 62,771)	\$ 495,032	
9 RATE BASE	\$ 14,057,238	\$	\$ 16,031,208	\$	\$ 5,654,867	\$	\$ 5,654,867	
RATE OF RETURN	5.22%		8.84%		9.86%		8.75%	

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1400

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

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

DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF 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	\$ 31,547	\$ 5,431,911
OPERATING EXPENSES:						0.58%	
2 OPERATION AND MAINTENANCE	\$ 3,026,338	\$ (222,018)	\$ 2,804,320	\$ (93,005)	\$ 2,711,315	\$	\$ 2,711,315
3 DEPRECIATION	1,621,374	(437,104)	1,184,270	(366,960)	817,310		817,310
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	(166,097)	527,224	1,420	528,643
6 INCOME TAXES	(289,553)	781,183	491,630	(216,218)	275,412	11,337	286,749
7 TOTAL OPERATING EXPENSES	\$ 5,149,598	\$ (64,307)	\$ 5,085,291	\$ (836,811)	\$ 4,248,480	\$ 12,757	\$ 4,261,237
8 OPERATING INCOME	\$ 235,101	\$ 1,651,255	\$ 1,886,356	\$ (734,472)	\$ 1,151,884	\$ 18,791	\$ 1,170,674
9 RATE BASE	\$ 23,702,639	\$	\$ 21,328,434	\$	\$ 13,372,875	\$	\$ 13,372,875
RATE OF RETURN	0.99%		8.84%		8.61%		8.75%

576
 1406

**PALM COAST UTILITY CORPORATION
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/95**

**SCHEDULE NO. 1-C
DOCKET NO. 951056-WS**

EXPLANATION	WATER	WASTEWATER
<u>PLANT IN SERVICE</u>		
To reflect 13-month average test year	<u>(1,089,914)</u>	<u>(3,718,488)</u>
<u>LAND</u>		
1 Adjust cost from affiliate for sprayfield site	0	(207,233)
2 Adjust cost from affiliate for Rib site	0	(318,322)
Total	<u>0</u>	<u>(525,555)</u>
<u>NON-USED AND USEFUL</u>		
To reflect net non-used and useful adjustment	<u>(7,896,742)</u>	<u>(6,710,060)</u>
<u>ACCUMULATED DEPRECIATION</u>		
1 To reflect 13-month average test year	<u>957,830</u>	<u>892,137</u>
<u>CIAC</u>		
1 To reflect 13-month average test year	1,371,511	1,150,816
2 Imputation of CIAC-MR	(688,310)	(680,040)
Total	<u>683,201</u>	<u>470,776</u>
<u>ACCUM. AMORT. OF CIAC</u>		
1 To reflect 13-month average test year	(252,420)	(799,571)
2 Imputation of CIAC on margin reserve	10,968	10,439
Total	<u>(241,452)</u>	<u>(789,132)</u>
<u>DEFERRED INCOME TAXES</u>		
To reflect 13-month average test year	<u>(368,482)</u>	<u>79,784</u>
Total		
<u>ADVANCES FOR CONSTRUCTION</u>		
To reflect 13-month average test year	<u>0</u>	<u>(75,803)</u>

**PALM COAST UTILITY CORPORATION-RECONSIDERATION
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED 12/31/95**

**SCHEDULE NO. 1-B
DOCKET NO. 951056-WS**

COMPONENT	TEST YEAR PER UTILITY YEAR-END	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR PER UTILITY	STAFF ADJUSTMENTS	STAFF ADJ. AVERAGE TEST YEAR
1 UTILITY PLANT IN SERVICE	\$ 56,249,291	\$ 2,128,199	\$ 58,377,490	\$(3,718,488)	54,659,002
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	(6,710,060)	12,062,499
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)	470,776	(60,574,967)
7 AMORTIZATION OF CIAC	16,511,375	0	16,511,375	(789,132)	15,722,243
8 DEBIT DEFERRED INCOME TAXES	1,940,403	0	1,940,403	79,784	2,020,187
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	\$(10,376,341)	5,654,867

59
1400

Range:A:RBW

**PALM COAST UTILITY CORPORATION-RECONSIDERATION
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED 12/31/95**

**SCHEDULE NO. 1-A
DOCKET NO. 951056-WS**

COMPONENT	TEST YEAR PER UTILITY YEAR-END	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR PER UTILITY	STAFF ADJUSTMENTS	STAFF ADJ. 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)	(7,896,742)	(16,499,295)
4 CWIP	3,992,210	(3,992,210)	0	0	0
5 ACCUMULATED DEPRECIATION	(20,996,438)	1,074,065	(19,922,373)	957,830	(18,964,543)
6 CIAC	(16,390,083)	0	(16,390,083)	683,201	(15,706,882)
7 AMORTIZATION OF CIAC	3,241,580	0	3,241,580	(241,452)	3,000,128
8 NET DEBIT DEFERRED TAXES (USED)	1,119,911	0	1,119,911	(368,482)	751,429
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	\$(7,955,559)	13,372,875

202
1470

PALM COAST UTILITY CORPORATION- RECONSIDERATION		DOCKET NO. 951056-WS		
TEST YEAR ENDED 12/31/95				
REVENUE REQUIREMENT CALCULATION				
TAX CALCULATIONS	TEST YEAR		REVENUE REQUIRED	
	WATER	SEWER	WATER	SEWER
TEST YEAR REVENUES	\$ 5,400,364	\$ 3,287,205	\$ 5,431,911	\$ 3,181,820
TOTAL O&M EXPENSE	2,711,315	1,865,748	2,711,315	1,865,748
NET DEPRECIATION EXPENSE	817,310	439,807	817,310	439,807
AMORTIZATION	(82,781)	(57,525)	(82,781)	(57,525)
TAXES OTHER THAN INCOME	527,224	322,244	528,643	317,502
INTEREST EXPENSE (Rate Base X Wtd Cost of Interest + ITC Synchronization)	<u>422,446</u>	<u>178,636</u>	<u>422,446</u>	<u>178,636</u>
TAXABLE INCOME	1,004,850	538,295	1,034,978	437,652
COMPOSITE TAX RATE (State & Federal)	<u>37.630%</u>	<u>37.630%</u>	<u>37.630%</u>	<u>37.630%</u>
GROSS PROVISION FOR INCOME TAXES	378,125	202,560	389,462	164,688
SPECIFIC ADJUSTMENTS TO INCOME TAXES (IF REQUIRED)				
PARENT DEBT ADJUSTMENT	(102,713)	(43,433)	(102,713)	(43,433)
ITC AMORTIZATION	0	0	0	0
WRITE-DOWN OF TAXES	0	0	0	0
OTHER	0	0	0	0
TOTAL SPECIFIC ADJUSTMENTS	<u>(102,713)</u>	<u>(43,433)</u>	<u>(102,713)</u>	<u>(43,433)</u>
ADJUSTED PROVISION FOR INCOME TAXES	\$ <u>275,412</u>	\$ <u>159,127</u>	\$ <u>286,749</u>	\$ <u>121,255</u>
CALCULATION OF INTEREST SYNCHRONIZATION ADJUSTMENT FOR WTD COST ITCs (% of debt to total investor sources of funds (LT-D,ST-D,CE,Pfd) X wtd cost of ITCs in capital structure)				
Included in Interest Exp Calculation Above (B15)	0.0000%			
<u>CALCULATION OF REVENUE REQUIREMENT INCREASE</u>		<u>WATER</u>	<u>SEWER</u>	
TEST YEAR REVENUES		\$ 5,400,364	\$ 3,287,205	
TOTAL O&M EXPENSE		2,711,315	1,865,748	
NET DEPRECIATION EXPENSE		817,310	439,807	
AMORTIZATION		(82,781)	(57,525)	
TAXES OTHER THAN INCOME (TEST YEAR)		527,224	322,244	
INCOME TAXES (TEST YEAR)		<u>275,412</u>	<u>159,127</u>	
NOI GENERATED		1,151,884	557,804	
RETURN ALLOWED (WRB * ORR)		<u>1,170,674</u>	<u>495,032</u>	
NOI DEFICIENCY		(18,791)	62,771	
ESCALATION FACTOR FOR INCOME TAXES & RAFS (See calculation below)		<u>1.67888</u>	<u>1.67888</u>	
REVENUE INCREASE		\$ <u>31,547</u>	\$ <u>(105,385)</u>	
NOTE: NEVER INCREASE REVENUE REQUIREMENT OVER THE AMOUNT REQUESTED BY THE UTILITY FOR EACH SYSTEM. @IF STATEMENTS IN (AL13) & (AL52) SHOULD PREVENT THIS FROM OCCURRING.				
35% Fed Tax Composite Rate (State & Fed) is 38.57%				
ESCALATION FACTOR CALCULATION				
Income Tax Rate (FIT and SIT)		0.37630		
Expansion factor		1.60333		
Expansion factor w/ RAF		1.678885		

**PALM COAST UTILITY CORPORATION—RECONSIDERATION
OPERATION AND MAINTENANCE EXPENSES — WASTEWATER
TEST YEAR ENDED 12/31/95**

DOCKET NO. 951056—WS

ACCT NO.	ACCOUNT TITLE	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	UTILITY ADJUSTED TEST YEAR	STAFF ADJUSTMENTS	STAFF ADJUSTED TEST YEAR
701	SALARIES AND WAGES — EMPLOYEES	\$ 0	\$ 0	\$ 0	\$ 0	0
703	SALARIES AND WAGES — OFFICERS, DIRECTORS, ETC.	0	0	0	0	0
704	EMPLOYEE PENSIONS AND BENEFITS	0	0	0	0	0
710	PURCHASED SEWAGE TREATMENT	0	0	0	0	0
711	SLUDGE REMOVAL EXPENSE	0	0	0	0	0
715	PURCHASED POWER	0	0	0	0	0
716	FUEL FOR POWER PRODUCTION	0	0	0	0	0
718	CHEMICALS	0	0	0	0	0
720	MATERIALS AND SUPPLIES	0	0	0	0	0
731	CONTRACTUAL SERVICES — ENGR.	0	0	0	0	0
732	CONTRACTUAL SERVICES — ACCT.	0	0	0	0	0
733	CONTRACTUAL SERVICES — LEGAL	0	0	0	0	0
734	CONTRACTUAL SERVICES — MGMT. FEES	0	0	0	0	0
735	CONTRACTUAL SERVICES — OTHER	0	0	0	0	0
741	RENTAL OF BUILDING/REAL PROPERTY	0	0	0	0	0
742	RENTAL OF EQUIPMENT	0	0	0	0	0
750	TRANSPORTATION EXPENSES	0	0	0	0	0
756	INSURANCE — VEHICLE	0	0	0	0	0
757	INSURANCE — GENERAL LIABILITY	0	0	0	0	0
758	INSURANCE — WORKMAN'S COMPENSATION	0	0	0	0	0
759	INSURANCE — OTHER	0	0	0	0	0
760	ADVERTISING EXPENSE	0	0	0	0	0
766	REGULATORY COMM. EXPENSES — AMORT. OF RATE CASE EXPENSE	0	0	0	0	0
767	REGULATORY COMM. EXPENSES — OTHER	0	0	0	0	0
770	BAD DEBT EXPENSE	0	0	0	0	0
775	MISCELLANEOUS EXPENSES	0	0	0	0	0
	SERVICES NET	0				
	TOTAL OPERATION AND MAINTENANCE	\$ 0	\$ 0	\$ 0	\$ 0	0

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147

PALM COAST UTILITY CORP NON-USED AND USEFUL SUMMARY	Sched A-7		
	AMOUNT PER UTILITY	AMOUNT PER STAFF	ADJUST PER STAFF
WATER			
PLANT	(13,615,786)	(26,568,579)	(12,952,793)
LAND	0	0	0
ACCUMULATED DEPRECIATION	3,896,893	8,535,292	4,638,399
CIAC	1,319,118	1,889,709	570,591
ACCUMULATED AMORT CIAC	(202,778)	(355,717)	(152,939)
ADVANCES FOR CONSTRUCTION	0	0	0
OTHER	0	0	0
TOTAL NON-USED AND USEFUL	(8,602,553)	(16,499,295)	(7,896,742)
NON-USED AND USEFUL DEPR EXP	296,334	670,908	374,574
NON-USED AND USEFUL AMORT EXP	30,675	60,225	29,550
NET ADJUSTMENT - WATER	(265,659)	(610,683)	(345,024)
PROPERTY TAX EXPENSE-GROSS (Sch B-15)	290000	290000	0
Ratio of non-used plant to total (per staff)		43.70%	
Non-used property tax	31352	126,742	(95,390)
WASTEWATER			
PLANT	(20,225,569)	(30,752,916)	(10,527,347)
LAND	0	0	0
ACCUMULATED DEPRECIATION	6,759,615	10,127,389	3,367,774
CIAC	43,537,577	43,576,743	39,166
ACCUMULATED AMORT CIAC	(11,299,063)	(10,888,716)	410,347
ADVANCES FOR CONSTRUCTION	0	0	0
OTHER	0	0	0
TOTAL NON-USED AND USEFUL	18,772,560	12,062,500	(6,710,060)
NON-USED AND USEFUL DEPR EXP	587,624	923,923	336,299
NON-USED AND USEFUL AMORT EXP	1,060,447	1,093,350	32,903
NET ADJUSTMENT - WASTEWATER	472,823	169,427	(303,396)
PROPERTY TAX EXPENSE-GROSS (Sch B-15)	210,000	210000	0
Ratio of non-used plant to total (per staff)		55.62%	
Non-used property tax	66,329	116,811	(50,482)

**PALM COAST UTILITY CORPORATION - RECONSIDERATION
TAXES OTHER THAN INCOME
TEST YEAR ENDED 12/31/95**

DOCKET NO. 951056 - WS

<u>WATER</u>	<u>TEST YEAR</u>	<u>UTILITY ADJUSTMENTS</u>	<u>UTILITY ADJUSTED TEST YEAR</u>	<u>STAFF ADJUSTMENTS</u>	<u>STAFF ADJUSTED TEST YEAR</u>	<u>REVENUE INCREASE</u>	<u>REVENUE REQUIREMENT</u>
PERSONAL PROPERTY	290,000	(31,352)	258,648	(95,390)	163,258		163,258
PAYROLL	147,208	(31,717)	115,491	0	115,491		115,491
REGULATORY ASSESSMENT FEES	430,425	(116,701)	313,724	(70,708)	243,016	1,420	244,436
OTHER	6,587	(1,128)	5,459	0	5,459		5,459
TOTAL	874,220	(180,898)	693,322	(166,097)	527,225	1,420	528,644

<u>WASTEWATER</u>	<u>TEST YEAR</u>	<u>UTILITY ADJUSTMENTS</u>	<u>UTILITY ADJUSTED TEST YEAR</u>	<u>STAFF ADJUSTMENTS</u>	<u>STAFF ADJUSTED TEST YEAR</u>	<u>REVENUE INCREASE</u>	<u>REVENUE REQUIREMENT</u>
PERSONAL PROPERTY	210,000	(66,329)	143,671	(50,482)	93,189		93,189
PAYROLL	45,989	31,717	77,706	0	77,706		77,706
REGULATORY ASSESSMENT FEES	0	220,808	220,808	(72,884)	147,924	(4,742)	143,182
OTHER	2,296	1,128	3,424	0	3,424		3,424
TOTAL	258,285	187,324	445,609	(123,366)	322,243	(4,742)	317,501

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1473

PALM COAST UTILITY CORPORATION—RECONSIDERATION OPERATION AND MAINTENANCE EXPENSES – WATER TEST YEAR ENDED 12/31/95				DOCKET NO. 951056—WS		
ACCT NO.	ACCOUNT TITLE	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	UTILITY ADJUSTED TEST YEAR	STAFF ADJUSTMENTS	STAFF ADJUSTED TEST YEAR
601	SALARIES AND WAGES – EMPLOYEES	\$ 0	\$ 0	\$ 0	\$ 0	0
603	SALARIES AND WAGES – OFFICERS, DIRECTORS, ETC.	0	0	0	0	0
604	EMPLOYEE PENSIONS AND BENEFITS	0	0	0	0	0
610	PURCHASED WATER	0	0	0	0	0
615	PURCHASED POWER	0	0	0	0	0
616	FUEL FOR POWER PRODUCTION	0	0	0	0	0
618	CHEMICALS	0	0	0	0	0
620	MATERIALS AND SUPPLIES	0	0	0	0	0
631	CONTRACTUAL SERVICES –ENGR.	0	0	0	0	0
632	CONTRACTUAL SERVICES – ACCT.	0	0	0	0	0
633	CONTRACTUAL SERVICES – LEGAL	0	0	0	0	0
634	CONTRACTUAL SERVICES – MGMT. FEES	0	0	0	0	0
635	CONTRACTUAL SERVICES – OTHER	0	0	0	0	0
641	RENTAL OF BUILDING/REAL PROPERTY	0	0	0	0	0
642	RENTAL OF EQUIPMENT	0	0	0	0	0
650	TRANSPORTATION EXPENSES	0	0	0	0	0
656	INSURANCE—VEHICLE	0	0	0	0	0
657	INSURANCE—GENERAL LIABILITY	0	0	0	0	0
658	INSURANCE—WORKMAN’S COMP.	0	0	0	0	0
659	INSURANCE—OTHER	0	0	0	0	0
660	ADVERTISING EXPENSE	0	0	0	0	0
666	REGULATORY COMM. EXPENSES – AMORT. OF RATE CASE EXPENSE	0	0	0	0	0
667	REGULATORY COMM. EXPENSES – OTHER	0	0	0	0	0
670	BAD DEBT EXPENSE	0	0	0	0	0
675	MISCELLANEOUS EXPENSES	0	0	0	0	0
	SERVICES NET	0				
	TOTAL OPERATION AND MAINTENANCE	\$ 0	\$ 0	\$ 0	\$ 0	0

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Range: B:WUU

PALM COAST UTILITY CORP

PLANT, ETC & USED AND USEFUL ADJUSTMENTS																				
WATER UTILITY PLANT ACCOUNTS ACCT. NO. ACCOUNT NAME	Year End	13-Mo Avg	STAFF	13-Mo Avg	Depr	Year End	13-Mo Avg	13-Mo Avg	13-Mo Avg	Depr	Staff	STAFF	STAFF	STAFF	NON - U	NON - U	NON - U	NON - U	NON - U	
	Per MFRs SCH A-5	Recom. Adjustment	Specific Adjustment	Adjusted Balance	Rate Per MFRs	Per MFRs SCH A-5	Per Plant Adjustment	Specific Adjustment	Adjusted Balance	Per MFRs SCH B-13	Depr Exp with	Recom. Adjustment	Adjusted Balance	MR	MR	MARGIN RESERVE	Plant Adj to	UWU Acc. Depr	UWU depr exp	
INTANGIBLE PLANT																				
301.1 Organization	6,130	0	0	6,130	3.33%	4,225	(102)	0	4,123	204	0	0	204	0	0	NA	NA	NA	NA	
302.1 Franchises	2,664	0	0	2,664	3.15%	2,136	(42)	0	2,094	84	0	0	84	0	NA	NA	NA	NA	NA	
339.1 Other Plant & Misc.	228,345	(20,816)	0	207,527	5.77%	134,872	(6,962)	0	128,890	13,176	(1,201)	0	11,975	0	NA	NA	NA	NA	NA	
SOURCE OF SUPPLY & PUMPING																				
303.2 Land and Land Rights	123,422	0	0	123,422	NA	263	0	0	263	0	0	0	0	0	0.00%	0.00%	0	0	0	
304.2 Structures and Improvements	106,206	0	0	106,206	3.07%	47,379	(1,608)	0	45,771	3,228	0	0	3,228	35.43%	40.19%	2,829	37,275	16,217	1,144	
305.2 Collecting and Impounding	0	0	0	0	0.00%	0	0	0	0	0	0	0	0	0	0.00%	0.00%	0	0	0	
306.2 Lake River and Other Intakes	0	0	0	0	0.00%	0	0	0	0	0	0	0	0	0	0.00%	0.00%	0	0	0	
307.2 Wells and Springs	4,761,730	(133,028)	0	4,628,702	8.89%	2,188,918	(116,261)	0	2,072,657	232,644	(6,499)	0	226,145	35.43%	40.19%	121,668	1,839,949	734,342	80,123	
308.2 Infiltration Galleries	0	0	0	0	0.00%	0	0	0	0	0	0	0	0	0	0.00%	0.00%	0	0	0	
309.2 Supply Mains	2,191,871	0	0	2,191,871	2.86%	826,711	(31,308)	0	796,403	62,616	0	0	62,616	35.43%	40.19%	66,472	776,680	281,811	22,186	
310.2 Power Generation Equipment	0	0	0	0	0.00%	0	0	0	0	0	0	0	0	0	0.00%	0.00%	0	0	0	
311.2 Pumping Equipment	378,829	0	0	378,829	8.00%	218,809	(9,469)	0	209,340	18,936	0	0	18,936	33.36%	38.26%	8,322	126,339	69,815	6,316	
339.2 Other Plant & Misc.	95,961	0	0	95,961	10.00%	44,109	(4,800)	0	39,309	9,600	0	0	9,600	35.43%	40.19%	2,697	33,999	13,927	3,401	
WATER TREATMENT PLANT																				
303.3 Land & Land Rights	280,476	0	0	280,476	NA	27	0	0	27	0	0	0	0	0	0.00%	0.00%	0	0	0	
304.3 Structures & Improvements	3,945,086	0	0	3,945,086	3.03%	700,248	(59,770)	0	640,478	119,580	0	0	119,580	0.00%	0.00%	0	0	0	0	
320.3 Water Treatment Eq.	9,447,104	(145,154)	0	9,301,950	5.06%	2,844,417	(221,120)	0	2,623,297	478,236	(7,348)	0	470,888	21.22%	23.36%	142,923	1,973,874	556,664	99,922	
339.3 Other Plant & Misc.	0	0	0	0	4.00%	0	0	0	0	0	0	0	0	0	0.00%	0.00%	0	0	0	
TRANSMISSION & DISTRIBUTION																				
303.4 Land & Land Rights	100,734	0	0	100,734	NA	4	0	0	4	0	0	0	0	0	0.00%	0.00%	0	0	0	
304.4 Structures & Improvements	5,499	0	0	5,499	3.06%	2,672	(84)	0	2,588	168	0	0	168	0.00%	0.00%	0	0	0	0	
330.4 Distribution Reservoirs	1,969,660	0	0	1,969,660	2.87%	873,453	(26,310)	0	847,143	52,620	0	0	52,620	0.00%	0.00%	0	0	0	0	
331.4 Transmission and Distribution M	26,107,446	(211,385)	0	25,896,061	2.30%	9,400,472	(300,939)	0	9,099,533	601,668	(4,873)	0	596,795	73.10%	74.91%	304,017	18,930,021	6,651,769	436,269	
331 Advanced Mains - Backside	1,096,156	(43,115)	0	1,052,041	2.20%	113,536	(12,048)	0	101,488	24,096	(948)	0	23,147	0.00%	0.00%	0	0	0	0	
331 Advanced Mains - P.C	36799	0	0	36799	2.32%	3,873	(428)	0	3,447	852	0	0	852	0.00%	0.00%	0	0	0	0	
333.4 Services	1,140,496	(105,231)	0	1,035,265	2.36%	257,836	(13,384)	0	244,452	26,916	(2,483)	0	24,433	25.53%	30.51%	39,382	264,303	62,409	6,238	
334.4 Meters and Meter Installations	2,364,999	(151,385)	0	2,213,614	4.76%	717,383	(56,429)	0	660,954	113,124	(7,241)	0	106,883	0.00%	0.00%	0	0	0	0	
336.4 Hydrants	2,615,599	(69,912)	0	2,445,677	2.21%	602,410	(27,516)	0	574,894	56,500	(1,542)	0	53,968	5.16%	5.16%	0	126,197	29,665	2,784	
339.4 Other Plant & Misc.	0	0	0	0	4.00%	0	0	0	0	0	0	0	0	0	0.00%	0.00%	0	0	0	
GENERAL PLANT																				
303.5 Land & Land Rights	0	0	0	0	NA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
304.5 Structures & Improvements	529,799	0	0	529,799	2.47%	136,640	(6,550)	0	130,090	13,103	0	0	13,103	9.02%	13.20%	16,707	47,785	11,734	1,182	
340.5 Office Furniture & Equipment	387,772	(40,819)	0	347,153	7.57%	199,711	(9,547)	0	190,164	29,751	(3,177)	0	26,644	8.92%	13.20%	6,662	31,313	17,163	2,403	
341.5 Transportation Equipment	673,147	(57,911)	0	615,236	11.73%	493,774	(38,733)	0	454,041	78,946	(6,792)	0	72,154	0.00%	0.00%	NA	0	0	0	
342.5 Stores Equipment	6,007	19	0	6,026	4.08%	4,154	(104)	0	4,050	245	1	0	246	0.00%	0.00%	NA	0	0	0	
343.5 Tools, Shop & Garage	187,372	(28,731)	0	158,641	4.69%	70,028	(4,338)	0	65,692	8,795	(1,348)	0	7,446	0.00%	0.00%	NA	0	0	0	
344.5 Laboratory Equipment	20,566	156	0	20,722	6.80%	9,914	(541)	0	9,373	1,398	11	0	1,409	0.00%	0.00%	NA	0	0	0	
345.5 Power Operated Equipment	261,826	(42,086)	0	209,799	5.81%	82,406	(2,943)	0	89,463	13,874	(2,318)	0	11,556	0.00%	0.00%	NA	0	0	0	
346.5 Communicational Equipment	52,483	0	0	52,483	7.63%	36,293	(2,001)	0	34,292	4,003	0	0	4,003	0.00%	0.00%	NA	0	0	0	
347.5 Miscellaneous Equipment	1,514	0	0	1,514	0.00%	1,427	0	0	1,427	0	0	0	0	0	0.00%	0.00%	NA	0	0	
348.5 Other Tangible Plant	0	0	0	0	0.00%	0	0	0	0	0	0	0	0	0	NA	NA	NA	0	0	
106 Undistributed Plant	0	246,612	0	246,612	0.00%	0	0	0	0	0	0	0	0	0	NA	NA	NA	0	0	
OTHER																				
103 Future Use Plant	196,161	0	0	196,161	4.56%	94,273	(4,478)	0	89,797	8,952	0	0	8,952	100.00%	100.00%	0	196,161	89,797	8,952	
107 Advanced Property	2,672,139	(267,346)	0	2,384,793	0.00%	0	0	0	0	0	0	0	0	0	100.00%	100.00%	0	2,384,793	0	0
INTANGIBLE PLANT																				
SOURCE OF SUPPLY & PUMPING	237,139	(20,816)	0	216,321		141,233	(6,128)	0	135,107	13464	(1,201)	0	12,263	NA						
WATER TREATMENT PLANT	7,657,021	(133,028)	0	7,523,993		3,326,189	(163,446)	0	3,162,743	327024	(6,499)	0	320,525	34.74%			2,614,143	1,116,112	113,189	
TRANSMISSION & DISTRIBUTION	13,672,668	(145,154)	0	13,527,514		3,644,692	(280,890)	0	3,263,802	597,816	(7,348)	0	590,468	14.59%			1,973,874	556,664	99,922	
GENERAL PLANT	35,336,378	(581,028)	0	34,755,350		11,771,639	(437,136)	0	11,334,503	874,944	(17,087)	0	857,857	55.59%			19,320,521	6,743,832	445,280	
OTHER	2,110,455	77,460	0	2,187,915		1,044,347	(68,786)	0	978,591	150,125	(13,564)	0	136,561	3.62%			79,098	28,887	3,585	
TOTALS - WATER	2,868,290	(267,346)	0	2,580,944		94,273	(4,478)	0	89,797	8,952	0	0	8,952	100.00%			2,580,944	89,797	8,952	
TOTALS - WATER	61,881,961	(1,069,914)	0	60,792,037		19,922,373	(967,830)	0	18,964,643	1,972,325	(46,700)	0	1,926,626	43.70%			26,559,673	8,636,236	670,969	
IMPUTATION OF CIAC ON MARGIN RESERVE																				
						Water Treatment	T&D Meters	Total	RATIO OF NON-USED & USEFUL PLANT TO PLANT											43.70%
1 Service Availability Charge (PCC or MEF)						592	908	1500												
2 ERCs Included in MR (Note 1)						1,183	767													
3 SAC - ERCs in MR (Line 1 Lines)						700,058	596,617	888,337												
Net plant included as a result of MR																				
4 Source Supply & Pumping						201,967														
5 Water Treatment						142,923														
6 Total Water Treatment						344,911														
7 T&D Plant less Meters							343,400	588,310												
8 Amount of CIAC to Impute (Lower of Lines 3 or 4)						344,911	343,400	588,310												
9 Composite CIAC Amortization rate (Sch B - 13 p2)																				
10 Amortization Expense (CIAC * rate)								3,19%												
11 Accum Amort (90% of amortization)								21,936												
								10,869												

Range:C:A1.D3

PCUC CORRECTIONS TO SCHEDULES

ACCT # CELL #

U&U.WK3

NOT YET PROVIDED