

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for a Rate) DOCKET NO. 920733-WS  
Increase for Silver Springs )  
Shores Division in Marion )  
County by GENERAL DEVELOPMENT )  
UTILITIES, INC. )  
\_\_\_\_\_ )

In re: Application for a Rate) DOCKET NO. 920734-WS  
Increase for Port LaBelle ) ORDER NO. PSC-93-0010-FOF-WS  
Division in Glades and Hendry ) ISSUED: 01/04/94  
Counties by GENERAL )  
DEVELOPMENT UTILITIES, INC. )  
\_\_\_\_\_ )

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman  
SUSAN F. CLARK  
J. TERRY DEASON  
BETTY EASLEY  
LUIS J. LAUREDO

ORDER SUSPENDING PROPOSED RATES AND  
GRANTING INTERIM RATES, SUBJECT TO REFUND, AND  
DENYING PUBLIC COUNSEL'S MOTION FOR RECONSIDERATION

BY THE COMMISSION:

BACKGROUND

Prior to 1992, General Development Utilities, Inc. (GDU or the utility) was a wholly owned subsidiary of the General Development Corporation, (GDC). In early 1992, GDC reorganized and was renamed Atlantic Gulf Communities Corporation (AGCC). GDU is now a wholly owned subsidiary of AGCC. On September 29, 1992, GDU filed applications for general water and wastewater rate increases for two of its divisions, Silver Springs Shores (SSS) and Port LaBelle (PLB). The applications, as filed, did not meet the minimum filing requirements (MFRs). On October 19, 1992, the utility completed the MFRs for both applications and that date was established as the official filing date for each division.

By Order No. PSC-92-1207-PCO-WS, issued October 12, 1992, the above-referenced dockets were consolidated for purposes of hearing. By Orders Nos. PSC-92-1165-PCO-WS and PSC-92-1168-PCO-WS, issued October 12, 1992, we acknowledged the Office of Public Counsel's (OPC) intervention. On November 2, 1992, OPC filed a Motion for

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Reconsideration of Order No. PSC-92-1207-PCO-WS. On November 16, 1992, GDU timely filed a Response to OPC's Motion for Reconsideration.

The test year for the interim increase is based on the historical twelve-month period that ended December 31, 1991. A projected test year ended December 31, 1992, is used for determining the requested final rates.

#### Silver Spring Shores

According to the MFRs, the SSS water system had actual operating revenues of \$478,941 and a net operating income of \$15,547 for the twelve months that ended December 31, 1991. The wastewater system had actual operating revenues of \$889,061 and a net operating income of \$118,734 for the same period. SSS has had one prior rate case, Docket No. 870239-WS, which ended prior to the final hearing because the parties signed a stipulated agreement. The agreement, approved by the Commission by Order No. 18869, issued February 16, 1988, did not establish rate base for the utility.

#### Port LaBelle

According to the MFRs, the PLB water system had actual operating revenues of \$230,813 and a net loss of \$14,611 for the twelve months that ended December 31, 1991. The wastewater system had actual operating revenues of \$165,764 and a net loss of \$65,029 for the same period. The Commission granted water and wastewater certificates to PLB in February, 1990. This Commission has not previously considered PLB's rates within a full rate case. The last general rate increase was approved prior to the Commission's receiving jurisdiction from each county, Glades and Hendry.

#### MOTION FOR RECONSIDERATION

Order No. PSC-92-1207-PCO-WS granted the utility's request to consolidate these rate cases for purposes of hearing. On November 2, 1992, OPC filed a Motion for Reconsideration of Order No. PSC-92-1207-PCO-WS.

In the Motion for Reconsideration, OPC contends that: 1) moving the final hearing to Tallahassee will insulate the Commission from the views and concerns of the customers; 2) granting the customers a service hearing weeks before the final hearing will not guarantee that both of the Commissioners that will decide the case will attend the service hearings; 3) removing the technical portion of

the hearing away from customers effectively eliminates their opportunity to attend and participate in this portion of the hearing; 4) to the extent that the same applicant and witnesses are involved, economies should be realized whether the cases are consolidated or not; and 5) the Commission should not deny the customers a final hearing in their service areas over their strenuous objections.

On November 16, 1992, GDU timely filed a Response to OPC's Motion for Reconsideration. In its Response to OPC, the utility states that OPC's Motion improperly asks for action on its motion for reconsideration by the full Commission. GDU refers to Rule 25-22.038(2), Florida Administrative Code, which states that:

A party who is adversely affected by any such order or notice may seek reconsideration by the prehearing officer, or review by the commission panel assigned to the proceeding, by filing a motion in support thereof within ten (10) days of service of the notice or order.

GDU further states that OPC's Motion adds nothing new that the Commission has not already considered. Finally, GDU asserts that OPC's Motion does not demonstrate that the Commission overlooked or failed to consider OPC's prior arguments.

The legal standard to be applied in evaluating a motion for reconsideration is set forth in Diamond Cab Co. of Miami v. King, 146 So.2d 889 at 891:

The purpose of a petition for rehearing is merely to bring to the attention of the ... administrative agency some point which it overlooked or failed to consider when it rendered its order in the first instance... It is not intended to as a procedure for re-arguing the whole case merely because the losing party disagrees with the judgment or order.

We find that OPC has not raised any points which the Chairman overlooked or failed to consider in Order No. PSC-92-1207-PCO-WS. Therefore, the Motion for Reconsideration is hereby denied.

#### SUSPENSION OF PROPOSED RATES

Section 367.081(6), Florida Statutes, provides that the rate schedules proposed by the utility shall become effective within sixty days of filing unless the Commission votes to withhold consent to implementation of the requested rates. Further, the

above-referenced statute permits the proposed rates to go into effect, under bond, eight months after filing unless final action has been taken by the Commission.

We have reviewed the filings and find it reasonable and necessary to require further amplification and explanation of the data filed. In consideration of the above, we find it appropriate to suspend the utility's proposed rate schedules.

INTERIM RATES REQUEST

Silver Springs Shores

SSS has requested interim water rates designed to generate annual revenues of \$737,209. These revenues exceed test year revenues by \$258,268, or an increase of 53.93 percent. SSS has requested interim wastewater rates designed to generate annual revenues of \$1,418,208. These revenues exceed test year revenues by \$529,147, or an increase of 59.52 percent.

Upon review of the information filed in the application for SSS, we find that, pursuant to Section 367.082, Florida Statutes, it is appropriate, on an interim basis, to approve interim rates that will generate annual revenues of \$704,233 for water and \$1,346,824 for wastewater, subject to refund with interest. This is discussed in greater detail in a subsequent section of this Order.

Port LaBelle

PLB has requested interim water rates designed to generate annual revenues of \$432,328. These revenues exceed test year revenues by \$201,515, or an increase of 87.31 percent. PLB has requested interim wastewater rates designed to generate annual revenues of \$308,967. These revenues exceed test year revenues by \$146,146, or an increase of 89.75 percent.

Upon review of the information filed in the application for PLB, we find that, pursuant to Section 367.082, Florida Statutes, it is appropriate, on an interim basis, to approve interim rates that will generate annual revenues of \$432,328 for water and \$308,967 for wastewater, subject to refund with interest. This is discussed in greater detail in a subsequent section of this Order.

#### RATE BASE

Our calculation of the appropriate rate base for each division is depicted on Schedules Nos. 1-A and 4-A for the water systems and Schedules Nos. 1-B and 4-B for the wastewater systems. Adjustments appear on Schedules Nos. 1-C and 4-C. Those adjustments which are self-explanatory or essentially mechanical in nature are reflected on those schedules without further discussion in the body of this Order. The major adjustments are discussed below.

#### Used and Useful

The utility calculated used and useful for the wastewater treatment facilities by using data found outside the test year. To calculate used and useful for the water treatment plants, the utility used a single maximum day from outside the test year. Commission practice is to require an average of the five maximum days from the test year. The utility provided no data in the MFRs to support its calculations for effluent disposal at Port LaBelle. We calculated the percentage that is used and useful to be 75.2 percent. We calculated the percentage of the water distribution and wastewater collection systems that is used and useful using the number of customers connected divided by the total number of available connections in the test year.

The utility's proposed used and useful calculations overstate the interim test year conditions. We recalculated all used and useful percentages following established Commission policy and procedures. We used 1991 data to make our adjustments.

#### Working Capital

The utility used the formula method to calculate interim working capital requirements, or a provision equal to one-eighth of test year operation and maintenance (O&M) expenses. We find that the formula method yields a reasonable estimate of the utility's working capital needs for the purpose of setting interim rates. Therefore, we find it appropriate to approve the working capital amounts using the formula method.

The adjustments we made to O&M expenses result in reductions to working capital of \$283 and \$3,829 for the SSS water and wastewater systems, respectively. For PLB, we have decreased working capital by \$1,321 for water and increased working capital by \$1,176 for wastewater because of our adjustment to O&M expenses.

Rate Base Total

In consideration of the foregoing, we find that for SSS, the appropriate rate base amounts are \$1,367,507 for water and \$4,394,058 for wastewater. For PLB, the appropriate rate base amounts are \$2,022,298 for water and \$1,292,934 for wastewater.

COST OF CAPITAL

Our calculation of the appropriate cost of capital for each division is depicted on Schedules Nos. 2 and 5. Those adjustments which are self-explanatory or which are essentially mechanical in nature are reflected on those schedules without further discussion in the body of this Order. The major adjustments are discussed below.

Silver Springs Shores

As discussed previously, the SSS division's last rate case resulted in a stipulated agreement. The stipulated agreement set a range of reasonableness of 13.5 percent to 14.5 percent with a mid-point of 14 percent for the return on equity. Section 367.082(5)(b), Florida Statutes, requires that an interim rate increase be determined using the lower end of the last authorized return on equity. Instead of a 13.5 percent rate of return on equity allowed by the above-referenced statute, the utility requested a rate of return on equity of 11.12 percent for interim rate setting purposes. The utility stated that this was necessary to prevent interim rates from exceeding final rates. We believe that the utility's request is reasonable and therefore, we find that the appropriate return on equity is 11.12 percent.

Port LaBelle

PLB has requested a rate of return on equity for interim rate setting purposes of 11.12 percent, or the mid-point of the range of reasonableness established for the current leverage formula in Docket No. 920006-WS. The lower end of the range of reasonableness is 10.12 percent. The utility is erroneously using the mid-point of the current leverage graph. In accordance with Section 367.082(5)(b), Florida Statutes, we have used the lower end of the current leverage graph, which would provide a 10.12 percent rate of return on equity.

#### NET OPERATING INCOME

Our calculation of net operating income for each division is depicted on Schedules Nos. 3-A and 6-A for water and Schedules Nos. 3-B and 6-B for wastewater. Our adjustments which are self-explanatory or essentially mechanical in nature are reflected on those schedules without further discussion in the body of this Order. The major adjustments are discussed below.

#### Salaries and Wages

The utility adjusted operating expenses to correct the allocation of salaries and wages expense. The utility's proposed adjustments provide a net increase in the combined water and wastewater expenses for both divisions. Further, the MFRs do not provide sufficient detail to determine whether these adjustments are a correction or a change of allocation methodology. Therefore, we find it appropriate to reverse the utility's adjustments to salaries and wages expense and make corresponding adjustments to payroll taxes for both divisions.

#### Depreciation Expense

As discussed in the rate base section above, we adjusted the used and useful provisions for plant. Therefore, corresponding reductions to depreciation expense are necessary. Therefore, we have decreased depreciation expense by \$3,760 and \$3,772 for the PLB water and wastewater systems, respectively. For SSS, we have decreased depreciation expense by \$17,226 and \$3,479 for the water and wastewater systems, respectively.

#### Other Adjustments

SSS included \$20,975 of amortized rate case expense in water operating expenses. We find it appropriate to remove this amount because we have not previously approved rate case expense for this division. PLB has included a \$7,000 pro forma adjustment in water system expenses for lime bed cleaning. We have removed this adjustment for purposes of determining interim rates in accordance with the provisions of Section 367.082, Florida Statutes.

#### REVENUE REQUIREMENT

Based upon recovery of actual operating expenses for the test year ended December 31, 1991, and the approved cost of capital, we find that for SSS, an annual revenue requirement of \$704,233 for water and \$1,346,824 for wastewater is appropriate. This

represents an increase of \$229,262 and \$465,311 for water and wastewater, respectively. For PLB, an annual revenue requirement of \$432,328 for water and \$308,967 for wastewater is appropriate. This represents an increase of \$203,942 and \$148,282 for water and wastewater, respectively.

#### INTERIM RATES

The approved interim rates are designed to allow the utility the opportunity to generate additional annual operating revenues of \$229,262 and \$465,311 for the SSS water and wastewater systems, respectively. For PLB, the rates are designed to allow the utility the opportunity to generate additional annual operating revenues of \$203,942 and \$148,282 for water and wastewater, respectively. The interim increase in revenue requirement for PLB was calculated based on a specific amount rather than a percentage increase due to the difference in currently authorized rates between the Glades County and Hendry County customers.

Based on the interim revenue requirement, increases in the base facility charges for PLB are \$7.73 per equivalent residential connection (ERC) for water and \$6.00 per ERC for wastewater. We increased the gallonage charges by \$2.11 per one thousand gallons for water consumption and \$1.99 for residential and \$2.39 for general service customers per one thousand gallons of wastewater treated. We find these rates to be fair, just and reasonable. The existing rates, and the approved interim rates are set forth in Schedules Nos. 7-A, 7-B, 7-C, and 7-D for comparison.

The utility shall file revised tariff sheets to reflect the rates approved herein. The revised tariff sheets will be approved upon Commission Staff's verification that the tariffs are consistent with the Commission's decision, the appropriate security has been filed and the proposed customer notice is adequate. The interim rates shall be effective for meter readings on or after 30 days from the stamped approval date of the tariff sheets.

#### SECURITY FOR REFUND

Pursuant to Section 367.082, Florida Statutes, the interim rate increase shall be collected subject to refund with interest. This increase must be guaranteed by the utility. Based on our financial analysis, the utility cannot support a corporate undertaking due to inadequate liquidity and declining profitability. These concerns, compounded with the bankruptcy by the utility's parent company, casts doubt on the utility's ability to back a corporate undertaking, particularly since the parent's

bankruptcy caused the utility to default on its industrial revenue bonds. Therefore, we find that the utility must provide a letter of credit, bond, or escrow agreement to guarantee the funds collected subject to refund.

Within thirty days of the date of this Order, the utility shall file under the terms described below, a letter of credit or bond in the amount of \$274,050 for the PLB Division and \$557,700 for the SSS Division, a total sum of \$831,750. In lieu of a letter of credit or bond, GDU may obtain an escrow agreement which requires the utility to deposit monthly \$30,450 for the PLB Division and \$61,967 for the SSS Division, a total monthly sum of \$92,417, into the account until completion of the rate case. The utility shall provide reports by the 20th of each month indicating the monthly and total revenue collected subject to refund, as required under Rule 25-30.360(6), Florida Administrative Code.

If the security provided is an escrow account, said account shall be established between the utility and an independent financial institution pursuant to a written escrow agreement. The Commission shall be a party to the written escrow agreement and a signatory to the escrow account. The written escrow agreement shall state the following: that the account is established at the direction of this Commission for the purpose set forth above, that no withdrawals of funds shall occur without the prior approval of the Commission through the Director of the Division of Records and Reporting, that the account shall be interest bearing, that information concerning the escrow account shall be available from the institution to the Commission or its representative at all times, and that pursuant to Consentino v. Elson, 263 So.2d 253 (Fla. 3d DCA 1972), escrow accounts are not subject to garnishments.

The utility shall deposit the funds to be escrowed, \$92,417, into the escrow account each month, pending the completion of the rate case proceeding. If a refund to the customers is required, all interest earned by the escrow account shall be distributed to the customers. If a refund to the customers is not required, the interest earned by the escrow account shall revert to the utility.

If the security provided is a bond or a letter of credit, said instrument shall be in the amount of \$831,750. If the utility chooses a bond as security, the bond shall state that it will be released or should terminate upon subsequent Order of the Commission addressing overearnings or requiring a refund. If the utility chooses to provide a letter of credit as security, the letter of credit shall state that it is irrevocable for the period

it is in effect and that it will be in effect until a final Commission order is rendered addressing overearnings or requiring a refund.

Regardless of the type of security provided, the utility shall keep an accurate and detailed account of all monies it receives. By no later than the twentieth (20th) day after each monthly billing, the utility shall file a report showing the amount of revenues collected that month and the amount of revenues collected to date. Should a refund be required, the refund shall be with interest and undertaken in accordance with Rule 25-30.360, Florida Administrative Code.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that the proposed final rates and schedules proposed by General Development Utilities, Inc., for Silver Springs Shores and Port LaBelle are hereby suspended in accordance with Section 367.081(6), Florida Statutes. It is further

ORDERED that the requests for interim increases in water and wastewater rates by General Development Utilities, Inc., for SSS and PLB are hereby approved to the extent set forth in the body of this Order. It is further

ORDERED that the Public Counsel's Motion for Reconsideration is denied. It is further

ORDERED that the difference between the interim rates approved herein and the previously authorized rates shall be collected subject to refund, with interest. It is further

ORDERED that General Development Utilities, Inc., for Silver Springs Shores and Port LaBelle, shall file revised tariff pages as well as a proposed notice to customers, in accordance with the provisions of this Order. It is further

ORDERED that the interim water and wastewater rates shall be effective for meter readings on or after 30 days from the stamped approval date on the revised tariff sheets. It is further

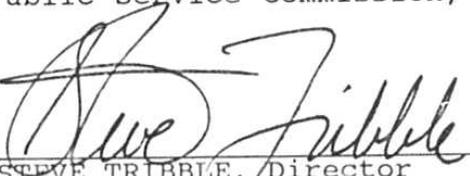
ORDERED that the revised tariff sheets will be approved upon Commission Staff's verification that the tariff sheets and the security are consistent with the Commission's decision, the appropriate security has been filed to guarantee any potential refund, and the proposed customer notice is adequate. It is further

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ORDERED that General Development Utilities, Inc., shall provide a bond or a letter of credit, in the amount of \$274,050 for the Port LaBelle Division and \$557,700 for the Silver Springs Shores Division, or an escrow agreement which requires the utility to deposit \$30,450 monthly for the Port LaBelle Division and \$61,967 for the Silver Springs Shores Division in the account until completion of the rate case. It is further

ORDERED that General Development Utilities, Inc., for Silver Springs Shores and Port LaBelle shall submit, pursuant to Rule 25-30.360(6), Florida Administrative Code, a report by the 20th day of each month indicating the monthly and total revenues collected subject to refund.

By ORDER of the Florida Public Service Commission, this 4th day of January, 1993.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

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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 this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; (2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or (3) 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 wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

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UTILITY: GENERAL DEVELOPMENT UTILITIES, INC.  
 SILVER SPRINGS SHORES DIVISION  
 COUNTY: MARION  
 DOCKET NO. 920733-WS  
 TEST YEAR ENDED: DECEMBER 31, 1991

Schedule No. 7-A  
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RATE SCHEDULE

WATER

Monthly Rates

	<u>Current</u>	Utility Requested <u>Interim</u>	Utility Requested <u>Final</u>	Commission Approved <u>Interim</u>
<u>Residential</u>				
Base Facility Charge:				
Meter Size:				
5/8" X 3/4"	\$ 4.88	\$ 7.56	\$ 8.58	\$ 7.24
Gallonge charge:				
First 19/MG	0.70	1.09	*	1.04
Over 19/MG	0.76	1.18	*	1.13
1"	\$12.20	\$18.91	\$21.45	\$18.09
Gallonge charge:				
First 24/MG	0.70	1.09	*	1.04
Over 24/MG	0.76	1.18	*	1.13
1-1/2"	\$24.42	\$37.85	\$42.90	\$36.21
Gallonge charge:				
First 34/MG	0.70	1.09	*	1.04
Over 34/MG	0.76	1.18	*	1.13
2"	\$39.06	\$60.54	\$68.64	\$57.91
Gallonge charge:				
First 50/MG	0.70	1.09	*	1.04
Over 50/MG	0.76	1.18	*	1.13
* All Meter Sizes				
Gallonge charge:				
First 6/MG	- - -	- - -	\$ 0.83	- - -
Over 6/MG	- - -	- - -	1.25	- - -

UTILITY: GENERAL DEVELOPMENT UTILITIES, INC.  
 SILVER SPRINGS SHORES DIVISION  
 COUNTY: MARION  
 DOCKET NO. 920733-WS  
 TEST YEAR ENDED: DECEMBER 31, 1991

Schedule No. 7-A  
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RATE SCHEDULE

WATER

Monthly Rates

	<u>Current</u>	Utility Requested <u>Interim</u>	Utility Requested <u>Final</u>	Commission Approved <u>Interim</u>
<u>General Service and Multi-Family</u>				
Base Facility Charge:				
Meter Size:				
5/8" x 3/4"	\$ 4.88	\$ 7.56	\$ 8.58	\$ 7.24
1"	12.20	18.91	21.45	18.09
1-1/2"	24.42	37.85	42.90	36.21
2"	39.06	60.54	68.64	57.91
3"	78.13	121.09	128.70	115.84
4"	122.08	189.20	214.50	181.01
6"	244.15	378.38	429.00	362.00
Gallonge charge per 1,000 G.	\$ 0.70	\$ 1.09	\$ 0.95	\$ 1.04
<u>Private Fire Protection (Annual Charge)</u>				
Line Size:				
2"	\$ 108.96	\$ 168.87	\$ 274.56	\$ 161.56
4"	340.50	527.71	858.00	504.86
6"	680.96	1,055.35	1,716.00	1,009.66
8"	1,088.68	1,687.24	2,745.60	1,614.19
10"	1,564.98	2,425.41	3,946.80	2,320.40
12"	2,925.84	4,534.47	7,378.80	4,338.14
<u>Pest Control Spray Trucks</u>				
Minimum charge (each time water is obtained)				
	\$ 9.20	\$ 14.26	\$ 11.10	\$ 13.64
Gallonge charge per 1,000 G.	0.62	0.96	0.95	0.92

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UTILITY: GENERAL DEVELOPMENT UTILITIES, INC.  
 SILVER SPRINGS SHORES DIVISION  
 COUNTY: MARION  
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 TEST YEAR ENDED: DECEMBER 31, 1991

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RATE SCHEDULE

WASTEWATER

Monthly Rates

	<u>Current</u>	<u>Utility Requested Interim</u>	<u>Utility Requested Final</u>	<u>Commission Approved Interim</u>
<u>General Service and Multi-Family</u>				
Base Facility Charge: All Meter Sizes	\$ 11.70	\$ 18.70	\$ 15.56	\$ 17.88
Gallonge Charge per 1,000 G.	\$ 1.37	\$ 2.19	\$ 2.83	\$ 2.09
Wastewater Cap	10M	10M	8M	10M
<u>General Service and Multi-Family</u>				
Base Facility Charge: Meter Size:				
5/8" X 3/4"	\$ 11.70	\$ 18.70	\$ 15.56	\$ 17.88
1"	29.25	46.75	38.90	44.69
1-1/2"	58.49	93.48	77.80	89.37
2"	93.58	149.56	124.48	142.98
3"	187.15	299.10	248.96	285.95
4"	292.43	467.36	389.00	446.80
6"	584.86	934.72	778.00	893.61
Gallonge charge per 1,000 G. (No Maximum)	\$ 1.65	\$ 2.64	\$ 3.39	\$ 2.52

UTILITY: GENERAL DEVELOPMENT UTILITIES, INC.  
 PORT LABELLE DIVISION  
 COUNTIES: GLADES AND HENDRY  
 DOCKET NO. 920734-WS  
 TEST YEAR ENDED: DECEMBER 31, 1991

RATE SCHEDULE

WATER

GLADES COUNTY

Monthly Rates

	<u>Current</u>	<u>Utility Requested Interim</u>	<u>Utility Requested Final</u>	<u>Commission Approved Interim</u>
<u>Residential</u>				
Base Facility Charge:				
Meter Size:				
5/8"x3/4"	\$9.44	\$17.94	\$23.90	\$17.17
1"	\$23.58	\$44.80	\$59.75	\$42.91
1-1/2"	\$47.17	\$89.62	\$119.50	\$85.82
2"	\$75.47	\$143.39	\$191.20	\$137.31
Gallage Charge				
Per 1,000 Gallons	\$2.51	\$4.77	N/A	\$4.62
First 6,000 Gallons	N/A	N/A	\$2.63	N/A
Over 6,000 Gallons	N/A	N/A	\$3.93	N/A
<u>General Service (Commercial and Multi-Family)</u>				
Base Facility Charge:				
Meter Size:				
5/8"x3/4"	\$9.44	\$17.94	\$23.90	\$17.17
1"	\$23.58	\$44.80	\$59.75	\$42.91
1-1/2"	\$47.17	\$89.62	\$119.50	\$85.82
2"	\$75.47	\$143.39	\$191.20	\$137.31
3"	\$150.95	\$286.81	\$358.50	\$150.95
Gallage Charge per 1,000 G.	\$2.51	\$4.77	\$2.84	\$4.62
<u>Private Fire Protection (Annual)</u>				
Line Size:				
6"	\$104.63	\$198.80	\$4,780.00	\$188.87
8"	\$130.79	\$248.50	\$7,648.00	\$240.38
Hydrants	\$78.47	\$149.09	N/A	\$142.01
<u>Typical Residential Bills</u>				
5/8" x 3/4" meter				
3 M	\$16.97	\$32.25	\$31.79	\$31.03
5 M	\$21.99	\$41.79	\$37.05	\$40.27
10 M	\$34.54	\$65.64	\$55.40	\$63.37

UTILITY: GENERAL DEVELOPMENT UTILITIES, INC.  
 PORT LABELLE DIVISION  
 COUNTIES: GLADES AND HENDRY  
 DOCKET NO. 920734-WS  
 TEST YEAR ENDED: DECEMBER 31, 1991

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RATE SCHEDULE

WATER

HENDRY COUNTY

Monthly Rates

	<u>Current</u>	<u>Utility Requested Interim</u>	<u>Utility Requested Consolidated Final</u>	<u>Commission Approved Interim</u>
<b>Residential</b>				
Base Facility Charge:				
Meter Size:				
5/8"x3/4"	\$10.76	\$20.44	\$23.90	\$18.49
1"	\$26.88	\$51.07	\$59.75	\$46.21
1-1/2"	\$53.78	\$102.18	\$119.50	\$92.43
2"	\$86.04	\$163.48	\$191.20	\$147.88
Gallage Charge				
Per 1,000 Gallons	\$1.81	\$3.44	N/A	\$3.92
First 6,000 Gallons	N/A	N/A	\$2.63	N/A
Over 6,000 Gallons	N/A	N/A	\$3.93	N/A
<b>General Service (Commercial and Multi-Family)</b>				
Base Facility Charge:				
Meter Size:				
5/8"x3/4"	\$10.76	\$20.44	\$23.90	\$18.49
1"	\$26.88	\$51.07	\$59.75	\$46.21
1-1/2"	\$53.78	\$102.18	\$119.50	\$92.43
2"	\$86.04	\$163.48	\$191.20	\$147.88
3"	\$172.08	\$326.95	\$358.50	\$295.76
Gallage Charge per 1,000 G.	\$1.81	\$3.44	\$2.84	\$3.92
<b>Private Fire Protection (Annual)</b>				
Line Size:				
6"	\$104.63	\$198.80	\$4,780.00	\$188.87
8"	\$130.79	\$248.50	\$7,648.00	\$240.38
Hydrants	\$84.75	\$161.03	N/A	\$84.75
<b>Typical Residential Bills</b>				
<u>5/8" x 3/4" meter</u>				
3 M	\$16.19	\$30.76	\$31.79	\$30.25
5 M	\$19.81	\$37.64	\$37.05	\$38.09
10 M	\$28.86	\$54.84	\$55.40	\$57.69

UTILITY: GENERAL DEVELOPMENT UTILITIES, INC.  
 PORT LABELLE DIVISION  
 COUNTIES: GLADES AND HENDRY  
 DOCKET NO. 920734-WS  
 TEST YEAR ENDED: DECEMBER 31, 1991

Schedule 7-D  
 Page 1 of 2

RATE SCHEDULE

GLADES COUNTY

WASTEWATER

Monthly Rates

	<u>Current</u>	Utility Requested <u>Interim</u>	Utility Requested Consolidated <u>Final</u>	Commission Approved <u>Interim</u>
<u>Residential</u>				
Base Facility Charge: All Meter Sizes	\$9.43	\$17.92	\$12.32	\$15.43
Gallage Charge per 1,000 G. Sewer Cap (Per 1,000 Gallons)	\$1.78 6	\$3.38 6	\$3.67 8	\$3.77 6
<u>General Service and Multi-Family</u>				
Base Facility Charge: Meter Size:				
5/8" x 3/4"	\$9.43	\$17.92	\$12.32	\$15.43
1"	\$23.59	\$44.82	\$30.80	\$38.58
1-1/2"	\$47.16	\$89.60	\$61.60	\$77.14
2"	\$75.46	\$143.37	\$98.56	\$123.43
3"	\$150.91	\$286.73	\$184.80	\$246.85
Gallage Charge (per 1,000 Gallons)	\$2.14	\$4.07	\$4.41	\$4.53

Typical Residential Bills

5/8" x 3/4" meter

GLADES COUNTY

3,000 Gallons	\$14.77	\$28.06	\$23.33	\$26.75
5,000 Gallons	\$18.33	\$34.82	\$30.67	\$34.30
8,000 Gallons	\$20.11	\$38.20	\$41.68	\$38.07
Sewer Cap (Per 1,000 Gallons)	6	6	8	6

UTILITY: GENERAL DEVELOPMENT UTILITIES, INC.  
 PORT LABELLE DIVISION  
 COUNTIES: GLADES AND HENDRY  
 DOCKET NO. 920734-WS  
 TEST YEAR ENDED: DECEMBER 31, 1991

Schedule No. 7-D  
 Page 2 of 2

RATE SCHEDULE

WASTEWATER

HENDRY COUNTY

Monthly Rates

	<u>Current</u>	<u>Utility Requested Interim</u>	<u>Utility Requested Consolidated Final</u>	<u>Commission Approved Interim</u>
<u>Residential</u>				
Base Facility Charge: All Meter Sizes	\$10.75	\$20.43	\$12.32	\$16.75
Gallonge Charge per 1,000 G. Sewer Cap (Per 1,000 Gallons)	\$1.10 6	\$2.09 6	\$3.67 8	\$3.09 6

General Service and Multi-Family

HENDRY COUNTY

Base Facility Charge:

Meter Size:

5/8" x 3/4"

1"

1-1/2"

2"

3"

Gallonge Charge (per 1,000 Gallons)

\$10.75	\$20.43	\$12.32	\$16.75
\$26.88	\$51.07	\$30.80	\$41.87
\$53.77	\$102.16	\$61.60	\$83.75
\$86.01	\$163.42	\$98.56	\$133.98
\$172.05	\$326.90	\$184.80	\$267.99
\$1.32	\$2.51	\$4.41	\$3.71

Typical Residential Bills

5/8" x 3/4" meter

HENDRY COUNTY

3,000 Gallons

5,000 Gallons

8,000 Gallons

Sewer Cap (Per 1,000 Gallons)

\$14.05	\$26.70	\$23.33	\$26.03
\$16.25	\$30.88	\$30.67	\$32.22
\$17.35	\$32.97	\$41.68	\$35.31
6	6	8	6

GDU (SILVER SPRINGS SHORES DIVISION) SCHEDULE OF WATER RATE BASE TEST YEAR ENDED DECEMBER 31, 1991						SCHEDULE NO. 1-A 920733-WS
COMPONENT	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR PER UTILITY	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR	
1 UTILITY PLANT IN SERVICE	\$ 3,790,262	\$ (56,288)	\$ 3,733,974	\$ 0	3,733,974	
2 LAND	38,530	39,416	77,946	0	77,946	
3 NON-USED & USEFUL COMPONENTS	0	(369,406)	(369,406)	(472,362)	(841,768)	
4 ACCUMULATED DEPRECIATION	(822,984)	81,065	(741,919)	0	(741,919)	
5 CIAC	(1,229,499)	0	(1,229,499)	0	(1,229,499)	
6 AMORTIZATION OF CIAC	321,517	0	321,517	0	321,517	
7 ACQUISITION ADJUSTMENTS -NET	(10,868)	10,868	0	0	0	
8 DEBIT DEFERRED INCOME TAXES	0	0	0	0	0	
9 WORKING CAPITAL ALLOWANCE	54,948	(7,409)	47,539	(283)	47,256	
<b>RATE BASE</b>	<b>\$ 2,141,906</b>	<b>\$ (301,754)</b>	<b>\$ 1,840,152</b>	<b>\$ (472,645)</b>	<b>1,367,507</b>	

SCHEDULE NO. 1-B  
 920733-WS

GDU (SILVER SPRINGS SHORES DIVISION)  
 SCHEDULE OF WASTEWATER RATE BASE  
 TEST YEAR ENDED DECEMBER 31, 1991

COMPONENT	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR PER UTILITY	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR
1 UTILITY PLANT IN SERVICE	\$ 6,634,115	\$ 906,316	\$ 7,540,431	0	\$ 7,540,431
2 LAND	2,186,023	(353,730)	1,832,293	0	1,832,293
3 NON-USED & USEFUL COMPONENTS	0	(1,897,139)	(1,897,139)	(76,198)	(1,973,337)
4 ACCUMULATED DEPRECIATION	(1,487,085)	(26,986)	(1,514,071)	0	(1,514,071)
5 CIAC	(2,100,659)	0	(2,100,659)	0	(2,100,659)
6 AMORTIZATION OF CIAC	542,414	0	542,414	0	542,414
7 ACQUISITION ADJUSTMENTS -NET	(16,302)	16,302	0	0	0
8 DEBIT DEFERRED INCOME TAXES	0	0	0	0	0
9 WORKING CAPITAL ALLOWANCE	67,595	3,221	70,816	(3,829)	66,987
<b>RATE BASE</b>	<b>\$ 5,826,101</b>	<b>\$ (1,352,016)</b>	<b>\$ 4,474,085</b>	<b>(80,027)</b>	<b>\$ 4,394,058</b>

GDU (SILVER SPRINGS SHORES DIVISION)  
 ADJUSTMENTS TO RATE BASE  
 TEST YEAR ENDED DECEMBER 31, 1991

SCHEDULE NO. 1-C  
 PAGE 1 OF 1  
 920733-WS

EXPLANATION	WATER	WASTEWATER
1) NON-USED AND USEFUL COMPONENTS		
----- Adjustment to net plant based on recommended used and useful	\$ (472,362)	\$ (76,198)
	=====	=====
2) WORKING CAPITAL		
----- Adjustment based on recommended operating expenses	\$ (283)	\$ (3,829)
	=====	=====

J (SILVER SPRINGS SHORES DIVISION)  
 CAPITAL STRUCTURE  
 FISCAL YEAR ENDED DECEMBER 31, 1991

SCHEDULE NO. 2  
 920733-WS

DESCRIPTION	ADJUSTED TEST YEAR PER UTILITY	WEIGHT	COST	UTILITY WEIGHTED COST	COMMISSION RECONC. ADJ. TO UTILITY EXHIBIT	BALANCE PER COMMISSION	WEIGHT	COST	WEIGHTED COST PER COMMISSION
LONG TERM DEBT	\$ 1,879,810	29.77%	11.50%	3.42%	\$(187,556)	\$ 1,692,254	29.37%	11.50%	3.38%
SHORT TERM DEBT	0	0.00%	0.00%	0.00%	0	0	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	70,581	1.12%	8.00%	0.09%	0	70,581	1.23%	8.00%	0.10%
DEFERRED STOCK	0	0.00%	0.00%	0.00%	0	0	0.00%	0.00%	0.00%
COMMON EQUITY	3,659,423	57.96%	11.12%	6.44%	(365,115)	3,294,308	57.18%	11.12%	6.36%
INVESTMENT TAX CREDITS	494,740	7.84%	0.00%	0.00%	0	494,740	8.59%	0.00%	0.00%
DEFERRED TAXES	209,682	3.32%	0.00%	0.00%	0	209,682	3.64%	0.00%	0.00%
TOTAL CAPITAL	<u>\$ 6,314,236</u>	<u>100.00%</u>		<u>9.96%</u>	<u>\$(552,671)</u>	<u>\$ 5,761,565</u>	<u>100.00%</u>		<u>9.83%</u>

RANGE OF REASONABLENESS

LOW HIGH

RETURN ON EQUITY

10.12% 12.12%

OVERALL RATE OF RETURN

9.26% 10.41%

Note: Utility specifically identified Customer Deposits, Customer Deposits, and Deferred Taxes for this division and utility reconciled debt and equity on a pro rata basis.

GDU (SILVER SPRINGS SHORES DIVISION)  
STATEMENT OF WATER OPERATIONS  
TEST YEAR ENDED DECEMBER 31, 1991

SCHEDULE NO. 3-A  
920733-WS

DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	UTILITY ADJUSTED TEST YEAR	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 492,093	\$ 268,399	\$ 760,492	(\$ 285,521)	\$ 474,971	\$ 229,262	704,233
OPERATING EXPENSES						48.27%	
2 OPERATION AND MAINTENANCE	\$ 439,583	(\$ 59,275)	\$ 380,308	(\$ 2,261)	\$ 378,047	\$	378,047
3 DEPRECIATION	83,639	(16,829)	66,810	(17,226)	49,584		49,584
4 AMORTIZATION	0	0	0	0	0		0
5 TAXES OTHER THAN INCOME	110,083	9,327	119,410	(11,501)	107,909	10,317	118,225
6 INCOME TAXES	0	10,716	10,716	(69,207)	(58,491)	82,389	23,899
7 TOTAL OPERATING EXPENSES	\$ 633,305	(\$ 56,061)	\$ 577,244	(\$ 100,195)	\$ 477,049	\$ 92,706	569,755
8 OPERATING INCOME	\$ (141,212)	\$ 324,460	\$ 183,248	(\$ 185,326)	(\$ 2,078)	\$ 136,556	134,478
9 RATE BASE	\$ 2,141,906	\$	1,840,152	\$	1,367,507	\$	1,367,507
RATE OF RETURN	-6.59%		9.96%		-0.15%		9.83%

GDU (SILVER SPRINGS SHORES DIVISION)  
STATEMENT OF WASTEWATER OPERATIONS  
TEST YEAR ENDED DECEMBER 31, 1991

SCHEDULE NO. 3-B  
920733-WS

DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	UTILITY ADJUSTED TEST YEAR	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIRED
1 OPERATING REVENUES	\$ 874,264	\$ 563,472	\$ 1,437,736	(\$ 556,223)	\$ 881,513	\$ 465,311	1,346,824
						52.79%	
<u>OPERATING EXPENSES</u>							
2 OPERATION AND MAINTENANCE	\$ 540,758	\$ 25,768	\$ 566,526	(\$ 30,627)	\$ 535,899	\$	535,899
3 DEPRECIATION	189,776	(53,776)	136,000	(3,479)	132,521		132,521
4 AMORTIZATION	0	0	0	0	0		0
5 TAXES OTHER THAN INCOME	148,025	27,780	175,805	(27,235)	148,570	20,939	169,509
6 INCOME TAXES	0	113,862	113,862	(204,289)	(90,427)	167,217	76,791
7 TOTAL OPERATING EXPENSES	\$ 878,559	\$ 113,634	\$ 992,193	(\$ 265,630)	\$ 726,563	\$ 188,156	914,720
8 OPERATING INCOME	\$ (4,295)	\$ 449,838	\$ 445,543	(\$ 290,593)	\$ 154,950	\$ 277,155	432,104
9 RATE BASE	\$ 5,826,101		\$ 4,474,085		\$ 4,394,058		\$ 4,394,058
RATE OF RETURN	-0.07%		9.96%		3.53%		9.83%

GDU (SILVER SPRINGS SHORES DIVISION)  
 ADJUSTMENTS TO OPERATING STATEMENTS  
 TEST YEAR ENDED DECEMBER 31, 1991

SCHEDULE NO. 3-C  
 PAGE 1 OF 1  
 920733-WS

EXPLANATION	WATER	WASTEWATER
<b>1) OPERATING REVENUES</b>		
a) Adjustment to remove unbilled revenues	\$ (3,970)	\$ (7,548)
b) Remove the utility test year revenue request	(281,551)	(548,675)
	<u>\$ (285,521)</u>	<u>\$ (556,223)</u>
<b>2) OPERATING EXPENSES</b>		
a) Reverse utility salaries and wages adjustment	\$ 18,714	\$ (30,627)
b) Remove unapproved rate case expense	(20,975)	
	<u>\$ (2,261)</u>	<u>\$ (30,627)</u>
<b>3) DEPRECIATION EXPENSE</b>		
Adjustment consistent with used and useful adjustment	\$ (17,226)	\$ (3,479)
<b>4) TAXES OTHER THAN INCOME TAXES</b>		
a) RAF taxes reduced for unbilled revenues	\$ (179)	\$ (340)
b) Reverse payroll tax due to salaries and wages adjustment	1,347	(2,205)
c) Remove RAFs due to utility test year revenue request	(12,670)	(24,690)
	<u>\$ (11,501)</u>	<u>\$ (27,235)</u>
<b>5) PROVISION FOR INCOME TAXES</b>		
Adjust test year income taxes for prior adjustments	\$ (69,207)	\$ (204,289)
<b>6) OPERATING REVENUES</b>		
Additional revenues to achieve revenue requirement	\$ 229,262	\$ 465,311
<b>7) TAXES OTHER THAN INCOME TAXES</b>		
Adjustment for RAF taxes	\$ 10,317	\$ 20,939
<b>8) INCOME TAXES</b>		
Adjustment to reflect increased income	\$ 82,389	\$ 167,217

GDU (PORT LABELLE DIVISION)  
 SCHEDULE OF WATER RATE BASE  
 TEST YEAR ENDED DECEMBER 31, 1991

SCHEDULE NO. 4-A  
 920734-WS

COMPONENT	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR PER UTILITY	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR
1 UTILITY PLANT IN SERVICE	\$ 3,944,759	\$ 116,278	\$ 4,061,037	\$ 0	4,061,037
2 LAND	5,647	0	5,647	0	5,647
3 NON-USED & USEFUL COMPONENTS	0	(555,949)	(555,949)	(156,194)	(712,143)
4 ACCUMULATED DEPRECIATION	(965,213)	(5,272)	(970,485)	0	(970,485)
5 ACQUISITION ADJUSTMENT -NET	0	0	0	0	0
6 CIAC	(502,439)	0	(502,439)	0	(502,439)
7 AMORTIZATION OF CIAC	122,016	0	122,016	0	122,016
8 DEBIT DEFERRED INCOME TAXES	0	0	0	0	0
9 WORKING CAPITAL ALLOWANCE	17,165	2,821	19,986	(1,321)	18,665
<b>RATE BASE</b>	<b>\$ 2,621,935</b>	<b>\$ (442,122)</b>	<b>\$ 2,179,813</b>	<b>\$ (157,515)</b>	<b>2,022,298</b>

GDU (PORT LABELLE DIVISION) SCHEDULE OF WASTEWATER RATE BASE TEST YEAR ENDED DECEMBER 31, 1991		SCHEDULE NO. 4-B 920734-WS			
COMPONENT	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR PER UTILITY	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR
1 UTILITY PLANT IN SERVICE	\$ 2,860,332	\$(135,605)	\$ 2,724,727	\$ 0	2,724,727
2 LAND	53,964	0	53,964	0	53,964
3 NON-USED & USEFUL COMPONENTS	0	\$(208,663)	\$(208,663)	\$(113,575)	\$(322,238)
4 ACCUMULATED DEPRECIATION	\$(765,151)	142,113	\$(623,038)	0	\$(623,038)
5 ACQUISITION ADJUSTMENT - NET	0	0	0	0	0
6 CIAC	\$(718,844)	0	\$(718,844)	0	\$(718,844)
7 AMORTIZATION OF CIAC	163,663	0	163,663	0	163,663
8 DEBIT DEFERRED INCOME TAXES	0	0	0	0	0
9 WORKING CAPITAL ALLOWANCE	15,076	\$(1,552)	13,524	1,176	14,700
RATE BASE	\$ 1,609,040	\$(203,707)	\$ 1,405,333	\$(112,399)	1,292,934

ORDER NO. PSC-93-0010-FOF-WS  
 DOCKETS NOS. 920733-WS & 920734-WS  
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GDU (PORT LABELLE DIVISION)  
 ADJUSTMENTS TO RATE BASE  
 TEST YEAR ENDED DECEMBER 31, 1991

SCHEDULE NO. 4-C  
 PAGE 1 OF 1  
 920734-WS

EXPLANATION	WATER	WASTEWATER
1) NON-USED AND USEFUL COMPONENTS		
----- Adjustment to net plant based on recommended used and useful	\$ (156,194)\$	\$ (113,575)
	=====	=====
2) WORKING CAPITAL		
----- Adjustment based on recommended operating expenses	\$ (1,321)\$	\$ 1,176
	=====	=====

J (PORT LABELLE DIVISION)  
 CAPITAL STRUCTURE  
 FISCAL YEAR ENDED DECEMBER 31, 1991

SCHEDULE NO. 5  
 920734-WS

DESCRIPTION	ADJUSTED TEST YEAR PER UTILITY	WEIGHT	COST	UTILITY WEIGHTED COST	COMMISSION RECONC. ADJ. TO UTILITY EXHIBIT	BALANCE PER COMMISSION	WEIGHT	COST	WEIGHTED COST PER COMMISSION
LONG TERM DEBT	\$ 1,043,956	29.12%	11.50%	3.35%	\$ (91,599)	\$ 952,357	28.73%	11.50%	3.30%
SHORT TERM DEBT	0	0.00%	0.00%	0.00%	0	0	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	26,648	0.74%	8.00%	0.06%	0	26,648	0.80%	8.00%	0.06%
DEFERRED STOCK	0	0.00%	0.00%	0.00%	0	0	0.00%	0.00%	0.00%
COMMON EQUITY	2,032,268	56.69%	11.12%	6.30%	(178,315)	1,853,953	55.92%	10.12%	5.66%
INVESTMENT TAX CREDITS	223,039	6.22%	0.00%	0.00%	0	223,039	6.73%	0.00%	0.00%
DEFERRED TAXES	259,235	7.23%	0.00%	0.00%	0	259,235	7.82%	0.00%	0.00%
<b>TOTAL CAPITAL</b>	<b>\$ 3,585,146</b>	<b>100.00%</b>		<b>9.71%</b>	<b>\$ (269,914)</b>	<b>\$ 3,315,232</b>	<b>100.00%</b>		<b>9.03%</b>

Note: Utility specifically identified Customer Deposits, PSCs, and Deferred Taxes for this division and only reconciled debt and equity on a pro rata basis.

RANGE OF REASONABLENESS	LOW	HIGH
	RETURN ON EQUITY	10.12%
OVERALL RATE OF RETURN	9.03%	10.15%

GDU (PORT LABELLE DIVISION)  
STATEMENT OF WATER OPERATIONS  
TEST YEAR ENDED DECEMBER 31, 1991

SCHEDULE NO. 6-A  
920734-WS

DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	UTILITY ADJUSTED TEST YEAR	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 249,203	\$ 361,564	\$ 610,767	\$(382,381)	\$ 228,386	\$ 203,942	432,328
OPERATING EXPENSES						89.30%	
2 OPERATION AND MAINTENANCE	\$ 137,324	\$ 22,566	\$ 159,890	\$(10,567)	\$ 149,323	\$	149,323
3 DEPRECIATION	98,244	(10,578)	87,666	(3,760)	83,906		83,906
4 AMORTIZATION	0	0	0	0	0		0
5 TAXES OTHER THAN INCOME	94,152	8,849	103,001	(17,489)	85,512	9,177	94,689
6 INCOME TAXES	0	48,508	48,508	(133,561)	(85,053)	73,290	(11,764)
7 TOTAL OPERATING EXPENSES	\$ 329,720	\$ 69,345	\$ 399,065	\$(165,378)	\$ 233,687	\$ 82,467	316,155
8 OPERATING INCOME	\$ (80,517)	\$ 292,219	\$ 211,702	\$(217,003)	\$ (5,301)	\$ 121,475	116,173
9 RATE BASE	\$ 2,621,935	\$	\$ 2,179,813	\$	\$ 2,022,298	\$	\$ 2,022,298
RATE OF RETURN	-3.07%		9.71%		-0.26%		5.74%

3DU (PORT LABELLE DIVISION)  
 STATEMENT OF WASTEWATER OPERATIONS  
 TEST YEAR ENDED DECEMBER 31, 1991

SCHEDULE NO. 6-B  
 920734-WS

DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	UTILITY ADJUSTED TEST YEAR	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIRED
1 OPERATING REVENUES	\$ 156,740	\$ 259,055	\$ 415,795	\$(255,110)	\$ 160,685	\$ 148,282	\$ 308,967
OPERATING EXPENSES						92.28%	
2 OPERATION AND MAINTENANCE	\$ 120,609	\$(12,414)	\$ 108,195	\$ 9,405	\$ 117,600	\$	\$ 117,600
3 DEPRECIATION	64,946	(9,662)	55,284	(3,772)	51,512		51,512
4 AMORTIZATION	0	0	0	0	0		0
5 TAXES OTHER THAN INCOME	89,498	5,937	95,435	(10,737)	84,698	6,673	91,371
6 INCOME TAXES	0	20,396	20,396	(88,079)	(67,683)	53,288	(14,395)
7 TOTAL OPERATING EXPENSES	\$ 275,053	\$ 4,257	\$ 279,310	\$(93,183)	\$ 186,127	\$ 59,960	\$ 246,087
8 OPERATING INCOME	\$ (118,313)	\$ 254,798	\$ 136,485	\$(161,927)	\$(25,442)	\$ 88,322	\$ 62,880
9 RATE BASE	\$ 1,609,040	\$	\$ 1,405,333	\$	\$ 1,292,934	\$	\$ 1,292,934
RATE OF RETURN	-7.35%		9.71%		-1.97%		4.86%

ORDER NO. PSC-93-0010-FOF-WS  
 DOCKETS NOS. 920733-WS & 920734-WS  
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GDU (PORT LABELLE DIVISION)  
 ADJUSTMENTS TO OPERATING STATEMENTS  
 TEST YEAR ENDED DECEMBER 31, 1991

SCHEDULE NO. 6-C  
 PAGE 1 OF 1  
 920734-WS

EXPLANATION	WATER	WASTEWATER
<b>1) OPERATING REVENUES</b>		
a) Adjustment to remove unbilled revenues	\$ (2,427)	\$ (2,136)
b) Remove the utility test year revenue request	(379,954)	(252,974)
	\$ (382,381)	\$ (255,110)
<b>2) OPERATING EXPENSES</b>		
a) Reverse utility salaries and wages adjustment	\$ (3,567)	\$ 9,405
b) Remove pro forma lime bed cleaning expense	(7,000)	
	\$ (10,567)	\$ 9,405
<b>3) DEPRECIATION EXPENSE</b>		
Adjustment consistent with used and useful adjustment	\$ (3,760)	\$ (3,772)
<b>4) TAXES OTHER THAN INCOME TAXES</b>		
a) RAF taxes reduced for unbilled revenues	\$ (109)	\$ (96)
b) Reverse payroll tax due to salaries and wages adjustment	(282)	743
c) Remove RAFs due to utility test year revenue request	(17,098)	(11,384)
	\$ (17,489)	\$ (10,737)
<b>5) PROVISION FOR INCOME TAXES</b>		
Reflect adjusted income tax provision	\$ (133,561)	\$ (88,079)
<b>6) OPERATING REVENUES</b>		
Additional revenues to acheive revenue requirement	\$ 203,942	\$ 148,282
<b>7) TAXES OTHER THAN INCOME TAXES</b>		
Adjustment for RAF taxes	\$ 9,177	\$ 6,673
<b>8) PROVISION FOR INCOME TAXES</b>		
Adjustment to reflect increased income	\$ 73,290	\$ 53,288