

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

|                                     |                      |
|-------------------------------------|----------------------|
| In re: Application of ST. GEORGE )  | DOCKET NO. 871177-WU |
| ISLAND UTILITY COMPANY, LTD., for ) |                      |
| an increase in water rates in )     | ORDER NO. 21122      |
| Franklin County. )                  |                      |
| _____ )                             | ISSUED: 4-24-89      |

The following Commissioners participated in the disposition of this matter:

BETTY EASLEY  
JOHN T. HERNDON

APPEARANCES: B. KENNETH GATLIN, Esquire, Gatlin, Woods, Carlson and Cowdery, 1709-D Mahan Drive, Tallahassee, Florida 32308  
On behalf of St. George Island Utility Company, Ltd.

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On behalf of Commission Staff

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Counsel to the Commissioners

FINAL ORDER SETTING RATES AND CHARGES  
AND DIRECTING COMPLIANCE

BY THE COMMISSION:

BACKGROUND

On June 30, 1987, St. George Island Utility Company, Ltd., ("SGI" or "utility"), filed an application for an increase in water rates in Franklin County, Florida. However, the information submitted did not satisfy the minimum filing requirements for a general rate increase and the utility was advised of the deficiencies. On September 1, 1988, SGI completed the minimum filing requirements and this date was set as the official date of filing.

The test year for this rate increase application is the twelve-month period ended December 31, 1987. The utility has requested final rates to generate annual revenues of \$405,398 for water service. The requested revenue exceeds test year revenue by \$292,508 (260%). Pending our consideration of final rates, SGI requested approval of interim rates designed to generate revenue of \$342,693, which represents an increase of \$229,803 (203.66%) over test year revenue.

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FPSC-RECORDS/REPORTING

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On September 23, 1988, the Office of Public Counsel (OPC) served notice of its intervention in this docket on behalf of SGI's customers. By Order No. 20078, issued September 27, 1988, we acknowledged OPC's intervention in this matter.

By Order No. 20241, issued October 31, 1988, we suspended the utility's proposed rate schedules pursuant to Section 367.081(6), Florida Statutes, to facilitate a more detailed examination of the utility's proposed increase than the sixty-day file and suspend period allows.

By Order No. 20401, issued December 5, 1988, we granted an interim rate increase, subject to refund, designed to generate annual revenue of \$197,582, which represents an increase over adjusted test year revenues of \$74,250 (60.20%). By Order No. 20687, issued February 1, 1989, we granted SGI's motion for reconsideration and modified Order No. 20401, to require SGI to escrow only the difference between the amount that would have been collected under its original rates and the amount actually collected under the interim rates.

A prehearing conference was held in Tallahassee on January 6, 1989. A formal hearing was held on January 12 and 13, 1989, in Apalachicola, Florida.

#### FINDINGS OF FACT, LAW AND POLICY

Having heard the evidence presented at the formal hearing held in this docket and having reviewed the recommendations of Staff, as well as the briefs of the parties, we now enter our findings and conclusions.

#### STIPULATIONS

Prior to, or during, the hearing in this case, the following stipulations were agreed to by the utility, OPC, and Commission staff. During the course of the hearing, no matters were raised which caused us to question the appropriateness of these stipulations. We believe them to be reasonable and, therefore, we approve them in all respects.

#### Rate Base

1. Unsupported communications equipment, which was not included in the original cost study, worth \$2,090 should be excluded from utility plant in service. The 13-month average of accumulated depreciation should be reduced by \$834 and depreciation should be reduced by \$204. For book purposes, the year-end balance of accumulated depreciation should be reduced by \$936.
2. The appropriate amount of working capital to be included in rate base is zero.

#### Cost of Capital

3. The appropriate cost of test year debt is 6.97%. This does not include the cost of pro forma debt.

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Net Operating Income

4. Outside services should be reduced by \$2,577 to exclude accounting fees, which were recorded as an expense during the test year, but appropriately should be included as rate case expense.
5. Automobile expenses for a general laborer of \$3,917 should be removed from test year expenses, which are no longer paid to the current employee.
6. Non-recurring long distance telephone charges of \$1,200, paid as an employee benefit, should be removed from test year expenses.
7. Prior period expenses of \$2,889 should be removed from test year expenses.
8. Miscellaneous dues and donations of \$310 should be removed from test year expenses.
9. Bank charges of \$1,030 for insufficient funds should be excluded from test year expenses.

QUALITY OF SERVICE

In evaluating the quality of service provided by SGI, we have considered the actual quality of the water provided, the general condition and operation of the plant and facilities and customer relations. At the hearing, SGI's customers were given two opportunities to present testimony regarding quality of service and other matters. In all, twenty-three customers provided testimony. Their concerns are discussed under the appropriate sub-categories below.

Water Quality: A number of customers expressed concerns about the quality of water produced by SGI. Most of these concerns related to the taste, hardness and general aesthetic qualities of the water. In addition to customer testimony, Staff witness McKeown, of the Department of Environmental Regulation (DER), testified regarding the utility's compliance with DER water quality standards. Our review of the relevant testimony and exhibits indicates that SGI is in general compliance with DER's minimum water quality standards, with the exception of maintaining the minimum system-wide chlorine residual level required under Rule 17-550.510(6)(d), Florida Administrative Code.

Operating Conditions: At the hearing, witness McKeown testified that SGI lacks sufficient storage capacity to serve the existing customers or to provide the minimum adequate pressure. As discussed below, one of the main customer complaints regarded water pressure and frequent water outages. In addition, Mr. McKeown testified that the utility lacks an adequate auxiliary power source, a cross-connection control program, does not maintain adequate security and safety precautions and that the overall maintenance and cleanliness of the plant and equipment does not conform to the requirements of Rule 17-555.350, Florida Administrative Code. Mr. McKeown also described past and present attempts to bring SGI into

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compliance with DER requirements. According to Mr. McKeown, although DER has suggested improvements since the early 1980s, SGI has yet to even apply for a permit to implement any of these improvements. Finally, Mr. McKeown noted that SGI is currently under DER citation and that DER has begun enforcement proceedings against it.

Customer Relations: As noted above, twenty-three customers presented testimony regarding quality of service and other matters. There was general agreement among these customers that the quality of service provided by the utility is unsatisfactory. The most common customer complaint regarded low water pressure and frequent water outages, without notification, not only on weekends and holidays, but regular weekdays as well. Our review of the relevant testimony and exhibits indicates that the utility does not publish a 24-hour emergency telephone number, does not maintain a log of the date and nature of each complaint and the corrective action taken, if any, as required by Rule 25-30.130, Florida Administrative Code. Further, it does not appear that customers are notified of the utility's deposit and refund policies.

Based on the evidence in the record, it is apparent that the previous manager was unsuccessful in meeting the daily management requirements of the utility system. Based upon the foregoing discussion, we find that the quality of service provided by SGI is not satisfactory.

#### Unaccounted for Water

Unaccounted for water is that water which, after treatment by the utility, is placed in the distribution system for use by customers but for various reasons does not show up as a product sold or used for some other valid, documented purpose. SGI claims unaccounted for water of 35 percent during the test year. The utility has offered a number of reasons for this excessive amount: theft of water; use by fire department; customers flushing their own lines; and leaks in lines. However, none of these reasons can completely justify the utility's failure to properly account for water it distributed. The utility has agreed that henceforth, as corrective measures, it will keep better records, will time water used at flush stands and fire hydrants, and will try to prevent theft of water by contractors.

OPC argues that it is Commission policy to allow 10 percent unaccounted for water. However, our past decisions in previous cases indicate that a fair average for unaccounted for water might range from 10-20 percent. We agree that 35 percent unaccounted for water is excessive. On the other hand, we also believe that numerous losses of water were beyond the control of, and not the fault of, the utility. SGI may have failed to properly account for water used for flushing lines, or by the fire department, but these are legitimate uses and the utility has agreed to strengthen its accountability procedures. Under these circumstances we find it appropriate to allow 15 percent unaccounted for water. Chemical and electric expenses should likewise be reduced to reflect the level of 15 percent unaccounted for water.

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#### PRESERVATION OF RECORDS REQUIREMENTS

Rules 25-30.110 and 25-30.115, Florida Administrative Code sets forth this Commission's requirements for preservation of records. These provisions require that the utility maintain its accounts and records in conformity with NARUC Uniform System of Accounts. SGI does not have the records required by this rule.

The utility has offered a number of explanations as to why the records are missing. Various SGI representatives have stated that the records had been lost, thrown away or had just disappeared due to several moves and changing accountants or managers. Commission auditors were told that the general ledger and contribution-in-aid-of-construction records were not maintained and that they did not exist. Mr. Gene Brown, SGI's owner, testified that the utility's records were not absent, just lacking complete details. He further testified that, over the years the records have been lost or misplaced, due to use by a variety of different attorneys and company personnel. SGI suggested, in its brief, that in view of the "bizarre" history of Leisure Properties, Ltd. and its affiliates, it is perfectly understandable that every check, invoice, time-card, etc. for the past 12 years is not available.

SGI asserts that its certified financial statements and federal income tax returns should be considered records within the "spirit" of the law. The basis for this argument is that the detailed records were necessarily available or the utility's various CPAs would not have certified the capital cost of the system year by year, the IRS would have not have agreed to the cost of the system, and SGI's accountant would not have been able to reconcile each tax return with the audited financial statements. Even if the statements and returns were considered accurate they do not conform to the requirements of Rule 25-30.110(1)(a), Florida Administrative Code. Further, we are puzzled as to how the same general ledgers that were used to reconcile tax returns for the years 1979 through 1987 were not available for inspection for this rate case.

SGI's reasons for "losing" records do not excuse the utility from compliance with Commission rules. Based on the evidence presented in the record, we find that SGI is in violation of Rules 25-30.110 and 25-30.115, Florida Administrative Code. Accordingly, we find it appropriate to require SGI to comply with these rules as hereinafter specified.

#### TEST YEAR

SGI based its rate application upon a thirteen-month average test year. OPC took the position that, if pro forma plant were included in rate base, a year-end test year should be used. If pro forma plant were not included, OPC agreed that an average test year should be used.

OPC based its position regarding a year end test year, in part, upon SGI's inclusion of pro forma plant, and in part, because the transmission and distribution system is

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"over-built," in that it can serve many more customers than are currently served. Thus, with the addition of each new customer, the utility's rate base declines, plant-in-service remains relatively constant and accumulated depreciation and CIAC continue to grow.

SGI argues that a year-end test year is inappropriate in view of the decisions of the Florida Supreme Court in The Citizens of the State of Florida v. Paula F. Hawkins 356 So. 2d 254 (Fla. 1978) and City of Miami v. Florida Public Service Commission 208 So. 2d 258 (Fla. 1968). In the City of Miami case, the Court stated that "in the absence of the most extraordinary conditions or situations, average investment during the test year should be the method employed by the Commission in determining rate base." In Citizens v. Hawkins, the Court further stated that the Commission should "predicate its decision regarding the use of a year-end rate base solely on considerations of extraordinary growth".

We do not believe SGI is experiencing extraordinary growth or conditions. The mere fact that the utility has lines available to serve additional customers is not extraordinary. Many utilities are in the same situation, which is why we regularly review, as we did in this proceeding, the used and useful portion of plant in service. If a portion of plant in service is held for future use, then that amount should be removed from rate base. We believe that such a used and useful adjustment is the appropriate method in a situation such as this, where, additional customers can be added with little to no increase in cost to serve. Accordingly, we find that the thirteen-month average period ended December 31, 1987 is the appropriate test year for this proceeding.

#### RATE BASE

##### Original Cost of Water System

The appropriate method to determine the original cost of a system is by analysis of the utility's books and records and the original source documentation in support thereof. During the audit of SGI, the staff auditor was informed that the original records had been lost, thrown away or had simply disappeared. Since SGI could not locate its books and records and supporting documentation, it submitted instead an original cost study in support of its proposed rate base.

We have, historically, been extremely cautious in the application of an original cost study to determine a utility's investment in plant. The majority of cases in which we have allowed an original cost study to be used in lieu of original source documents have been in instances involving very small utilities. A few examples of such instances are when very small utilities have just come under the jurisdiction of this Commission and the required documentation was not previously required, where a small utility was not sophisticated enough to maintain the required books and records or when an owner/operator of a very small system has died and the subsequent owner could not obtain the records required to establish rate base.

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Given the size of SGI, the fact that its owner is also a developer and that it has consistently remained under the same ownership, its failure to maintain original source documentation for review by this Commission or any other governmental agency is unacceptable. We cannot help but wonder how the records were available for independent accounting firms to perform annual audits and consistently issue unqualified opinions, when the same records are unavailable for this proceeding.

In the absence of original source documentation, there appear to be two options available to determine the original cost of SGI's system. The first would be for us to conclude that, due to the suspect circumstances surrounding the absence of the records, SGI has not met its burden to prove its investment. Accordingly, we could conclude that SGI has no investment in utility plant until such time as it provides original source documentation. This solution does not, however, appear to be fair and just since the record does indicate that the utility has some level of investment in the system.

The second option is for us to accept SGI's original cost study, subject to any adjustments that we determine to be appropriate. This appears to be the only reasonable approach under the circumstances. However, although we will use SGI's original cost study, we stress that our action should not be construed to imply that a utility can justify investment unsupported by original source documentation with an original cost study. Further, if at any time in the future, evidence is produced which reflects that our analysis of SGI's investment is incorrect, we may, of course, readdress the issue of SGI's level of investment.

Original Cost Study: According to SGI's original cost study, the current replacement value of the utility plant is \$3,109,689 and the original cost is \$2,551,010. The original cost was derived by trending the current replacement cost estimate, as of June 1, 1988, back to the year of construction for each component utilizing the Handy-Whitman Index of Public Utility Construction Costs. These costs are shown by NARUC account number on Schedule No. 4, attached to this Order. In support of its original cost study, SGI also produced evidence of an original cost of \$2,657,212, based upon an audit by an independent accounting firm. In addition, SGI produced evidence of an original cost of \$2,200,000, based upon a settlement of litigation with the Internal Revenue Service (IRS). In that case, SGI had claimed a cost of \$3,000,000 while IRS had appraised its value at \$1,550,000. We believe that a reasonable approximation of the original cost would be a value within this range of estimates.

In addition to SGI's original cost study, OPC performed its own original cost study. Under its study, OPC arrived at an original cost of \$2,296,580. OPC did not dispute any of the actual plant items or the dates at which SGI assumed various items went into the ground. Rather, the major disagreement between SGI and OPC was in the unit prices used for pipe and the five-eighths inch water meters. According to OPC, its estimates were based, at least in part, upon unit prices quoted

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by construction firms that had actually bid on some of the subject projects. A review and analysis of the record indicates that SGI's estimated costs for these unit items included all expenses necessary to completely install the pipe, including, but not limited to, engineering and labor, trenching, de-watering, backfilling, compaction and landscaping. It does not appear that OPC's analysis took any of these considerations into account.

While there are a wide range of estimated original cost values in the record, under cross-examination of SGI's engineering witness, OPC two letters from SGI to the Department of Natural Resources detailing the costs for the purchase of pipe. The first letter, dated January 15, 1979, stated a cost of \$15,100, compared to SGI's estimate of \$32,191. The second letter, dated March 27, 1979, stated a cost of \$14,750, compared to SGI's estimate of \$31,208. Since both of the statements of actual costs were less than one-half of SGI's estimates, OPC suggests that SGI's entire original cost estimate should be reduced by approximately one-half. Again, however, it appears that SGI's estimates include installation costs while the two contracts are for unit purchases only.

We have recalculated the above statements of actual costs to include legitimate costs for engineering, labor, equipment, valves, fittings and other miscellaneous items in addition to the cost of the pipe itself. Only the cost of the 6-inch turbine meters are excluded since these turbine meters are not a part of the installed main. Although the meters were included in the two SGI letters, they were not included in SGI's estimates. In addition, we note that meters are included under a separate account code (No. 334). Our results, along with OPC's suggested costs and SGI's estimates, are set forth below for comparison.

|             | <u>OPC</u> | <u>COMMISSIO.I</u> | <u>SGI</u> |
|-------------|------------|--------------------|------------|
| Contract #1 | \$15,100   | \$26,873           | \$32,191   |
| Contract #2 | \$14,750   | \$26,318           | \$31,208   |

Since it appears, from the two statements of actual costs, that SGI's estimates are somewhat inflated, we find it reasonable to conclude that SGI's remaining estimates, for which it also has no supporting documentation, are also somewhat inflated. In fact, under cross examination by OPC, SGI witness Brown agreed that his engineering consultant would tend to inflate his estimates while OPC's consultant would tend to deflate his estimates.

Based upon these two statements of actual cost, and our adjustments, it appears that the actual cost of the plant items addressed by those contracts was only 84 percent of the amount estimated by SGI. In view of SGI's lack of documentation and its apparent inflation of costs, we find it appropriate to apply this 84 percent reduction factor to all of SGI's estimates. Accordingly, we have adjusted all of SGI's original cost estimates to reflect 84 percent of those estimates, as set forth on Schedule No. 4-A.



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### Services

OPC proposed that we adjust Account No. 333, Services, by \$60,043 to reflect more current data. We find no support in the record for such an adjustment and have, therefore, rejected OPC's proposed adjustment.

### Used and Useful Adjustments

In order to determine the appropriate rates for this utility, we must first determine its investment in plant facilities that are used and useful in providing utility service. Our calculations of used and useful plant facilities are reflected on Schedule No. 5.

Margin reserve: Margin reserve is an adjustment to the used and useful calculation that recognizes a utility's investment in plant to serve near-term growth. SGI's water system is not capable of providing adequate service to existing customers. The utility is likewise incapable of serving near-term growth. We, therefore, do not find it appropriate to allow a margin reserve.

Water Treatment Facilities: SGI owns and operates a wellfield on the mainland and a treatment plant and storage facility on the island. Since the wells, treatment plant and storage facility are insufficient to serve existing customers, as discussed above, we find that these facilities are 100 percent used and useful.

Water Distribution System: SGI owns an eight-inch main which runs from the mainland well to the treatment facilities on the island. SGI also owns transmission and distribution mains throughout the island.

SGI's service area consists of approximately 3,000 lots, of which only 620 are currently connected. We do not believe that those portions of the transmission and distribution system which do not serve active connections are used and useful. SGI also has a refundable advance agreement with the Florida Department of Natural Resources for an eight-inch main, which runs from SGI's storage and pumping facilities to a park owned by the state and operated by DNR. Since a portion of the total cost of lines has been funded by an advance, our calculations of the used and useful percentage removed the total lots available and current lots served that are associated with the advance. The total cost of the lines was also reduced by the advance when the percentage was applied. Schedule No. 5 reflects our calculations, which result in an 18 percent used and useful level for the transmission and distribution system.

Allowance for Funds Prudently Invested (AFPI): Although we have made major adjustments to used and useful plant, we also believe that SGI should be allowed to recover a fair return and expenses on those portions of plant which were prudently constructed, but which exceed the amount necessary to serve current customers. We, therefore, find it appropriate to allow the carrying costs associated with the excess transmission and distribution lines to be collected as an AFPI charge from future customers at the time of connection.

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However, the AFPI charge should not be collected for connections to the line that leads to the state park since this cost has already been recovered in the form of a refundable advance.

Our calculation of the appropriate AFPI charge for this utility is reflected on Schedule No. 6. This charge is based, as is the used and useful adjustment, on the number of lots associated with the transmission and distribution system. It is also based on the overall cost of capital and is designed to allow SGI to recover depreciation expense. There is no income tax expense since SGI is a partnership, and there are no non-used and useful property taxes to be removed from the revenue calculation.

The AFPI charge is designed to accrue for a five-year period beginning January, 1988 and ending December, 1992. Absent extraordinary circumstances, we believe that excess capacity to serve growth beyond five years is imprudent. Since SGI has demonstrated no extraordinary or unusual circumstances, we find that five years is a reasonable period for the AFPI charge to accrue. The AFPI charges will be effective for connections made on or after the stamped approval date on the revised tariff sheets. These charges will apply until the utility connects the remaining lots which are not associated with the advance for construction from DNR. After December, 1992, the charge will remain fixed to reflect that the utility should bear the costs of carrying the excess plant after the five year period.

The approved AFPI charge does not apply to customers that connected to the SGI system between January 1988 and the tariff approval date. These connections are, however, included in our calculations of the total number of lots subject to the AFPI charge.

#### Pro-forma plant additions

SGI has requested inclusion of pro forma land and plant additions in its rate base and associated debt and depreciation expense in its capital structure. We find that the cost of the pro forma land and plant additions cannot be determined at this time and should not be considered for rate setting purposes in this docket. The associated pro forma debt and depreciation expense should also not be considered.

SGI requested recovery of \$403,500 of pro forma plant and \$18,000 of land to be included in the test year rate base. The plant costs were based on utility witness Coloney's estimate of the cost of capital improvements he considered necessary to comply with DER requested system improvements. The improvements he recommended, consisting of an additional well and support equipment and an additional storage tank, were to remedy the water system's inadequate source of supply and storage facilities.

The utility contended that the initial improvements would be completed by June, 1989. This was based on the assumption that funds would be available by the end of January and that plans could be prepared, bids received and construction

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initiated in short order. However, as of the hearing date, no authorization had been given for the initiation of the construction plans, nor had preliminary plans been completed. Further, Mr. Coloney stated that since no plans had been completed, it would have been impossible to receive any bids on the improvements. In addition, the utility had not even purchased the land on which the pro forma plant would be placed.

Upon cross-examination, Mr. Coloney testified that his original estimate of plant improvements was now totally inappropriate. This was based on a DER consent order which was delivered to the utility on December 29, 1988. The consent order called for improvements to the system which would require an expenditure of possibly \$4.5 million. If DER does not receive a satisfactory response to the consent order, it may impose a moratorium prohibiting any additional connections to the system.

Mr. Coloney stated that with the DER consent order, the time to construct the improvements, including the cost of the well, could take in excess of a year to complete. Mr. Coloney also agreed that there is quite a difference between the utility's estimate and DER's requirements and the chance of DER coming down to the utility's estimate is very slim. When asked how this Commission could make any sound judgement about the pro forma plant, its cost, the time to completion, or anything else, under the changed circumstances, Mr. Coloney suggested that the Commission consider a late-filed exhibit of the consent order, along with an analysis, together with a joint meeting with DER to move toward a resolution of the consent order.

We agree that improvements are essential if the utility is to provide a satisfactory level of quality of service and also be in compliance with DER's requirements. However, based on the uncertainty of the issues surrounding the level of improvements, the Commission cannot make a sound decision on those items in this docket. Mr. Coloney's suggestion to consider the proposed consent order or attend post-hearing meetings between DER and SGI is inappropriate. Such post-hearing evaluation of an on-going enforcement case would foreclose examination and cross-examination of the evidence.

Based on the above, we find that this rate case is not the proper avenue to allow recovery of the pro forma plant costs. Therefore, we find it appropriate to remove those costs from rate base, along with the associated cost of capital and net operating income costs.

We further find that the utility should expedite its negotiations with DER to determine what improvements will be required. Based on those agreements or orders, the utility should prepare plans and solicit bids for construction. Upon the determination of the final costs required at the completion of this process, the SGI could then request expedited adjustment of these rates in a subsequent proceeding.

#### Undocumented plant

This issue arose because of the differences in the amounts by account between the original cost study and the MFRs. The

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record addresses facts surrounding the differences in the original cost of land on which the current source of supply is located, and the cost of transportation equipment.

As admitted by SGI witness Mears, the appropriate cost of land should be \$20,455. This results in a decrease of \$19,429 to the amount of land reflected in the MRFs. The Commission staff auditor was able to trace transportation equipment costs to an invoice, thus providing original source documentation. We, therefore, find it appropriate to include \$10,717 in plant in service for transportation equipment.

OPC contends, in its brief, that these items were not included in the utility's filing and therefore not explored during discovery nor addressed in the testimony. It continues that this issue was raised subsequent to OPC's testimony, leaving no opportunity to advocate on behalf of the Citizens and should not now be added to the utility's requested rate increase. However, these items were clearly included in the MRFs and the original cost study. OPC, therefore, had adequate opportunity to pursue this matter through testimony or cross-examination.

Other than the adjustment to the cost of land and transportation equipment, as discussed above, there is no support in the record to reconcile other differences. Since there is no record support for the remaining amounts, we find that the only appropriate amounts to be included in rate base are the cost of land and transportation. Therefore, \$52,190 should be removed from rate base as unsupported plant.

#### Plant-in-service

Our calculations of plant-in-service are detailed on Schedule No. 4, by primary account number, for thirteen-month average and year end bases. Based upon SGI's application and the calculations, adjustments and stipulations listed in this Order, we find the appropriate thirteen-month average balance of plant-in-service to be \$2,146,687.

#### Capitalization of Labor Costs

This issue was initiated by OPC based on the understanding that none of the labor had been capitalized related to meter and line installations. In subsequent discovery, it was determined that there was a capitalization factor and no parties have disputed its existence or reasonableness. Utility witness Mears testified that \$5,989 of test year salaries had been properly capitalized. Therefore, we find the labor costs have been properly accounted for and no adjustment is necessary.

#### Working Capital

Customer deposits: SGI, in its application, included customer deposits as a current liability in calculating the working capital allowance. OPC initially argued that rate base should be decreased by customer deposits since the utility has not been paying interest on these deposits. In its brief, however, OPC agreed that customer deposits should be included in the capital structure, but that an interest rate should be

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allowed only if the accrued interest for the test year is recorded on the utility's books. We do not find any support for OPC's position in the record. OPC witness Dittmer only testified that customer deposits should be removed from rate base but because of the relatively small negative working capital and the complexities of determining which current assets and liabilities are used and useful, he would not propose a negative working capital allowance.

Rule 25-30.11(4), Florida Administrative Code, states that each utility that requires deposits shall pay a minimum interest of 8 percent per year. SGI acknowledges that it has not paid interest and states that it will pay interest in the future.

Commission policy has been to include customer deposits in the utility's capital structure. We are not persuaded to alter this policy. Therefore, independent of the cost established for customer deposits, we do not find it appropriate to reduce rate base for customer deposits or accrued interest.

#### Contributions-in-aid-of-Construction (CIAC)

OPC contends that there are two major portions of CIAC that the utility has collected, yet failed to recognize in its filing. Its first argument is that the State of Florida provided the utility's parent, Leisure Properties, Ltd., ("Leisure"), with CIAC to cover the entire investment in the fresh water supply from the mainland. OPC's second argument is that Leisure collected CIAC to cover at least that portion of the plant necessary to serve the Plantation.

In 1973, Leisure sold the State of Florida a parcel of land for \$6.5 million which the state intended to use for a park. The sales agreement obligated Leisure to provide a fresh water supply to the island on or before June 25, 1975. It further stated that the water supply would cost Leisure approximately \$1 million, plus additional sums for distribution on the island.

OPC argues that the State believed that Leisure would bear the cost of the system. The minutes of the May 1, 1973 meeting of the Governor and Cabinet show the Attorney General Shevin saying:

Governor, I'd like to, first of all, publicly commend you and your staff for having exacted these various conditions, I think that they've made this an extremely attractive proposition. The water, the sewage treatment facilities, the agreement not to sell a plat for a period of time...

OPC argued that if the citizens, rather than Leisure are going to bear the expense of the water supply system, then the Governor's staff has "exacted" nothing from Leisure Properties. Also, as part of its argument that the State has paid for the system in the purchase price, OPC quotes the Governor from the same cabinet meeting which made it abundantly clear who would bear the expense of the system:

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And as I said initially, one of the first things I heard was that the next thing the state would be asked to do would be to spend a million dollars bringing water over there to its park that it was developed. Well, they've now agreed that they will bear that expense. Obviously, it's contingent upon them having them somewhere to draw it from, and so they're looking to, hopefully to East Point for the supply of it. But the expense of bringing the water over, they will bear that. And I think they should bear that.

We believe that the quotations offered by OPC support a conclusion that SGI, not the state, bore the cost of supplying the water system to the island. A requirement that the utility provide the water system does not mandate a conclusion that the cost of that system was included in the sales price of the land. It is likely that the state would have specified that a portion of the sales price was to be ear-marked for the water system if that was its intent. As implied by the Governor in the foregoing quotation, he did not want the State to have to spend a million dollars to install a water system for the park.

OPC further argues that if Leisure had failed to put in the water supply system, the purchase price would be reduced by the cost of such a system. This is based on the agreement with the DNR regarding the terms of payment for the sale. If the utility failed to provide the water supply within the time schedule set forth, the State could deduct from the next annual payment the cost of installing such a system, and would withhold these funds without interest until such time as the water supply is provided; notwithstanding such withholding of partial payment, the State would have the right to acquire title to the park. OPC argues that this agreement means that if Leisure failed to install the water system, the purchase price would be reduced by the cost of such a system.

We interpret this clause to mean that the utility should incur the cost of installing the water system and provide the service within a time certain. If the utility did not comply, then the state would withhold payments until the system was provided. This clause did not reduce the ultimate purchase price. Based on this wording in the agreement, we believe it is inappropriate to assume that the purchase price covered the cost of the water system.

In further support of its investment in the original cost, SGI presented evidence of a settlement entered into with the IRS. In 1979, Leisure sold the utility assets to a new partnership named St. George Island Utility Company, Ltd. for \$3 million. The IRS disputed that this amount was the real cost of the system and calculated an original cost of \$1.5 million. On the day before the dispute was to heard in court, the IRS and the utility settled on an original cost of \$2.2 million. We are persuaded by the utility's argument, that if the whole system had been written off, then the IRS would not have stipulated to an original cost of \$2.2 million as of 1979. SGI presented evidence to show that SGI's tax returns

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were adjusted to reflect the cost basis established in the stipulation.

For the above reasons, we find that the agreement stated that the system would be supplied at the utility's cost, not the State's. Therefore, except for the connection charges paid for by the customers, the original cost of the system is an investment of the utility's and no CIAC should be imputed with respect to the sale of land to the state for the park.

OPC's second argument is that Leisure collected CIAC to cover at least that portion of the plant necessary to serve the Plantation. This is based on the testimony of Mr. Stocks, a former general partner in Leisure Properties. Mr. Stocks stated that the cost of the water facilities, along with the cost of the roads and electric lines, were included in the cost of the lots sold in the development. Additionally, he stated that Leisure subsequently turned the utility system over to the utility at no cost.

This testimony is disputed by Mr. Brown, SGI's owner, who testified that the roads and electric lines were expensed by Leisure, but not the water lines. He continued that they had made a conscious decision that the utility had to stand on its own, and therefore, the water lines were not written off. Ms. Withers, SGI's comptroller from 1976 to 1986, testified that she was familiar with the tax returns, and also confirmed that the water lines were not charged off to the cost of the lots sold. Mr. Brown further testified that whether the water lines had been written off was the primary issue surrounding the IRS audit and subsequent stipulation. Mr. Stocks, as stated by Mr. Brown, was a party to the tax stipulation and took the position at that time that the utility's investment was \$3 million. If the lines had been expensed, then all of the partner, including Mr. Stocks, would have had serious problems with the IRS.

We find the utility's evidence and arguments persuasive and conclude that the water lines were not written off as a cost of lots sold. Therefore no CIAC should be imputed.

#### Customer Advances

The utility's application includes \$91,430 in customer advances. OPC did not state a position on this issue in the Prehearing Order. There also was no testimony in the record which disputed the level of customer advances for construction as reflected in the utility's application. The level included in the MFRs appears reasonable, therefore, we find that the appropriate level of customer advances is \$91,430.

#### Rate Base

Based upon the calculations and adjustments set forth in this Order, we find that the appropriate rate base, for the purpose of this proceeding, is \$525,635. Our calculation of rate base is reflected on Schedule No. 1-A, with our adjustments detailed on Schedule No. 1-B.

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COST OF CAPITAL

Capital Structure and Costs

Based upon SGI's large negative balance of equity, we find that its capital structure consists of 100 percent debt. As stated previously, we have accepted the stipulation that the appropriate cost of debt, excluding pro forma debt, is 6.97 percent.

Since we have not allowed any proforma plant, if we included any components for such plant in the capital structure, an imbalance would result. We, therefore, find that no pro forma capital components are appropriate.

We are not establishing a return on equity for SGI since its capital structure consists of 100 percent debt.

Accordingly, we find that SGI should be allowed the opportunity to earn a 6.97 percent rate of return. Our calculations of SGI's cost of capital are reflected on Schedule No. 2-A, with our adjustments itemized on Schedule No. 2-B.

Customer Deposits

As discussed above, based upon SGI's failure to pay interest on customer deposits, OPC urges that we treat customer deposits as zero-cost capital or reduce rate base by the accrued interest for the test year. However, as noted, OPC failed to justify a departure from this Commission's practice of including such deposits in the capital structure. We, therefore, find that these customer deposits should be included in the capital structure.

Subsequent provisions of this Order require SGI to comply with Rule 25-30.311(4), Florida Administrative Code, regarding customer deposits, on a prospective basis. At a minimum, that rule requires any utilities collecting customer deposits to pay at least 8 percent interest on these deposits per year. We, therefore, find it appropriate to assign an 8 percent cost rate to customer deposits included in the capital structure, in order to reflect costs on a going-forward basis.

NET OPERATING INCOME (NOI)

Our calculations of NOI are attached as Schedule No. 3-A, with our adjustments detailed on Schedule No. 3-B. Those adjustments which are self-explanatory or essentially mechanical in nature are presented on Schedule No. 3-B without further discussion in the body of this Order. The major adjustments are discussed below.

Test Year Salaries

During the test year, SGI employed a manager whose salary and benefits package consisted of the following:

|                   |        |                 |
|-------------------|--------|-----------------|
| Salary            |        | \$25,750        |
| Housing Allowance | 12,000 |                 |
| Auto Allowance    | 2,400  |                 |
| Utilities         |        | 1,615           |
| Total             |        | <u>\$41,765</u> |



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Subsequent to the test year, SGI hired a new manager whose responsibilities are essentially the same as Ms. Hicks', with the exception of billing and accounting. The record reflects that the new manager's salary and benefits package is approximately equal to that which the previous manager received during the test year.

Irrespective of the components of the previous manager's salary during the test year, it is necessary to evaluate the reasonableness of the total salaries expense on a going-forward basis. According to SGI, the previous manager currently receives \$12,000 a year for her duties as a billing and accounting clerk. The difference between the test year total of \$41,765 and the \$12,000 currently paid is \$29,765. We find this to be a reasonable salary for a manager of a utility of this size. Therefore, we find that no adjustment is necessary to test year salary expense.

Based upon the evidence of record, it is apparent that management has not been successful in meeting the daily management requirements of the utility system. Subsequent provisions of this Order require SGI to maintain or acquire the services of a manager that has experience in water or sewer operations, or is otherwise skilled in management. If the utility does not comply with this requirement within a 60-day period, we intend to initiate an investigation to remove the costs of the manager's salary from rates.

#### Part-time Labor Costs

During the test year, SGI hired part-time help to assist it with billing during a computer malfunction. OPC contends that the amount of labor associated with this part-time help totalled \$2,069. OPC took the total amount for test year casual labor of \$2,384 and removed an amount for miscellaneous recurring labor of \$315. SGI contends that OPC overstated the amount of this non-recurring part-time labor. SGI identified the persons who performed the labor in question and stated that the actual amount of labor costs associated with the computer malfunction was only \$1,077.

Since SGI has provided the actual amounts in the record and OPC merely "backed into" the amount that it has argued, we find that the amount urged by SGI should be used. We have, therefore, reduced test year expenses by \$1,077.

#### Rate Case Expense

In its MFRs, SGI estimated rate case expense to be \$30,400, based upon its belief that this case would be processed as a proposed agency action. Since the case proceeded instead to a formal hearing, SGI argues that its original estimate should be increased by \$20,000 for legal expenses, \$20,000 for accounting expenses and \$22,000 for engineering expenses, for a total of \$92,400. Exhibit 15 contains a breakdown of actual rate case expense through December, 1988 and estimated expenses through the remainder of the case. This exhibit indicates a total rate case expense of \$77,165. We find that the estimate of \$92,400 should at least be reduced to \$77,165, since there is no record support for a

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higher amount. We have also reviewed the supporting invoices and evidence for the amount reflected in Exhibit 15, and find that further adjustments are appropriate.

Engineering Fees: SGI requested that it be allowed to recover \$25,314 in engineering fees from the Coloney Company. This included the cost of preparing and defending the original cost study as well as the costs for preparing for all of the other engineering issues for the case. OPC recommendeds that we remove Mr. Coloney's fees from rate case expense since the need for Mr. Coloney arose only because SGI had not properly preserved its records. SGI agreed that the original cost study was needed because there was insufficient documentation to establish SGI's original investment and admitted that it might be inappropriate for its customers to have to pay for its lack of record-keeping through the years. We agree and have, therefore, removed the cost associated with the original cost study.

Under cross examination, Mr. Coloney stated that the time devoted to actual preparation of the study, as opposed to other activities, was approximately 80 percent of his total hours. Therefore, we find it appropriate to remove 80 percent of the \$25,314, the amount of rate case expense associated with engineering fees. Accordingly, we have reduced this amount by \$20,253, for a total rate case expense allowance, for engineering fees, of \$5,063.

Management Salaries: Also included in Exhibit 15 are \$2,005 in costs incurred for utility management expenses. According to our review of the record, salaries for utility management are already included in test year expenses. Since SGI has offered no explanation which reflects how these costs have not already been recovered through test year expenses, we find it appropriate to remove the total amount of \$2,005 from rate case expense.

Office Expenses: SGI also included \$2,036 for office expenses in Exhibit 15, but gave no explanation of what these costs represented or why it should recover these costs as rate case expense. The mere listing of these costs does not satisfy SGI's burden of assuring this Commission that these costs were prudently incurred in support of SGI's rate application. We have, therefore, removed the total amount of \$2,036 from rate case expense.

Accounting and Legal Fees: Also included under Exhibit 15 were \$7,075 in accounting and \$7,500 in legal fees, estimated to be incurred through the completion of this case. SGI did not provide any breakdown of these costs to show the estimated work or the associated time, or any breakdown of other estimated costs. While SGI failed to justify these expenditures, we believe that a certain amount of such costs will, of necessity, be incurred. However, we do not believe that \$14,575 is a reasonable estimate of the costs. Accordingly, we find it appropriate to reduce the requested amount by \$10,000, for a total allowance of \$4,575.

Based upon the evidence of record and our adjustments above, we find that the appropriate amount of rate case expense

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to allow in this proceeding is \$42,870.

#### Amortization of Rate Case Expense

This Commission's practice has been to allow water and sewer utilities to amortize rate case expense over a four-year period, unless specific conditions call for some departure from that treatment. Since this is SGI's first rate case since its inception, there is no prior rate case history which might provide a basis for our departing from this practice.

In its application, SGI used a four-year amortization period. Prior to the hearing, SGI's stated position was, however, that a four-year amortization period was only appropriate if we allowed its proforma plant additions but that, if we disallowed the proforma plant, rate case expense should be recovered over no more than one year. The record, however, provides no support for this latter position.

In its brief, OPC argues that it would be reasonable for us to use an amortization period greater than four years, based upon the fact that this was the utility's first rate case since its inception. Like SGI's one-year amortization period, however, this position is not supported by the record. Notwithstanding its position in its brief, OPC does not object to a four-year amortization period.

Since there was no evidence in the record which supports a departure from Commission practice, we find that the appropriate amortization period for rate case expense is four years. Based upon the total allowed rate case expense of \$42,870, the annual amortization expense should be \$10,718. This represents an increase of \$3,118 over the amortization expense of \$7,600 reflected in the utility's application.

#### Adjustments For Unaccounted-For Water

As discussed previously, we have allowed 15 percent instead of the 35 percent unaccounted-for water reported by SGI. We also found that a considerable amount of SGI's unaccounted-for water is attributable to lax management practices. For this reason, we find it appropriate to reduce chemical and purchased power expenses by 20 percent to reflect unaccounted for water of 15 percent. We have, therefore, reduced chemical expenses by \$497 and purchased power expense by \$2,920.

#### Annualization of Chemical and Electrical Costs

This issue was raised by OPC in order to adjust expenses to a year-end basis to match the year-end rate base urged by OPC. As previously discussed, we have found it appropriate to employ an average test year in this case. Therefore, we find that no adjustment should be made to annualize expenses.

#### Training Costs

During the test year, SGI's manager attended training seminars in order to enable her to obtain a water plant operator's license. The total cost incurred for this training

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amounted to \$963. Prior to the hearing, OPC contended that those costs should be removed as non-recurring, since there was a new utility manager whom OPC believed already held an operator's license. At the hearing, OPC learned that the current manager did not have an operator's license. Therefore, OPC withdrew its objection to retaining the training costs in test year expenses.

SGI argued that, in today's rapidly changing environment, utility operations are becoming more complex and that training of employees is not only acceptable, but desirable, in order to enable a utility to provide the best possible service to its customers. We agree. We find the level of training costs reported to be reasonable and also believe that employee training is a positive step which SGI can take to increase its quality of service. Therefore, we have allowed the full amount of the training costs in test year expenses.

#### Insurance Costs

OPC argues that test year insurance expense should be reduced by \$9,211 in order to reflect the current level of insurance charges. OPC witness Dittmer testified that, when he visited SGI, it was in the process of obtaining additional insurance for lightning but that no such policy was then in place. Mr. Dittmer further testified that, if SGI could document the actual cost of such insurance before the record was closed in this proceeding, it would be appropriate to incorporate that cost in expenses.

In its brief, SGI argued that, as reflected in answers to certain interrogatories, it did not have adequate insurance during the test year because there was no money to pay for it. These interrogatories are, however, not included in the record. In addition, SGI argued in its brief that it would incur over \$9,000 more per year to obtain adequate insurance. These statements are likewise unsupported by evidence in the record. Since this issue was presented in Mr. Dittmer's prefiled direct testimony, SGI had ample opportunity to provide rebuttal testimony and to cross-examine Mr. Dittmer, neither of which it did. Based upon the evidence of record, we find it appropriate to reduce test year insurance expenses by \$9,211. Since there is no evidence in the record substantiating the acquisition cost of lightning insurance, we will not include this item as an expense.

#### Homeowners Association Fees

During the test year, SGI performed a billing service for a homeowners association. The fees it received for this service were recorded as a contra-expense to salaries expense. In other words, instead of recording the cash received as revenue to the utility, an adjustment was made to reduce the salaries expense. Although the money received was, in reality, revenue, we do not believe that this was an unacceptable method to account for such non-utility services. SGI states that these contra-expenses are non-recurring since it will no longer provide this service to the association. Since it is

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appropriate to look at expenses on a going-forward basis, we will remove this contra-expense and increase test year expenses by \$7,485.

#### Non-utility Expenses

At the prehearing conference, SGI agreed that \$1,303 in non-utility costs should be removed from test year expenses. These costs were for such items as maid service, automobile expenses, condominium rent for a utility guest and club dues. Although OPC stipulated to the removal of \$310 of these costs, which went for club dues, it took no position on the remaining \$993 in non-utility expenses. In its brief, OPC agrees that the remaining \$993 should be removed from test year expenses. We, therefore, find it appropriate to remove the remaining \$993 of non-utility expenses.

#### Test Year O & M Expenses

Based upon SGI's application and the adjustments discussed herein, we find that the appropriate amount of O & M expenses is \$125,543.

#### Test Year Net Operating Loss

Based upon the utility's application and the adjustments and calculations made herein, we find that SGI suffered a test year net operating loss of \$52,978. The operating statement is attached as Schedule No. 3-A, with the adjustments reflected on Schedule No. 3-B.

#### Revenue Requirement

Based upon the adjustments and calculations discussed above, we find that SGI's revenue requirement is \$204,823, which represents an increase of \$91,933 or 81.44 percent. This revenue requirement is designed to give the utility the opportunity to earn the approved rate of return of 6.97 percent.

### RATES AND RATE STRUCTURE

#### Final Rates

The final rates set forth below are designed, to generate \$204,823 in annual revenues for the water system, representing an annual increase of \$91,933. The other rates are listed for comparative purposes.

These rates will be effective for meter readings taken on or after thirty days from the stamped approval date on the revised tariff sheets. The revised tariff sheets will be approved upon Commission staff's verification that they are consistent with our decision and that the proposed customer notice is appropriate.

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WATER RATES

RESIDENTIAL AND GENERAL SERVICE

MONTHLY

| <u>Meter Size</u>                        | <u>Utility Present Rates</u> | <u>Interim Rates</u> | <u>Utility Proposed Final Rates</u> | <u>Commission Approved Final Rates</u> |
|--|------------------------------|----------------------|-------------------------------------|--|
| 5/8" x 3/4"                              | \$ 8.50                      | \$ 13.63             | \$ 27.86                            | \$ 13.24                               |
| 1"                                       | 21.25                        | 34.08                | 69.65                               | 33.10                                  |
| 1 1/2"                                   | 42.50                        | 68.16                | 139.30                              | 66.20                                  |
| 2"                                       | 68.00                        | 109.05               | 222.88                              | 105.92                                 |
| Compound 3"                              | 136.00                       | 218.10               | 417.90                              | 211.84                                 |
| Turbine 3"                               | ---                          | ---                  | ---                                 | 231.70                                 |
| Compound 4"                              | 212.50                       | 340.79               | 696.50                              | 331.00                                 |
| Turbine 4"                               | ---                          | ---                  | ---                                 | 397.20                                 |
| Compound 6"                              | ---                          | 681.50               | 1,393.00                            | 662.00                                 |
| Turbine 6"                               | ---                          | ---                  | ---                                 | 827.50                                 |
| Compound 8"                              | ---                          | ---                  | ---                                 | 1,059.20                               |
| Turbine 8"                               | ---                          | ---                  | ---                                 | 1,191.60                               |
| Compound 10"                             | ---                          | ---                  | ---                                 | 1,522.60                               |
| Turbine 10"                              | ---                          | ---                  | ---                                 | 1,919.80                               |
| Turbine 12"                              | ---                          | ---                  | ---                                 | 2,846.60                               |
| Gallage Charge<br>(per 1,000<br>gallons) | .90                          | \$ 1.44              | \$ 2.98                             | \$ 1.58                                |

No refund of interim rates is required in that the revenues generated from interim rates are less than those generated for the final rates approved herein.

Service availability charges

Under the utility's existing service availability policy, new customers or developers are required to pay a system capacity charge of \$250 per equivalent residential connection (ERC) and a tap and meter installation charge of \$250 for a 5/8 inch x 3/4 inch meter and the utility's actual cost for a one inch or larger meter.

SGI has requested an increase in system capacity charges from \$250 to \$1,750 per ERC. SGI's requested charge equals \$5 per gallon of demand. The basis for this charge is presented on Schedule No. 56 in the MFRs. Late filed Exhibit 16 presented a breakdown of the proposed charge into a plant capacity charge of \$1,172.50 and a main extension charge of \$577.50.

Our analysis indicates that the utility's contribution level is 23.44 percent. This percentage is below the minimum specified in Rule 25-30.580, Florida Administrative Code. It results from connection fees which were inadequate.

The system capacity charge proposed by SGI would allow the utility to recover sufficient contributions from future

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customers, such that the ratio upon completion of proposed improvements would be in accordance with Rule 25-30.580, Florida Administrative Code. The utility's calculations included pro forma plant of \$421,500 for investment in storage, source, pumping, and land associated with the prospective upgrade of the water plant. They also adjusted distribution plant downward to the capacity of the treatment system. Using these assumptions, 450 future ERCs would provide the contributions for the system assumed to serve 1200 ERC with the proposed improvements.

Upon consideration, we find SGI's general approach to calculating system capacity charges acceptable. However, we cannot authorize the proposed charges unconditionally for the following reasons. Both monthly rates and service availability charges are based on the utility's rate base. In this case, the water plant, even with proposed pro forma plant additions, is at capacity. All existing plant is included in rate base. As a result, collection of monthly rates and service availability charges would mean that the same rate base investment is recovered from both present customers and future customers. Thus, absent utility investment to increase capacity and improve plant performance, increased service availability charges and monthly rates would result in a double recovery. SGI would be overcontributed and would earn a return on an investment which was actually made by its customers.

Therefore, we find it appropriate to authorize a \$1,245 charge for plant capacity and a \$525 charge for main extension, for a total of \$1,770 in service availability charges per ERC. However, the utility shall hold \$1,520, the difference between the current charge and the charges approved herein, in an escrow account at a commercial bank and separately accounted for on the books, pending the completion of all steps necessary for the adequate improvement of the plant and adequate increase in capacity to accommodate the proposed future customers.

The escrow account is subject to approval by this Commission. The utility shall provide a monthly report reflecting the monthly collections, as well as the aggregate balance in the escrow account. When necessary improvements and capacity increases to accommodate the proposed future customers are in place, and total investment therein is established, the utility is directed to file a separate service availability proposal.

#### Meter Installation Fees

SGI has requested an increase in charges for installation of the 5/8 inch x 3/4 inch water meter from \$250 to \$375. The charge proposed by SGI appears excessive and is not supported by the evidence.

The charges proposed by the utility are based on construction cost data that includes engineers' estimates, actual bid prices, etc., for a broad variety of construction projects. This data is not clearly applicable here. OPC's witness testified that the utility's cost estimates, particularly for distribution piping, hardware, services and meters, are overstated. SGI's cost estimates supports a \$350

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charge for a residential meter. OPC's analysis supports the current charge of \$250 per meter.

Therefore, we find it appropriate to retain the current charge of \$250 per meter for the 5/8 inch x 3/4 inch meters. The utility may provide justification for the charge, based upon actual auditable costs, in a separate filing. Since, as previously noted, the utility may furnish a service availability proposal in the future, meter charges may also be addressed at that time, along with charges for backflow prevention programs.

The utility's tariff currently authorizes collection of actual costs for installation of meters larger than the 5/8 inch x 3/4 inch meter. No change to the charges was requested. The record indicates that ordering SGI to document specific costs of larger meters is not likely to improve productivity or efficiency. Therefore we find it appropriate to authorize continued recovery of actual costs for installation of these meters. However, if SGI begins to increase the number of larger meters, then consideration should be given to setting an average rate for meter installation costs up to and including two inch meters as is Commission practice in larger utility systems with many sizes of meters.

#### Escrow Requirement

As discussed herein, the utility's quality of service is unsatisfactory. The fundamental integrity of the system is in doubt unless improvements are completed. In order to assure that necessary improvements are implemented in a timely fashion, we find it appropriate to require SGI to place the increased rates it collects in a commercial escrow account. In this fashion, present customers will have some assurance that while their rates are increasing, their service will also improve. This escrow requirement shall continue for 120 days and shall be reassessed in consideration of the compliance requirements set forth hereinafter. However, if this escrow requirement impedes SGI's ability to operate, funds may be released from escrow upon submittal of appropriate invoices and verification by Commission staff.

#### ADDITIONAL CONNECTIONS

SGI must provide safe, efficient, and sufficient service to its certificated territory in accordance with Section 367.111, Florida Statutes. Section 367.111(2), Florida Statutes, requires SGI to provide, at a minimum, water service as prescribed by the Florida Safe Drinking Water Act and the Florida Air and Water Pollution Control Act, or implementing rules adopted by DER.

The SGI water system is in violation of DER rules and has been the subject of DER enforcement proceedings for nine years. Service outages and customer complaints have occurred regularly over a number of years. The DER is presently considering prohibition of further connections to the SGI water system due to the utility's continued noncompliance with DER regulations. Additional connections would exacerbate existing



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violations of DER rules set to protect the public health, safety, and welfare.

The record reflects that the utility has not made a good faith effort to improve system deficiencies. Connections were added which resulted in the system demand exceeding the system capacity. Rate relief was not requested until years after DER notified the utility of the need for improvements. The need for system improvements could have been reasonably anticipated and provided for so that the demand for water would not exceed the system's capacity. SGI has not installed, constructed, or even completed design of necessary improvements despite repeated service outages and years of awareness of the need to construct improvements to its utility system.

The utility seeks sufficient revenues to finance system improvements in the instant proceeding. However, improvements to the system have not been installed, contracted, or even designed. The Commission's responsibility is to fix rates that allow the utility the opportunity to earn a reasonable return on its investment in assets that are used and useful in providing utility service, pursuant to Section 367.081, Florida Statutes. Rates are set to allow a return on funds that have been invested by the utility, not to finance construction of utility facilities. The rates authorized herein allow the utility the opportunity to earn a reasonable return on its investment. The utility's failure to request rate relief before this time does not justify rates to finance construction of needed improvements.

For the above reasons, we find it appropriate to order SGI to cease further connections to the water system pending completion of the compliance requirements specified hereinbelow, provided, however, that SGI may connect new customers who have obtained building permits from Franklin County on or before the date of this Order. The utility's completion of said improvements and the continuation of this prohibition shall be reconsidered by this Commission after ninety days have passed since issuance of this Order.

#### COMPLIANCE REQUIREMENTS

As previously discussed, SGI has an unsatisfactory quality of service and excessive amounts of unaccounted for water. The utility is also in violation of Commission rules regarding preservation and maintenance of records and customer deposits. Although the utility is already in violation of Commission rules, we find it appropriate to allow the utility a certain time period in which to improve its operations, instead of imposing a fine at this time. The following is a listing of the items which will improve the utility's quality of service and record keeping and will also bring the utility into compliance with Commission rules. If the utility does not comply with these items, we intend to direct SGI to show cause why it should not be fined \$5,000 per day, per infraction.

#### Quality of Service

1. The utility shall submit firm plans for a new well submitted to DER and this Commission within 90 days of the date of this Order.

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2. The utility shall place a chlorine booster station in operation within 90 days from the date of this Order. Said station shall provide adequate chlorine residuals at the west end of the system.

3. The utility shall submit a proposal to establish and implement a workable cross-connection control program, in accordance with Rule 17-22.660(2), Florida Administrative Code. Said proposal shall be submitted to DER and this Commission within 90 days from the date of this Order.

4. The utility shall improve security around all wells and treatment and storage facilities within 30 days from the date of this Order. All gates to well fields shall be locked and access to storage and treatment shall be controlled.

5. The utility shall repair and properly maintain the back-up generator system within 30 days from the date of this Order so that emergency power is automatically provided to high service pumps.

6. The utility shall submit plans for the repair and/or replacement of the system aerator within 90 days from the date of this Order. Said plans shall be submitted to DER and this Commission.

7. The utility shall submit plans and specifications for a new storage facility with a capacity of at least 500,000 gallons within 90 days from the date of this Order. Said plans shall be submitted to DER and this Commission.

#### Unaccounted for Water

1. The utility shall establish and implement a program to continuously measure and record all flushing of lines whether by volunteer fire department, utility employees, or other entities, within 30 days from the date of this Order.

2. The utility shall submit a proposal to establish and implement a workable leak detection and repair program to DER and this Commission within 90 days from the date of this Order.

3. The utility shall, within 30 days from the date of this Order, publish an emergency phone number where a responsible utility employee can be contacted at any time of day in case of an emergency. This number shall be posted at all wells, and treatment and storage facilities, as well as the utility office. Additionally, this number shall be included on customer bills.

#### Preservation and Maintenance of Records

1. The utility shall make a reasonable effort to gather all of its books and records, including but not limited to, general and subsidiary ledgers and general and subsidiary journals for all years since the inception of the utility. If any of the above cannot be found then the utility shall, 90 days after the date of this Order, submit a report of all missing items and evidence to establish that a substantial search effort was performed.

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2. Within a 90 day period after the date of this Order, make a reasonable effort to gather all invoices and contracts which relate to the construction of the utility system.

3. From the date of this Order, maintain utility books in substantial compliance with the Uniform System of Accounts and the Regulations to Govern the Preservation of Records of Electric, Gas and Water Utilities.

4. From the date of this Order, if any party is in need of the utility's records, including, but not limited to attorneys or accountants, then the utility shall always make a duplicate copy either for the party or the utility's file.

5. From the date of this Order, the utility shall maintain all of its books and records at one location so as to lessen the likelihood of the misplacement of further records.

#### Customer Deposits

1. The utility shall prepare an analysis of all customer deposits which have been collected by the utility since inception. This analysis shall conform to Rule 25-30.311(3), F.A.C. It shall also state whether the customers associated with each deposit have had a satisfactory payment record with continuous service for 23 months. This analysis shall be completed within 60 days after the date of this Order, with a copy submitted to the Commission for review.

2. The utility shall calculate the amount of interest compounded since each deposit was received and refund that amount to each affected customer within 90 days after the date of this Order.

3. The utility shall, within 90 days from the date of this Order, refund all deposits in compliance with the refund procedures stated in Rule 25-30.311(5), Florida Administrative Code.

#### Utility Manager

1. The utility shall maintain or acquire the services of a manager that has experience in water or sewer operations, or is otherwise skilled in management. The utility shall also inform the Commission within 30 days if it no longer employs such a manager.

#### CONCLUSIONS OF LAW

1. The Commission has jurisdiction to determine the water rates and charges of SGI pursuant to Sections 367.081 and 367.101, Florida Statutes.

2. As the applicant in this case, SGI has the burden of proof that its proposed rates and charges are justified.

3. The rates and charges approved herein are just, reasonable, compensatory, not unfairly discriminatory and in accordance with the requirements of Section 367.081(2), Florida Statutes and other governing law.

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4. Pursuant to Section 367.011, Florida Statutes, SGI must provide safe, efficient, and sufficient service to its certificated territory in accordance with Section 367.111, Florida Statutes. Section 367.111(2), Florida Statutes, requires SGI to provide, at a minimum, water service as prescribed by the Florida Safe Drinking Water Act and the Florida Air and Water Pollution Control Act, or implementing rules adopted by DER. The SGI water system is in violation of these requirements.

5. Rule 25-30.130, Florida Administrative Code requires SGI to maintain a log of the date and nature of each customer complaint and any corrective action. SGI does not conform to this requirement.

6. Rules 25-30.110 and 25-30.115, Florida Administrative Code, sets forth this Commission's requirements for preservation of records. SGI does not conform to these requirements.

7. Rule 25-30.311, Florida Administrative Code mandates customer deposit procedures. SGI does not conform to these procedures.

WHEREFORE, in consideration of the foregoing, and being otherwise fully informed in the premises, it is

ORDERED by the Florida Public Service Commission that the application of St. George Island Utility Company, Ltd., for increased water rates for its water system in Franklin County, Florida, is hereby granted to the extent set forth in the body of this Order. It is further

ORDERED that each stipulation contained in the body of this Order is hereby adopted and approved in all respects. It is further

ORDERED that each of the findings herein are approved in every respect. It is further

ORDERED that all matters contained herein or attached hereto, whether in the form of discourse or schedules, are incorporated herein by this reference. It is further

ORDERED that the rates approved herein shall be effective for meter readings taken on or after thirty (30) days after the stamped approval date on the revised tariff sheets. It is further

ORDERED that the service availability charges approved herein shall be effective for connections made on or after stamped approval date on the revised tariff sheets. It is further

ORDERED that the utility shall file a proposed customer notice, detailing the increased rates and the reasons therefor, in accordance with Rule 25-22.0406(9), Florida Administrative Code. It is further

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ORDERED that the utility shall file and obtain Commission approval of its revised tariff sheets prior to implementing the rates and charges approved herein. It is further

ORDERED that the revised tariff pages shall be approved upon Staff's verification that they accurately reflect the Commission's decision and upon its approval of the proposed customer notice. It is further

ORDERED that the utility shall, for 120 days after the date of this Order, place the rates collected in excess of original rates in a commercial escrow account. It is further

ORDERED that if this escrow requirement impedes SGI's ability to operate, funds may be released from escrow upon submittal of appropriate invoices and verification by Commission staff. It is further

ORDERED that the utility shall hold \$1,520 of the authorized service availability charges it collects in a separate commercial escrow account pending completion of necessary plant improvements and capacity increases to accommodate the proposed future customers. It is further

ORDERED that the utility shall separately account for this escrow arrangement on its books. It is further

ORDERED that each escrow account required by this Order is subject to approval by this Commission and the utility shall provide a monthly report reflecting the monthly collections as well as the aggregate balance in the escrow account. It is further

ORDERED that the utility shall file a separate service availability proposal when necessary improvements and capacity increases are in place and total investment therein is established. It is further

ORDERED that the utility shall, prior to implementing these rates, notify each customer of the new rates approved herein and explain the reasons therefore. The form of such notice and explanation shall be submitted to the Commission for its prior approval. It is further

ORDERED that the utility shall complete, within the time specified, each and every requirement set forth in the body of this Order under the section titled "Compliance Requirements". It is further

ORDERED that, from the date of this Order, the utility shall maintain a log of the date and nature of each customer complaint and any corrective action taken in accordance with Rule 25-30.130, Florida Administrative Code. The utility shall also implement measures to notify customers of the utility's deposit and refund policies. It is further

ORDERED that the utility shall expedite its negotiations with DER to determine what improvements will be required and expedite preparation of plans and construction. It is further

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ORDERED that SGI shall cease further connections to the water system pending completion of water system improvements specified herein. Provided, however, that SGI may connect new customers who have obtained building permits from Franklin County on or before the date of this Order. It is further

ORDERED that the utility's completion of said improvements and the continuation of this prohibition shall be reviewed by this Commission after ninety days have passed since issuance of this Order. It is further

ORDERED that the requirement that the utility place the increased revenues into escrow shall be reassessed by this Commission in consideration of the compliance requirements set forth herein.

By ORDER of the Florida Public Service Commission,  
 this 24 th day of APRIL, 1989.

  
 STEVE TRIBBLE, Director  
 Division of Records and Reporting

( S E A L )

DAS/RJP/sj

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

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ST. GEORGE ISLAND UTILITY COMPANY, LTD.  
SCHEDULE OF WATER RATE BASE  
TEST YEAR ENDED DECEMBER 31, 1987

SCHEDULE NO. 1-A  
DOCKET NO. 871177-WU

| COMPONENT                      | TEST YEAR<br>PER<br>UTILITY | UTILITY<br>ADJUSTMENTS | ADJUSTED<br>TEST YEAR<br>PER UTILITY | COMMISSION<br>ADJUSTMENTS | COMMISSION<br>ADJUSTED<br>TEST YEAR |
|--------------------------------|-----------------------------|------------------------|--------------------------------------|---------------------------|-------------------------------------|
| 1 UTILITY PLANT IN SERVICE     | \$ 2,607,818                | \$ 403,500             | \$ 3,011,318                         | \$(864,631)(1)            | \$ 2,146,687                        |
| 2 LAND                         | 39,884                      | 18,000                 | 57,884                               | \$(37,429)(2)             | 20,455                              |
| 3 NON-USED & USEFUL COMPONENTS | 0                           | 0                      | 0                                    | \$(819,555)(3)            | \$(819,555)                         |
| 4 C.I.A.C.                     | \$(367,392)                 | 0                      | \$(367,392)                          | 0                         | \$(367,392)                         |
| 5 ADVANCES FOR CONSTRUCTION    | \$(91,430)                  | 0                      | \$(91,430)                           | 0                         | \$(91,430)                          |
| 6 ACCUMULATED DEPRECIATION     | \$(504,777)                 | \$(12,417)             | \$(517,194)                          | 107,175 (4)               | \$(410,019)                         |
| 7 AMORTIZATION OF C.I.A.C.     | 46,889                      | 0                      | 46,889                               | 0                         | 46,889                              |
| 8 WORKING CAPITAL ALLOWANCE    | 0                           | 0                      | 0                                    | 0                         | 0                                   |
| 9 RATE BASE                    | \$ 1,730,992                | \$ 409,083             | \$ 2,140,075                         | \$(1,614,440)             | \$ 525,635                          |

ST. GEORGE ISLAND UTILITY COMPANY, LTD.  
ADJUSTMENTS TO RATE BASE  
TEST YEAR ENDED DECEMBER 31, 1987

SCHEDULE NO. 1-B  
PAGE 1 OF 1  
DOCKET NO. 871177-WU

| EXPLANATION<br>-----   | WATER<br>-----               |
|--|------------------------------|
| <b>(1) PLANT IN SERVICE</b><br>-----                         |                              |
| A) To remove the costs of pro forma plant.                   | \$ (403,500)                 |
| B) To remove to cost of unsupported communication equipment. | (2,090)                      |
| C) To remove the items not included in original cost study.  | (52,190)                     |
| D) To adjust the original cost.                              | (406,851)                    |
| <b>Total</b>   | <b>\$ (864,631)</b><br>===== |
| <b>(2) LAND</b><br>----                                      |                              |
| A) To remove the costs of pro forma land.                    | (18,000)                     |
| B) To reflect the original cost of land.                     | (19,429)                     |
| <b>Total</b>   | <b>(37,429)</b><br>=====     |
| <b>(3) NON-USED AND USEFUL PLANT</b><br>-----                |                              |
| To reflect the amount of non-used and useful lines.          | (819,555)<br>=====           |
| <b>(4) ACCUMULATED DEPRECIATION</b><br>-----                 |                              |
| A) To remove the costs of pro forma plant.                   | 12,417                       |
| B) To remove to cost of unsupported communication equipment. | 834                          |
| C) To remove the items not included in original cost study.  | 17,180                       |
| D) To adjust the original cost.                              | 76,744                       |
| <b>Total</b>   | <b>107,175</b><br>=====      |



ST. GEORGE ISLAND UTILITY COMPANY, LTD.  
 CAPITAL STRUCTURE  
 TEST YEAR ENDED DECEMBER 31, 1987

SCHEDULE NO. 1-A  
 DOCKET NO. 871177-WU

| DESCRIPTION                | ADJUSTED<br>TEST YEAR<br>PER UTILITY | WEIGHT  | COST   | UTILITY<br>WEIGHTED<br>COST | COMMISSION<br>ADJUSTMENTS<br>TO UTILITY<br>EXHIBIT | BALANCE<br>PER<br>COMMISSION | WEIGHT  | COST  | COMMISSION<br>WEIGHTED<br>COST |
|----------------------------|--------------------------------------|---------|--------|-----------------------------|--|------------------------------|---------|-------|--------------------------------|
| 1 LONG TERM DEBT           | \$ 3,561,906                         | 89.42%  | 6.97%  | 6.23%                       | \$ 0   | \$ 3,561,906                 | 99.63%  | 6.97% | 6.94%                          |
| 2 PRO FORMA DEBT           | 421,500                              | 10.58%  | 11.50% | 1.22%                       | (421,500)  | 0                            | 0.00%   | 0.00% | 0.00%                          |
| 3 CUSTOMER DEPOSITS        | 0                                    | 0.00%   | 8.00%  | 0.00%                       | 13,288   | 13,288                       | 0.37%   | 8.00% | 0.03%                          |
| 4 TOTAL EQUITY             | (2,587,119)                          | NA      | 0.00%  | 0.00%                       | 0  | (2,587,119)                  | NA      | 0.00% | NA                             |
| 5 INVESTMENT TAX CREDITS   | 0                                    | 0.00%   | 0.00%  | 0.00%                       | 0  | 0                            | 0.00%   | 0.00% | 0.00%                          |
| 6 DEFERRED TAXES           | 0                                    | 0.00%   | 0.00%  | NA                          | 0  | 0                            | 0.00%   | 0.00% | 0.00%                          |
| 7 TOTAL CAPITAL            | \$ 1,396,287                         |         |        |                             | (408,212)  | 988,075                      |         |       |                                |
| 8 ADD BACK NEGATIVE EQUITY | 2,587,119                            |         |        |                             | 0  | 2,587,119                    |         |       |                                |
| POSITIVE CAPITAL BALANCE   | \$ 3,983,406                         | 100.00% |        | 7.45%                       | \$ (408,212)                                       | \$ 3,575,194                 | 100.00% |       | 6.97%                          |

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ST. GEORGE ISLAND UTILITY COMPANY, LTD.  
 ADJUSTMENTS TO CAPITAL STRUCTURE  
 TEST YEAR ENDED DECEMBER 31, 1987

SCHEDULE NO. 2-8  
 DOCKET NO. 871177-WU

| DESCRIPTION              | REMOVE<br>PRO FORMA<br>DEBT | INCLUDE<br>CUSTOMER<br>DEPOSITS | NET<br>ADJUSTMENT |
|--------------------------|-----------------------------|---------------------------------|-------------------|
| 1 LONG TERM DEBT         | \$ 0                        | \$ 0                            | 0                 |
| 2 PRO FORMA DEBT         | (421,500)                   |                                 | (421,500)         |
| 3 CUSTOMER DEPOSITS      | 0                           | 13,288                          | 13,288            |
| 4 TOTAL EQUITY           | 0                           |                                 | 0                 |
| 5 INVESTMENT TAX CREDITS | 0                           |                                 | 0                 |
| 6 DEFERRED TAXES         | 0                           |                                 | 0                 |
| 7 TOTAL CAPITAL          | \$ (421,500)                | \$ 13,288                       | \$ (408,212)      |

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ST. GEORGE ISLAND UTILITY COMPANY, LTD.  
 STATEMENT OF WATER OPERATIONS  
 TEST YEAR ENDED DECEMBER 31, 1987

SCHEDULE NO. 3-A  
 DOCKET NO. 871177-WU

| DESCRIPTION                 | TEST YEAR<br>PER UTILITY | UTILITY<br>ADJUSTMENTS | UTILITY<br>ADJUSTED<br>TEST YEAR | COMMISSION<br>ADJUSTMENTS | COMMISSION<br>ADJUSTED<br>TEST YEAR | REVENUE<br>INCREASE | REVENUE<br>REQUIREMENT |
|-----------------------------|--------------------------|------------------------|----------------------------------|---------------------------|-------------------------------------|---------------------|------------------------|
| 1 OPERATING REVENUES        | \$ 112,890               | \$ 292,508             | \$ 405,398                       | \$ (292,508)              | \$ 112,890                          | \$ 91,933           | \$ 204,823             |
| OPERATING EXPENSES          |                          |                        |                                  |                           |                                     | 81.44%              |                        |
| 2 OPERATION AND MAINTENANCE | \$ 133,541               | \$ 8,020               | \$ 141,561                       | \$ (16,018)               | \$ 125,543                          | \$                  | \$ 125,543             |
| 3 DEPRECIATION              | 69,506                   | 12,417                 | 81,923                           | (54,849)                  | 27,074                              |                     | 27,074                 |
| 4 TAXES OTHER THAN INCOME   | 13,251                   | 7,313                  | 20,564                           | (7,313)                   | 13,251                              | 2,298               | 15,549                 |
| 5 INCOME TAXES              | 0                        | 0                      | 0                                | 0                         | 0                                   | 0                   | 0                      |
| 6 TOTAL OPERATING EXPENSES  | \$ 216,298               | \$ 27,750              | \$ 244,048                       | \$ (78,180)               | \$ 165,868                          | \$ 2,298            | \$ 168,166             |
| 7 OPERATING INCOME          | \$ (103,408)             | \$ 264,758             | \$ 161,350                       | \$ (214,328)              | \$ (52,978)                         | \$ 89,635           | \$ 36,657              |
| 8 RATE BASE                 | \$ 1,730,992             |                        | \$ 2,140,075                     |                           | \$ 525,635                          |                     | \$ 525,635             |
| 9 RATE OF RETURN            | -5.97%                   |                        | 7.54%                            |                           | -10.08%                             |                     | 6.97%                  |

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ST. GEORGE ISLAND UTILITY COMPANY, LTD.  
ADJUSTMENTS TO OPERATING STATEMENTS  
TEST YEAR ENDED DECEMBER 31, 1987

SCHEDULE NO. 3-B  
PAGE 1 OF 2  
DOCKET NO. 871177-WU

| EXPLANATION  | WATER        |
|--|--------------|
| -----  | -----        |
| <b>(1) OPERATING REVENUES</b>  |              |
| -----  |              |
| To remove the requested revenue increase.  | \$ (292,508) |
|  | -----        |
| <b>(2) OPERATION AND MAINTENANCE EXPENSE</b>   |              |
| -----  |              |
| A) To remove accounting fees, which are included as rate case expense.                         | (2,577)      |
| B) To remove auto expenses for a general laborer.  | (3,917)      |
| C) To remove non-recurring long distance charges paid as an employee benefit.                  | (1,200)      |
| D) To remove prior period expenses.  | (2,889)      |
| E) To remove miscellaneous dues and donations.   | (310)        |
| F) To remove miscellaneous non-utility expenses.   | (993)        |
| G) To remove bank charges for insufficient funds.  | (1,030)      |
| H) To reflect the appropriate amount of rate case expense amortization.                        | 3,118        |
| I) To remove part-time non-recurring labor.  | (1,077)      |
| J) To reduce test year insurance expense.  | (9,211)      |
| K) To increase for non-recurring reduction to salaries related to the homeowners' association. | 7,485        |
| L) To remove chemicals for unaccounted for water.  | (497)        |
| M) To reduce purchased power for unaccounted for water.  | (2,920)      |
|  | -----        |
| Total  | (16,018)     |
|  | -----        |
| <b>(3) DEPRECIATION EXPENSE</b>  |              |
| -----  |              |
| A) To remove the costs of pro forma plant.   | (12,417)     |
| B) To remove to cost of unsupported communication equipment.                                   | (204)        |
| C) To remove unsupported plant in MFRs.  | (3,691)      |
| D) To adjust the original cost.  | (11,973)     |
| E) To remove non-used and useful lines.  | (26,564)     |
|  | -----        |
| Total  | (54,849)     |
|  | -----        |

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ST. GEORGE ISLAND UTILITY COMPANY, LTD.  
 ADJUSTMENTS TO OPERATING STATEMENTS  
 TEST YEAR ENDED DECEMBER 31, 1987

SCHEDULE NO. 3-B  
 PAGE 2 of 2  
 DOCKET NO. 871177-WU

| EXPLANATION<br>-----  | WATER<br>-----     |
|---|--------------------|
| (4) TAXES OTHER THAN INCOME<br>-----                                |                    |
| To remove regulatory assessment fees on requested revenue increase. | (7,313)<br>=====   |
| (5) OPERATING REVENUES<br>-----                                     |                    |
| To reflect the revenue requirement recommended.                     | \$ 91,933<br>===== |
| (6) TAXES OTHER THAN INCOME<br>-----                                |                    |
| To reflect RAFs on the recommended revenue increase.                | \$ 2,298<br>=====  |

ST. GEORGE ISLAND UTILITY COMPANY, LTD.  
 TEST YEAR ENDED DECEMBER 31, 1987  
 SCHEDULE OF PLANT BY PRIMARY ACCOUNT - WATER  
 13-MONTH AVERAGE BALANCE

SCHEDULE NO. 4-A  
 DOCKET NO. 871177-WU  
 PAGE 1 OF 1

| LINE NO. | ACCT. NO. | ACCOUNT TITLE                | TEST YEAR PER UTILITY | UTILITY ADJUST. TO TEST YEAR | UTILITY ADJUSTED BALANCE | REMOVE PRO FORMA ADJUSTMENTS | REMOVE UNSUPPORTED PLANT | REMOVE 16% OF OCS | TOTAL ADJUSTMENT | ADJUSTED BALANCE |
|----------|-----------|------------------------------|-----------------------|------------------------------|--------------------------|------------------------------|--------------------------|-------------------|------------------|------------------|
| 1        | 303       | LAND & LAND RIGHTS           | 39,884                | 18,000                       | 57,884                   | (18,000)                     |                          | (19,429)*         | (37,429)         | 20,455           |
| 2        | 304       | STRUCTURES & IMPROVEMENTS    | 62,103                |                              | 62,103                   |                              | (24,260)                 | (6,055)           | (30,315)         | 31,788           |
| 3        | 307       | WELLS & SPRINGS              | 67,360                | 136,000                      | 203,360                  | (136,000)                    |                          | (10,778)          | (146,778)        | 56,582           |
| 4        | 309       | SUPPLY MAINS                 | 242,140               |                              | 242,140                  |                              |                          | (38,742)          | (38,742)         | 203,398          |
| 5        | 310       | POWER GENERATION EQUIPMENT   | 17,150                |                              | 17,150                   |                              |                          | (2,744)           | (2,744)          | 14,406           |
| 6        | 311       | PUMPING EQUIPMENT            | 52,335                |                              | 52,335                   |                              |                          | (8,374)           | (8,374)          | 43,961           |
| 7        | 320       | WATER TREATMENT EQUIPMENT    | 14,484                | 19,500                       | 33,984                   | (19,500)                     |                          | (2,317)           | (21,817)         | 12,167           |
| 8        | 330       | DIST RESERVOIRS & STANDPIPES | 180,411               | 248,000                      | 428,411                  | (248,000)                    |                          | (28,866)          | (276,866)        | 151,545          |
| 9        | 331       | TRANSMISSION & DISTRIB MAINS | 1,616,661             |                              | 1,616,661                |                              |                          | (258,666)         | (258,666)        | 1,357,995        |
| 10       | 333       | SERVICES                     | 161,351               |                              | 161,351                  |                              | 3,025                    | (26,300)          | (23,275)         | 138,076          |
| 11       | 334       | METERS & METER INSTALLATIONS | 63,394                |                              | 63,394                   |                              | 1,099                    | (10,319)          | (9,220)          | 54,174           |
| 12       | 335       | HYDRANTS                     | 85,564                |                              | 85,564                   |                              |                          | (13,690)          | (13,690)         | 71,874           |
| 13       | 340       | GENERAL OFFICE EQUIPMENT     | 5,526                 |                              | 5,526                    |                              | (5,526)                  |                   | (5,526)          | 0                |
| 14       | 341       | TRANSPORTATION EQUIPMENT     | 10,717                |                              | 10,717                   |                              | 0                        |                   | 0                | 10,717           |
| 15       | 343       | POWER OPERATED EQUIPMENT     | 26,528                |                              | 26,528                   |                              | (26,528)                 |                   | (26,528)         | 0                |
| 16       | 346       | COMMUNICATION EQUIPMENT      | 2,090                 |                              | 2,090                    |                              | (2,090)                  |                   | (2,090)          | 0                |
| 17       |           |                              |                       |                              |                          |                              |                          |                   |                  |                  |
| 18       |           | TOTAL                        | 2,647,698             | 421,500                      | 3,069,198                | (421,500)                    | (54,280)                 | (426,280)         | (902,060)        | 2,167,138        |
| 19       |           |                              |                       |                              |                          |                              |                          |                   |                  |                  |

ST. GEORGE ISLAND UTILITY COMPANY, LTD.  
 TEST YEAR ENDED DECEMBER 31, 1987  
 SCHEDULE OF ACCUMULATED DEPRECIATION - WATER  
 13-MONTH AVERAGE BALANCE BY PRIMARY ACCOUNT

SCHEDULE NO. 4-B  
 DOCKET NO. 871177-WU  
 PAGE 1 OF 1

| LINE NO. | ACCT. NO. | ACCOUNT TITLE                | TEST YEAR PER UTILITY | UTILITY ADJUST. TO TEST YEAR | UTILITY ADJUSTED BALANCE | REMOVE PRO FORMA ADJUSTMENTS | REMOVE UNSUPPORTED PLANT | REMOVE 16% OF OCS | TOTAL ADJUSTMENT | ADJUSTED BALANCE |
|----------|-----------|------------------------------|-----------------------|------------------------------|--------------------------|------------------------------|--------------------------|-------------------|------------------|------------------|
| 1        | 304       | STRUCTURES & IMPROVEMENTS    | 10,461                |                              | 10,461                   |                              | (4,086)                  | (1,020)           | (5,106)          | 5,355            |
| 2        | 307       | WELLS & SPRINGS              | 13,036                |                              | 13,036                   |                              |                          | (2,086)           | (2,086)          | 10,950           |
| 3        | 309       | SUPPLY MAINS                 | 46,148                |                              | 46,148                   |                              |                          | (7,384)           | (7,384)          | 38,764           |
| 4        | 310       | POWER GENERATION EQUIPMENT   | 3,503                 |                              | 3,503                    |                              |                          | (560)             | (560)            | 2,943            |
| 5        | 311       | PUMPING EQUIPMENT            | 10,698                |                              | 10,698                   |                              |                          | (1,712)           | (1,712)          | 8,986            |
| 6        | 320       | WATER TREATMENT EQUIPMENT    | 2,960                 |                              | 2,960                    |                              |                          | (474)             | (474)            | 2,486            |
| 7        | 330       | DIST RESERVOIRS & STANDPIPES | 34,298                |                              | 34,298                   |                              |                          | (5,488)           | (5,488)          | 28,810           |
| 8        | 331       | TRANSMISSION & DISTRIB MAINS | 304,099               |                              | 304,099                  |                              |                          | (48,656)          | (48,656)         | 255,443          |
| 9        | 333       | SERVICES                     | 29,233                |                              | 29,233                   | 548                          |                          | (4,765)           | (4,217)          | 25,016           |
| 10       | 334       | METERS & METER INSTALLATIONS | 12,467                |                              | 12,467                   | 216                          |                          | (2,029)           | (1,813)          | 10,654           |
| 11       | 335       | HYDRANTS                     | 16,067                |                              | 16,067                   |                              |                          | (2,571)           | (2,571)          | 13,496           |
| 12       | 340       | GENERAL OFFICE EQUIPMENT     | 594                   |                              | 594                      |                              | (594)                    |                   | (594)            | 0                |
| 13       | 341       | TRANSPORTATION EQUIPMENT     | 7,145                 |                              | 7,145                    |                              | 0                        |                   | 0                | 7,145            |
| 14       | 343       | POWER OPERATED EQUIPMENT     | 13,264                |                              | 13,264                   |                              | (13,264)                 |                   | (13,264)         | 0                |
| 15       | 346       | COMMUNICATION EQUIPMENT      | 834                   |                              | 834                      |                              | (834)                    |                   | (834)            | 0                |
| 16       | 348       |                              |                       |                              |                          |                              |                          |                   |                  |                  |
| 17       |           | SUBTOTAL                     | 504,807               | 0                            | 504,807                  | 0                            | (18,014)                 | (76,744)          | (94,758)         | 410,049          |
| 18       |           | PRO FORMA PLANT ADJUSTMENT   | 0                     | 12,417                       | 0                        | (12,417)                     | 0                        | 0                 | (12,417)         | 0                |
| 19       |           |                              |                       |                              |                          |                              |                          |                   |                  |                  |
| 20       |           | TOTAL                        | 504,807               | 12,417                       | 504,807                  | (12,417)                     | (18,014)                 | (76,744)          | (107,175)        | 410,049          |
| 21       |           |                              |                       |                              |                          |                              |                          |                   |                  |                  |

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ST. GEORGE ISLAND UTILITY COMPANY, LTD.  
 TEST YEAR ENDED DECEMBER 31, 1987  
 SCHEDULE OF PLANT BY PRIMARY ACCOUNT - WATER  
 YEAR-END BALANCES AND ADJUSTMENTS PER BOOKS

SCHEDULE NO. 4-C  
 PAGE 1 OF 1  
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| LINE NO. | ACCT. NO. | ACCOUNT TITLE                | UTILITY PER BOOKS | UNSUPPORTED PLANT | 16% REDUCT. TO OCS | ADJUSTED PER BOOK BALANCE |
|----------|-----------|------------------------------|-------------------|-------------------|--------------------|---------------------------|
| 1        | 303       | LAND & LAND RIGHTS           | 39,884            |                   | (19,429)           | 20,455                    |
| 2        | 304       | STRUCTURES & IMPROVEMENTS    | 62,103            | (24,260)          | (6,055)            | 31,788                    |
| 3        | 307       | WELLS & SPRINGS              | 67,360            |                   | (10,778)           | 56,582                    |
| 4        | 309       | SUPPLY MAINS                 | 242,140           |                   | (38,742)           | 203,398                   |
| 5        | 310       | POWER GENERATION EQUIPMENT   | 17,150            |                   | (2,744)            | 14,406                    |
| 6        | 311       | PUMPING EQUIPMENT            | 52,335            |                   | (8,374)            | 43,961                    |
| 7        | 320       | WATER TREATMENT EQUIPMENT    | 14,484            |                   | (2,317)            | 12,167                    |
| 8        | 330       | DIST RESERVOIRS & STANDPIPES | 180,411           |                   | (28,866)           | 151,545                   |
| 9        | 331       | TRANSMISSION & DISTRIB MAINS | 1,616,661         |                   | (258,666)          | 1,357,995                 |
| 10       | 333       | SERVICES                     | 167,359           | 3,025             | (26,300)           | 144,084                   |
| 11       | 334       | METERS & METER INSTALLATIONS | 65,579            | 1,099             | (10,319)           | 56,359                    |
| 12       | 335       | HYDRANTS                     | 85,564            |                   | (13,690)           | 71,874                    |
| 13       | 340       | GENERAL OFFICE EQUIPMENT     | 6,847             | (6,847)           | 0                  | 0                         |
| 14       | 341       | TRANSPORTATION EQUIPMENT     | 10,717            |                   | 0                  | 10,717                    |
| 15       | 343       | POWER OPERATED EQUIPMENT     | 26,528            | (26,528)          | 0                  | 0                         |
| 16       | 346       | COMMUNICATION EQUIPMENT      | 2,090             | (2,090)           | 0                  | 0                         |
| 17       |           |                              |                   |                   |                    |                           |
| 18       |           | TOTAL                        | 2,657,212         | (55,601)          | (406,851)          | 2,154,876                 |



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ST. GEORGE ISLAND UTILITY COMPANY, LTD.  
 TEST YEAR ENDED DECEMBER 31, 1987  
 SCHEDULE OF ACCUMULATED DEPRECIATION - WATER  
 YEAR-END BALANCES AND ADJUSTMENTS PER BOOKS

SCHEDULE NO. 4-D  
 PAGE 1 OF 1  
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| LINE NO. | ACCT. NO. | ACCOUNT TITLE                | UTILITY PER BOOKS | COMMISSION ADJUST. TO BOOKS | 16% REDUCT. TO OCS | ADJUSTED PER BOOK BALANCE |
|----------|-----------|------------------------------|-------------------|-----------------------------|--------------------|---------------------------|
| 1        | 304       | STRUCTURES & IMPROVEMENTS    | 11,703            | (4,086)                     | (1,020)            | 6,597                     |
| 2        | 307       | WELLS & SPRINGS              | 14,280            |                             | (2,086)            | 12,194                    |
| 3        | 309       | SUPPY MAINS                  | 49,934            |                             | (7,384)            | 42,550                    |
| 4        | 310       | POWER GENERATION EQUIPMENT   | 4,009             |                             | (560)              | 3,449                     |
| 5        | 311       | PUMPING EQUIPMENT            | 12,240            |                             | (1,712)            | 10,528                    |
| 6        | 320       | WATER TREATMENT EQUIPMENT    | 3,386             |                             | (474)              | 2,912                     |
| 7        | 330       | DIST RESERVOIRS & STANDPIPES | 37,034            |                             | (5,488)            | 31,546                    |
| 8        | 331       | TRANSMISSION & DISTRIB MAINS | 325,371           |                             | (48,656)           | 276,715                   |
| 9        | 333       | SERVICES                     | 31,565            | 548                         | (4,765)            | 27,348                    |
| 10       | 334       | METERS & METER INSTALLATIONS | 14,352            | 216                         | (2,029)            | 12,539                    |
| 11       | 335       | HYDRANTS                     | 17,105            |                             | (2,571)            | 14,534                    |
| 12       | 340       | GENERAL OFFICE EQUIPMENT     | 726               | (726)                       | 0                  | 0                         |
| 13       | 341       | TRANSPORTATION EQUIPMENT     | 8,039             |                             | 0                  | 8,039                     |
| 14       | 343       | POWER OPERATED EQUIPMENT     | 14,590            | (14,590)                    | 0                  | 0                         |
| 15       | 346       | COMMUNICATION EQUIPMENT      | 936               | (936)                       | 0                  | 0                         |
| 16       |           |                              |                   |                             |                    |                           |
| 17       |           | TOTAL                        | 545,270           | (19,574)                    | (76,744)           | 448,952                   |

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ST. GEORGE ISLAND UTILITY COMPANY, LTD.  
ADJUSTMENT FOR USED AND USEFUL  
TEST YEAR ENDED DECEMBER 31, 1987

SCHEDULE NO. 5  
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PERCENTAGE CALCULATION

|   |         |
|---|---------|
| TOTAL LOTS AVAILABLE ON SGI (TR. 419)       | 3000    |
| TOTAL LOTS IN SERVICE (TR. 419)             | 620     |
| TOTAL COST OF ADVANCE FOR CONSTRUCTION      | 126,980 |
| DIVIDE BY \$150 REFUND PER ERC              | 150     |
| TOTAL ERCS TO REFUND ON ADVANCE             | 847     |
| BALANCE OF ADVANCE 12/31/87                 |         |
| 13-MONTH AVERAGE                            | 91,430  |
| DIVIDE BY \$150 REFUND PER ERC              | 150     |
| ERCS REMAINING TO REFUND ON ADVANCE         | 610     |
| TOTAL ERCS REFUNDED TO DATE                 | 237     |
| TOTAL LOTS AVAILABLE ON SGI (TR. 419)       | 3,000   |
| TOTAL ERCS TO REFUND ON ADVANCE             | 847     |
| TOTAL LOTS NOT SUBJECT TO ADVANCE           | 2,153   |
| TOTAL LOTS IN SERVICE (TR. 419)             | 620     |
| TOTAL ERCS REFUNDED TO DATE                 | 237     |
| TOTAL CONNECTED LOTS NOT SUBJECT TO ADVANCE | 383     |
| TOTAL CONNECTED LOTS NOT SUBJECT TO ADVANCE | 383     |
| TOTAL LOTS NOT SUBJECT TO ADVANCE           | 2,153   |
| USED AND USEFUL %                           | 18%     |

DOLLAR ADJUSTMENT

|                                    |             |
|------------------------------------|-------------|
| STAFF ADJUSTED BALANCE OF LINES    | 1,357,995   |
| REMOVE COST OF ADVANCE             | (126,980)   |
| NET DOLLARS LINES                  | 1,231,015   |
| NON-USED & USEFUL %                | 82%         |
| NON-USED & USEFUL ADJUSTMENT       | (1,009,432) |
| % OF ADVANCE TO TOTAL LINES        | 9%          |
| STAFF ADJUSTED ACC. DEPR. ON LINES | 255,443     |
| LESS: ACC. DEPR. ON ADVANCE (9%)   | (23,885)    |
| NET DOLLARS ACC. DEPR.             | 231,558     |
| NON-USED & USEFUL %                | 82%         |
| NON-USED & USEFUL ADJUSTMENT       | 189,877     |
| NET U&U ADJUSTMENT FOR RATE BASE   | (819,555)   |
| STAFF ADJUSTED DEPR. EXP. ON LINES | 35,737      |
| LESS: DEPR. EXP. ON ADVANCE (9%)   | (3,342)     |
| NET DOLLARS DEPR. EXP.             | 32,395      |
| NON-USED & USEFUL %                | 82%         |
| NON-USED & USEFUL ADJUSTMENT       | (26,564)    |

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ST. GEORGE ISLAND UTILITY COMPANY, LTD.  
871177-WU  
WATER TREATMENT PLANT

Schedule No. 6  
Page 1 of 4

Allowance for Funds Prudently Invested  
Calculation of Carrying Costs for Each Lot

-----  
Information Needed

|                                  |              |
|----------------------------------|--------------|
| 1. Cost of Qualifying Assets     | \$ 1,009,432 |
| 2. Capacity of Qualifying Assets | 0 GPD        |
| 3. Number of Future Customers    | 1,770 ERC    |
| 4. Annual Depreciation Expense   | \$ 26,548    |
| 5. Rate of Return                | 6.97%        |
| 6. Weighted Cost of Equity       | 0.00%        |
| 7. Federal Income Tax Rate       | 0.00%        |
| 8. State Income Tax Rate         | 0.00%        |
| 9. Annual Property Tax           | \$ 0         |
| 10. Other Costs                  | \$ 0         |
| 11. Depreciation Rate of Assets  | 2.63%        |
| 12. Test Year                    | 1987         |

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ST. GEORGE ISLAND UTILITY COMPANY, LTD.  
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Schedule No. 6  
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Allowance for Funds Prudently Invested  
Calculation of Carrying Costs for Each Lot:

|                                    |              |                              |           |
|------------------------------------|--------------|------------------------------|-----------|
| Cost of Qualifying Assets:         | \$ 1,009,432 | Annual Depreciation Expense: | \$ 26,548 |
| Divided By Future Lots:            | 1,770        | Future Lots:                 | 1,770     |
|                                    | -----        |                              | -----     |
| Cost/Lot:                          | \$ 570.30    | Annual Depr. Cost per Lot:   | \$ 15.00  |
| Multiply By Rate of Return:        | 6.97%        |                              | -----     |
|                                    | -----        |                              | -----     |
| Annual Return Per Lot:             | \$ 39.75     | Annual Property Tax Expense: | \$ 0      |
|                                    | -----        | Future Lots:                 | 1,770     |
| Annual Reduction in Return:        | \$ 1.05      |                              | -----     |
| (Annual Depreciation Expense       | -----        | Annual Prop. Tax per Lot:    | \$ 0.00   |
| per Lot Times Rate of Return)      | -----        |                              | -----     |
|                                    | -----        |                              | -----     |
| Federal Tax Rate:                  | 0.00%        | Weighted Cost of Equity:     | 0.00%     |
| Effective State Tax Rate:          | 0.00%        | Divided by Rate of Return:   | 6.97%     |
|                                    | -----        |                              | -----     |
| Total Tax Rate:                    | 0.00%        | % of Equity in Return:       | 0.00%     |
|                                    | -----        |                              | -----     |
|                                    | -----        |                              | -----     |
| Effective Tax on Return:           | 0.00%        | Other Costs:                 | \$ 0      |
| (Equity % Times Tax Rate)          | -----        | Future ERC's:                | 1,770     |
|                                    | -----        |                              | -----     |
| Provision For Tax:                 | 0.00%        | Cost per ERC:                | \$ 0.00   |
| (Tax on Return/(1-Total Tax Rate)) | -----        |                              | -----     |
|                                    | -----        |                              | -----     |

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Schedule No. 6  
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Allowance for Funds Prudently Invested  
Calculation of Carrying Cost Per Lot Per Year:

|   | 1988     | 1989      | 1990      | 1991      | 1992      |
|---|----------|-----------|-----------|-----------|-----------|
| Unfunded Other Costs:                     | \$ 0.00  | \$ 0.00   | \$ 0.00   | \$ 0.00   | \$ 0.00   |
| Unfunded Annual Depreciation:             | 15.00    | 15.00     | 15.00     | 15.00     | 15.00     |
| Unfunded Property Tax:                    | 0.00     | 0.00      | 0.00      | 0.00      | 0.00      |
| Subtotal Unfunded Annual Expense:         | \$ 15.00 | \$ 15.00  | \$ 15.00  | \$ 15.00  | \$ 15.00  |
| Unfunded Expenses Prior Year:             | 0.00     | 15.00     | 30.00     | 45.00     | 60.00     |
| Total Unfunded Expenses:                  | \$ 15.00 | \$ 30.00  | \$ 45.00  | \$ 60.00  | \$ 74.99  |
| Return on Expenses Current Year:          | 1.05     | 1.05      | 1.05      | 1.05      | 1.05      |
| Return on Expenses Prior Year:            | 0.00     | 1.05      | 2.09      | 3.14      | 4.18      |
| Return on Plant Current Year:             | 39.75    | 38.70     | 37.66     | 36.61     | 35.57     |
| Earnings Prior Year:                      | 0.00     | 39.75     | 82.27     | 127.75    | 176.41    |
| Compound Earnings from Prior Year:        | 0.00     | 2.77      | 5.73      | 8.90      | 12.30     |
| Total Compounded Earnings:                | \$ 40.80 | \$ 83.32  | \$ 128.80 | \$ 177.45 | \$ 229.50 |
| Earnings Expansion Factor for Tax:        | 1.00     | 1.00      | 1.00      | 1.00      | 1.00      |
| Revenue Required to Fund Earnings:        | \$ 40.80 | \$ 83.32  | \$ 128.80 | \$ 177.45 | \$ 229.50 |
| Revenue Required to Fund Expenses:        | 15.00    | 30.00     | 45.00     | 60.00     | 74.99     |
| Subtotal:                                 | \$ 55.79 | \$ 113.31 | \$ 173.80 | \$ 237.45 | \$ 304.49 |
| Divided by Factor for Gross Receipts Tax: | 0.975    | 0.975     | 0.975     | 0.975     | 0.975     |
| Lot Carrying Cost for 1 Year:             | \$ 57.22 | \$ 116.22 | \$ 178.25 | \$ 243.54 | \$ 312.30 |

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ST. GEORGE ISLAND UTILITY COMPANY, LTD.  
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Schedule No. 6  
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Allowance for Funds Prudently Invested  
 Schedule of Charge Per Lot Per Month:

|           | 1988  | 1989   | 1990   | 1991   | 1992   | 1993   | 1994   |
|-----------|-------|--------|--------|--------|--------|--------|--------|
| January   | 4.77  | 62.14  | 121.39 | 183.69 | 249.27 | 312.30 | 312.30 |
| February  | 9.54  | 67.06  | 126.56 | 189.13 | 255.00 | 312.30 | 312.30 |
| March     | 14.31 | 71.97  | 131.73 | 194.57 | 260.73 | 312.30 | 312.30 |
| April     | 19.07 | 76.89  | 136.90 | 200.01 | 266.46 | 312.30 | 312.30 |
| May       | 23.84 | 81.81  | 142.07 | 205.46 | 272.19 | 312.30 | 312.30 |
| June      | 28.61 | 86.72  | 147.24 | 210.90 | 277.92 | 312.30 | 312.30 |
| July      | 33.38 | 91.64  | 152.41 | 216.34 | 283.65 | 312.30 | 312.30 |
| August    | 38.15 | 96.55  | 157.58 | 221.78 | 289.38 | 312.30 | 312.30 |
| September | 42.92 | 101.47 | 162.74 | 227.22 | 295.11 | 312.30 | 312.30 |
| October   | 47.69 | 106.39 | 167.91 | 232.66 | 300.84 | 312.30 | 312.30 |
| November  | 52.46 | 111.30 | 173.08 | 238.10 | 306.57 | 312.30 | 312.30 |
| December  | 57.22 | 116.22 | 178.25 | 243.54 | 312.30 | 312.30 | 312.30 |