

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of Lake Griffin)
Utilities, Inc. for Water Certificate)
in Lake County.)
_____)

DOCKET NO. 890554-WU
ORDER NO. 23039-A
ISSUED: 6-11-90

AMENDATORY ORDER

BY THE COMMISSION:

On June 6, 1990, this Commission issued Order No. 23039, which approved gross-up of contributions-in-aid-of-construction, established rates and charges, and denied the utility's requested allowance for funds prudently invested (AFPI), and established appropriate AFPI charges. Schedules Nos. 7 and 8 were inadvertently omitted from the Order. It is, therefore,

ORDERED by the Florida Public Service Commission that Order No. 23039 is hereby amended to include Schedules Nos. 7 and 8. It is further

ORDERED that Order No. 23039 is affirmed in all other respects.

By ORDER of the Florida Public Service Commission,
this 11th day of JUNE, 1990.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

ALC

by: Kay Helton
Chief, Bureau of Records

DOCUMENT NUMBER-DATE

05088 JUN 11 1990

PS&C-RECORDS/REPORTING

Schedule No. 7

Lake Griffin Utilities, Inc.
Allowance for Funds Prudently Invested
Utility Proposed Charges

Month	1990	1991	1992	1993	1994	1995	1996
1 January	6.82	89.30	179.39	278.02	386.18	505.02	635.80
2 February	13.64	96.75	187.55	286.96	396.01	515.83	647.71
3 March	20.46	104.20	195.70	295.90	405.83	526.64	659.62
4 April	27.28	111.65	203.85	304.84	415.65	537.44	671.53
5 May	34.10	119.09	212.01	313.78	425.47	548.25	683.44
6 June	40.92	126.54	220.16	322.72	435.29	559.06	695.35
7 July	47.74	133.99	228.31	331.66	445.11	569.86	707.26
8 August	54.56	141.44	236.47	340.60	454.93	580.67	719.17
9 September	61.39	148.89	244.62	349.54	464.75	591.48	731.08
10 October	68.21	156.34	252.77	358.48	474.57	602.28	742.99
11 November	75.03	163.79	260.93	367.42	484.40	613.09	754.89
12 December	81.85	171.24	269.08	376.36	494.22	623.90	766.80

LAKE Griffin Utilities Inc.
 890554-WU

Schedule No. 8
 Page 1 of 4

Allowance for Funds Prudently Invested
 Calculation of Carrying Costs for Each ERC:

Cost of Qualifying Assets:	\$ 334,209	Annual Depreciation Expense:	\$ 18,359
Divided By Future ERC:	813	Future ERC's:	813
	-----		-----
Cost/ERC:	\$ 411.08	Annual Depr. Cost per ERC:	\$ 22.58
Multiply By Rate of Return:	11.79%		=====

Annual Return Per ERC:	\$ 48.47	Annual Property Tax Expense:	\$ 902
	=====	Future ERC's:	813
Annual Reduction in Return:	\$ 2.66		-----
(Annual Depreciation Expense	=====	Annual Prop. Tax per ERC:	\$ 1.11
per ERC Times Rate of Return)			=====
Federal Tax Rate:	0.00%	Weighted Cost of Equity:	5.46%
Effective State Tax Rate:	0.00%	Divided by Rate of Return:	11.79%
	-----		-----
Total Tax Rate:	0.00%	% of Equity in Return:	46.31%
	=====		=====
Effective Tax on Return:	0.00%	Other Costs:	\$ 0
(Equity % Times Tax Rate)	=====	Future ERC's:	813

Provision For Tax:	0.00%	Cost per ERC:	\$ 0.00
(Tax on Return/(1-Total Tax Rate))	=====		=====

LAKE Griffin Utilities Inc.
890554-WU

Schedule No. 8
Page 2 of 4

Allowance for Funds Prudently Invested
Calculation of Carrying Cost Per ERC Per Month:

	1990	1991	1992	1993	1994	1995
	----	----	----	----	----	----
January	6.30	82.36	164.61	253.77	350.65	456.17
February	12.59	89.17	171.99	261.78	359.38	465.69
March	18.89	95.98	179.37	269.80	368.11	475.21
April	25.19	102.78	186.74	277.81	376.83	484.74
May	31.48	109.59	194.12	285.83	385.56	494.26
June	37.78	116.40	201.50	293.84	394.29	503.78
July	44.08	123.20	208.87	301.85	403.01	513.31
August	50.37	130.01	216.25	309.87	411.74	522.83
September	56.67	136.82	223.63	317.88	420.46	532.35
October	62.96	143.62	231.00	325.90	429.19	541.88
November	69.26	150.43	238.38	333.91	437.92	551.40
December	75.56	157.24	245.76	341.93	446.64	560.92

LAKE Griffin Utilities Inc.
 890554-WU

Schedule No. 8
 Page 3 of 4

Allowance for Funds Prudently Invested
 Calculation of Carrying Cost Per ERC Per Year:

	1990	1991	1992	1993	1994	1995
	----	----	----	----	----	----
Unfunded Other Costs:	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Unfunded Annual Depreciation:	22.58	22.58	22.58	22.58	22.58	22.58
Unfunded Property Tax:	1.11	1.11	1.11	1.11	1.11	1.11

Subtotal Unfunded Annual Expense:	\$ 23.69	\$ 23.69	\$ 23.69	\$ 23.69	\$ 23.69	23.69
Unfunded Expenses Prior Year:	0.00	23.69	47.38	71.07	94.77	118.46

Total Unfunded Expenses:	\$ 23.69	\$ 47.38	\$ 71.07	\$ 94.77	\$ 118.46	\$ 142.15
=====						
Return on Expenses Current Year:	2.79	2.79	2.79	2.79	2.79	2.79
Return on Expenses Prior Year:	0.00	2.79	5.59	8.38	11.17	13.97
Return on Plant Current Year:	48.47	45.80	43.14	40.48	37.82	35.15
Earnings Prior Year:	0.00	48.47	102.78	163.62	231.77	308.09
Compound Earnings from Prior Year:	0.00	5.71	12.12	19.29	27.33	36.32

Total Compounded Earnings:	\$ 48.47	\$ 102.78	\$ 163.62	\$ 231.77	\$ 308.09	\$ 393.53
Earnings Expansion Factor for Tax:	1.00	1.00	1.00	1.00	1.00	1.00

Revenue Required to Fund Earnings:	\$ 48.47	\$ 102.78	\$ 163.62	\$ 231.77	\$ 308.09	\$ 393.53
Revenue Required to Fund Expenses:	23.69	47.38	71.07	94.77	118.46	142.15

Subtotal:	\$ 72.16	\$ 150.16	\$ 234.70	\$ 326.54	\$ 426.55	\$ 535.68
Divided by Factor for Gross Receipts Tax:	0.955	0.955	0.955	0.955	0.955	0.955

ERC Carrying Cost for 1 Year:	\$ 75.56	\$ 157.24	\$ 245.76	\$ 341.93	\$ 446.64	\$ 560.92
=====						

LAKE Griffin Utilities Inc.
890554-WU

Schedule No. 8
Page 4 of 4

Allowance for Funds Prudently Invested
Schedule of Charges:

	1990	1991	1992	1993	1994	1995
	----	----	----	----	----	----
January	6.30	82.36	164.61	253.77	350.65	456.17
February	12.59	89.17	171.99	261.78	359.38	465.69
March	18.89	95.98	179.37	269.80	368.11	475.21
April	25.19	102.78	186.74	277.81	376.83	484.74
May	31.48	109.59	194.12	285.83	385.56	494.26
June	37.78	116.40	201.50	293.84	394.29	503.78
July	44.08	123.20	208.87	301.85	403.01	513.31
August	50.37	130.01	216.25	309.87	411.74	522.83
September	56.67	136.82	223.63	317.88	420.46	532.35
October	62.96	143.62	231.00	325.90	429.19	541.88
November	69.26	150.43	238.38	333.91	437.92	551.40
December	75.56	157.24	245.76	341.93	446.64	560.92
