



Public Service Commission
-M-E-M-O-R-A-N-D-U-M-

DATE: December 7, 2001
TO: Division of the Commission Clerk and Administrative Services
FROM: Lorena A. Espinoza, Staff Attorney *LAE*
RE: Docket No. 010503-WU - Application for increase in water rates for Seven Springs System in Pasco County by Aloha Utilities, Inc.

Please place the attached Revised Exhibits FJL-8, FJL-9 and FJL-11 in the docket file with the testimony for Frances J. Lingo. These pages replace the respective exhibits of the testimony that were originally filed in the docket on November 20, 2001.

LAE/dm

cc: Division of Regulatory Oversight (McPherson, Vandiver)
Division of Economic Regulation (Fletcher, Jones, Lingo, Merchant, Stallcup, Wetherington, Willis)
Division of Legal Services (Jaeger)

1\010503REV-EXH LAE

APP _____
CAF _____
CMP _____
COM *S. Foris*
CTR _____
ECR _____
LEG _____
OPC _____
PAI _____
RGO _____
SEC *J*
SER _____
OTH *Cover letter*

DOCUMENT NUMBER-DATE
15355 DEC-7 01
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

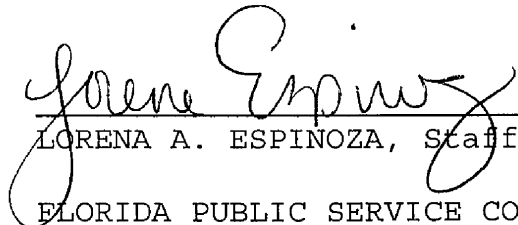
In re: Application for increase
in water rates for Seven Springs
System in Pasco County by Aloha
Utilities, Inc.

DOCKET NO. 010503-WU

FILED: December 7, 2001

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of Revised Exhibits FJL-8, FJL-9, and FJL-11 of the Direct Testimony of Frances J. Lingo, have been furnished to **Ms. Margaret Lytle**, 2379 Broad Street, Brooksville, Florida 34604-6899, **F. Marshall Deterding, Esquire**, Rose, Sundstrom & Bentley, LLP, 2548 Blairstone Pines Drive, Tallahassee, Florida 32301, **Steve Burgess, Esquire**, Office of Public Counsel, c/o The Florida Legislature, 111 W. Madison Street #812, Tallahassee, Florida 32399-1400, and **Mr. Edward Wood**, 1043 Daleside Lane, New Port Richey, Florida 34655-4293 by regular U.S. Mail on this 7th day of December, 2001.


LORENA A. ESPINOZA, Staff Attorney

FLORIDA PUBLIC SERVICE COMMISSION
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
Telephone No.: (850) 413-6234

CONSUMPTION PROJECTIONS SUMMARY

(000)
Projected
Gallons

TOTAL PROJECTED GALLONS FOR 2001	
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	Total Water Projected to be Sold in 2001	1,001,022
-	Total Water Sold in 2000	<u>1,018,745</u>
=	Projected Increase in Total Gallons Sold	
	Amount	(17,724)
	Percent	-2%

Sources: MFR Schedule No. E-13; Deposition of Robert Nixon, Late-Filed Exhibit No. 2; Aloha's Response to Citizens' First Set of Interrogatories, Nos. 47-48; Exhibit FJL-6.

COMPARISON OF CONSUMPTION PROJECTIONS

	<u>Aloha</u>	<u>OPC</u>	<u>Exhibit FJL-8</u>	<u>OPC Deviation from Aloha</u>		<u>FJL-8 Deviation from Aloha</u>	
				<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
- Total Projected Gallons to be Sold in 2001	1,105,067,967	1,021,416,000	1,001,021,846	(83,651,967)	-8%	(104,046,121)	-9%
= Actual Gallons Sold in 2000	1,018,745,467	1,018,745,467	1,018,745,467				
Projected Increase in Gallons Sold	86,322,500	2,670,533	(17,723,621)				

Sources: MFRs Schedule No. E-13; Exhibit (SS-1), Schedule 4 (Revised); Exhibit FJL-8.

**ILLUSTRATIVE RATE DESIGNS BASED ON UTILITY'S REQUESTED
REVENUES FROM RATES OF \$3,702,822**

Blocks: 0-10 Kgal
10+ Kgal

BFC = 31% Gal = 69%

----- Percentage Price Increases at Varying Consumption Levels -----

(000)

----- Based on Illustrative Rate Factors (1) -----

Cons Ending	<u>1.0/1.25</u>	<u>1.0/1.5</u>	<u>1.0/1.75</u>	<u>1.0/2.0</u>
0	26%	26%	26%	26%
1	57%	54%	53%	51%
2	87%	83%	79%	76%
3	117%	111%	106%	101%
4	110%	103%	97%	91%
5	105%	97%	90%	84%
6	100%	92%	85%	79%
7	97%	88%	81%	74%
8	94%	85%	78%	71%
9	92%	83%	75%	68%
10	90%	81%	73%	66%
15	96%	96%	97%	97%
20	100%	105%	110%	114%
25	102%	110%	119%	126%
30	103%	114%	125%	133%
50	106%	122%	137%	149%
75	108%	126%	144%	158%
100	109%	129%	147%	162%
150	109%	131%	150%	167%
200	110%	132%	152%	169%
300	110%	133%	154%	171%

(1) Before a regression adjustment or reductions due to conservation programs.

**ILLUSTRATIVE RATE DESIGNS BASED ON UTILITY'S REQUESTED
 REVENUES FROM RATES OF \$3,702,822**

Blocks: 0-10 Kgal
 10+ Kgal

BFC = 28% Gal = 72%

----- Percentage Price Increases at Varying Consumption Levels -----

(000)

----- Based on Illustrative Rate Factors (1) -----

Cons Ending	<u>1.0/1.25</u>	<u>1.0/1.5</u>	<u>1.0/1.75</u>	<u>1.0/2.0</u>
0	14%	14%	14%	14%
1	45%	43%	41%	40%
2	77%	73%	69%	66%
3	109%	102%	97%	92%
4	104%	97%	90%	85%
5	100%	92%	85%	79%
6	98%	89%	82%	75%
7	95%	87%	79%	72%
8	94%	84%	76%	69%
9	92%	83%	74%	67%
10	91%	81%	73%	66%
15	99%	100%	100%	101%
20	104%	110%	116%	120%
25	107%	117%	125%	133%
30	109%	121%	132%	142%
50	114%	131%	146%	160%
75	116%	136%	154%	169%
100	117%	139%	157%	174%
150	118%	141%	161%	179%
200	119%	143%	163%	182%
300	119%	144%	165%	184%

(1) Before a repression adjustment or reductions due to conservation programs.

**ILLUSTRATIVE RATE DESIGNS BASED ON UTILITY'S REQUESTED
REVENUES FROM RATES OF \$3,702,822**

Blocks: 0-10 Kgal
10+ Kgal

BFC = 25% Gal = 75%

----- Percentage Price Increases at Varying Consumption Levels -----

(000) ----- Based on Illustrative Rate Factors (1) -----

Cons Ending	<u>1.0/1.25</u>	<u>1.0/1.5</u>	<u>1.0/1.75</u>	<u>1.0/2.0</u>
0	1%	1%	1%	1%
1	34%	32%	30%	28%
2	67%	63%	59%	55%
3	100%	93%	88%	82%
4	98%	90%	84%	78%
5	96%	88%	81%	74%
6	95%	86%	78%	71%
7	94%	84%	76%	69%
8	93%	83%	75%	67%
9	92%	82%	74%	66%
10	91%	81%	73%	65%
15	102%	103%	103%	104%
20	109%	115%	121%	125%
25	112%	122%	132%	139%
30	115%	128%	139%	149%
50	121%	139%	155%	169%
75	124%	145%	164%	179%
100	125%	148%	168%	185%
150	127%	151%	172%	190%
200	128%	152%	174%	193%
300	129%	154%	177%	196%

(1) Before a regression adjustment or reductions due to conservation programs.

**ILLUSTRATIVE RATE DESIGNS BASED ON UTILITY'S REQUESTED
 REVENUES FROM RATES OF \$3,702,822**

Blocks: 0-8 Kgal
 8-15 Kgal
 15+ Kgal

BFC = 31% Gal = 69%

----- Percentage Price Increases at Varying Consumption Levels -----

----- Based on Illustrative Rate Factors (1) -----

(000) Cons Ending	<u>1/1.25/1.5</u>	<u>1/1.25/1.75</u>	<u>1/1.25/2.0</u>	<u>1/1.5/2.0</u>
0	26%	26%	26%	26%
1	55%	54%	53%	52%
2	83%	81%	79%	77%
3	112%	108%	106%	102%
4	104%	100%	97%	93%
5	98%	94%	90%	86%
6	94%	89%	85%	81%
7	90%	85%	81%	77%
8	87%	82%	78%	73%
9	88%	83%	78%	77%
10	89%	83%	79%	79%
15	92%	85%	80%	88%
20	102%	103%	105%	109%
25	109%	115%	121%	122%
30	113%	123%	133%	131%
50	123%	139%	156%	151%
75	128%	148%	168%	161%
100	131%	153%	174%	166%
150	133%	157%	181%	171%
200	135%	159%	184%	174%
300	136%	162%	187%	176%

(1) Before a repression adjustment or reductions due to conservation programs.

**ILLUSTRATIVE RATE DESIGNS BASED ON UTILITY'S REQUESTED
 REVENUES FROM RATES OF \$3,702,822**

**Blocks: 0-8 Kgal
 8-15 Kgal
 15+ Kgal**

BFC = 28% Gal = 72%

----- Percentage Price Increases at Varying Consumption Levels -----

----- Based on Illustrative Rate Factors (1) -----

(000) Cons Ending	<u>1/1.25/1.5</u>	<u>1/1.25/1.75</u>	<u>1/1.25/2.0</u>	<u>1/1.5/2.0</u>
0	14%	14%	14%	14%
1	43%	42%	41%	40%
2	73%	71%	69%	67%
3	103%	100%	96%	93%
4	98%	94%	90%	86%
5	93%	89%	85%	81%
6	90%	86%	81%	77%
7	88%	83%	78%	74%
8	86%	81%	76%	72%
9	87%	83%	77%	76%
10	89%	84%	78%	80%
15	94%	88%	82%	92%
20	106%	109%	109%	115%
25	114%	122%	127%	129%
30	119%	131%	139%	139%
50	131%	149%	165%	161%
75	137%	159%	178%	172%
100	140%	164%	185%	178%
150	143%	169%	192%	184%
200	144%	172%	195%	186%
300	146%	174%	199%	189%

(1) Staff's preliminary rate design, before a regression adjustment.

**ILLUSTRATIVE RATE DESIGNS BASED ON UTILITY'S REQUESTED
 REVENUES FROM RATES OF \$3,702,822**

Blocks: 0-8 Kgal
 8-15 Kgal
 15+ Kgal

BFC = 25% Gal = 75%

----- Percentage Price Increases at Varying Consumption Levels -----

(000)

----- Based on Illustrative Rate Factors (1) -----

<u>Ending</u>	<u>1/1.25/1.5</u>	<u>1/1.25/1.75</u>	<u>1/1.25/2.0</u>	<u>1/1.5/2.0</u>
0	1%	1%	1%	1%
1	32%	31%	30%	29%
2	63%	61%	58%	56%
3	95%	91%	87%	84%
4	91%	87%	83%	79%
5	89%	85%	80%	76%
6	87%	82%	78%	73%
7	86%	81%	76%	71%
8	85%	79%	74%	70%
9	87%	82%	76%	75%
10	90%	84%	78%	79%
15	97%	91%	84%	94%
20	111%	113%	114%	119%
25	120%	128%	134%	135%
30	126%	137%	147%	146%
50	139%	158%	175%	170%
75	146%	169%	189%	182%
100	149%	174%	197%	188%
150	153%	180%	204%	195%
200	155%	183%	208%	198%
300	157%	186%	212%	201%

(1) Before a repression adjustment or reductions due to conservation programs.

Source: MFR Schedule No. E-1.