

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for a Rate) DOCKET NO. 920148-WS
Increase in Pasco County by) ORDER NO. PSC-93-0027-FOF-WS
Jasmine Lakes Utilities) ISSUED: 01/05/93
Corporation)
_____)

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

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING INCREASED RATES

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

BACKGROUND

Jasmine Lakes Utilities Corporation (Jasmine or utility) is a Class B utility providing water and wastewater services to over 1,500 residential customers of Jasmine Lakes subdivision and approximately 34 commercial customers in Port Richey, Florida. The Jasmine Lakes system is in an area that has been designated by the Southwest Florida Water Management District (SFWMD) as a critical use area for water. SFWMD has determined that the usage at the Jasmine Lakes subdivision is within their conservation guidelines. Therefore, no additional water conservation measures are necessary at this time.

On June 22, 1992, the utility filed the instant request for interim and permanent rate increases pursuant to Sections 367.081 and 367.082, Florida Statutes. On July 17, 1992, the utility cured the deficiencies which we found in its original filing, so that date is the official date of filing for this proceeding. Pursuant to Section 367.081(8), Florida Statutes, the utility requested that we process this case using our proposed agency action (PAA) procedure. The approved test year for this proceeding is the twelve-month period ended December 31, 1991. The utility's present

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FDSC-RECORDS/REPORTING

rate of return was established in Order No. 9484, issued August 5, 1980.

In its application, the utility has requested final rates designed to generate annual revenues of \$520,486 for water and \$436,061 for wastewater. This represents a total annual revenue increase of \$178,901 (52.37%) for water and \$310,082 (246.14%) for wastewater.

By Order No. PSC-92-1120-FOF-WS, issued October 6, 1992, we suspended the utility's proposed rates and granted, subject to refund, interim rates designed to generate annual revenue increase of \$38,968 for the water system and annual revenue increase of \$164,860 for the wastewater system.

On January 1, 1992, Docket No. 920010-WU was opened to investigate the appropriate rate level for water service by the utility. This investigation involves the utility's nonpayment of purchased water costs to Pasco County. Jasmine Lakes had refused to pay for any of the water it received from Pasco County claiming that Pasco County's rates discriminate against wholesale users. That proceeding is in monitor status, as a result of legal action between Pasco County and the utility. Two orders have been issued in this Docket to require the escrow of monies subject to refund as a result of the nonpayment to the County. Purchased water costs for this rate case are set at the currently assessed rates, with adjustment to be made to the final rates, at the resolution of the lawsuit.

QUALITY OF SERVICE

Our analysis of the overall quality of service provided by the utility is based upon our evaluation of the utility's compliance with the rules of the Department of Environmental Regulation (DER) and other regulatory agencies, the quality of the utility's water and wastewater, the operational conditions of the utility's plants, and customer satisfaction. We conducted a customer meeting in New Port Richey on October 15, 1992, to gather information from the customers.

Approximately 200 people attended the customer meeting we conducted. Eighteen persons, including fifteen customers, testified. Many customers who testified were dissatisfied with the proposed rate increase. Several customers also testified regarding the existing jurisdictional conflict between Pasco County and the utility, and the Commission in setting rates for the Jasmine Lakes' residents. We informed these customers that we do not exercise

jurisdiction over municipal utilities. Based on the comments about quality of service from that meeting, customers were satisfied with the utility's service.

Due to high concentrations of chloride, Jasmine Lakes purchases 80 percent of its potable water from Pasco County. The other 20 percent is mixed from its own supply wells. Recently tested chloride levels at the utility's supply wells are approaching the maximum contamination levels (MCLs) permitted by DER. Therefore, because of the public health concern, the utility has decided to abandon all of its supply wells and purchase 100 percent of its drinking water from Pasco County. The County, in its role as a water utility, will be responsible for providing good quality water to the Jasmine Lakes subdivision. However, the Utility will be responsible for checking bacteria samples at its water distribution system.

During our September 18, 1992, field inspection of the water and wastewater treatment facilities, the plants appeared well maintained in good condition and; no operational problems were present. Further, at this time, the utility has no citations or notices of violation on file with DER's district office. Therefore, based on the above, we find that the water and wastewater facilities are satisfactory.

In 1991, by letter, we received a complaint from a customer who stated a film formation developed after boiling water. The utility examined the customer's water and discovered no turbidity and concluded that the scale was formed by the hardness in the water and that it was safe to drink. The total dissolved solids content in both the utility's well supply and Pasco County's water is within DERs standards. In 1992, we received three complaints regarding billing disputes which were resolved by the utility.

Upon consideration of the above, we find that the quality of service provided by Jasmine Lakes is satisfactory.

RATE BASE

Our calculations of the appropriate rate bases for this proceeding are depicted on Schedule No. 1-A for the water system and Schedule No. 1-B for the wastewater system. Our adjustments are itemized on Schedule No. 1-C. 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.

Plant-in-Service

The utility proposes abandoning its water wells and purchasing all potable water from Pasco County as the sole source of supply due to the increasing levels of chloride.

However, the utility requested that its water storage and pumping facilities be retained in service for back-up storage and to provide pressure to its customers and contends that by retaining these facilities it will be in a better position to bargain for a lower bulk water rate from Pasco County and provide lower costs for off-peak hour water buyers. The utility believes that the Circuit Court will rule in its favor in its current litigation with Pasco County. However, as of the time this Order was issued a final decision in the court proceeding had not been rendered.

After discussions with Pasco County regarding the utility's proposal, we verified that the County does have enough capacity to provide Jasmine's demand and will also provide quality water with adequate pressure to the utility. Therefore, the water facilities, such as the 500,000 gallon storage and high service pumps, will become unnecessary once the utility abandons its supply wells and purchases 100% of its potable water from Pasco County. The distribution reservoir and pumping facilities will be a duplication of facilities and the customers will be paying twice for them. In addition, Pasco County does not intend to offer a reduced rate to the utility for having back-up storage and pumping facilities.

Therefore, based on the above, we believe that customers should not pay for those redundant facilities and the related operation and maintenance costs. Any costs related to the wells, water storage, and pumping facilities shall be excluded from the rate base.

According to the MFRs, the total net book value of the water treatment plants, supply mains, distribution reservoir, and pumping facilities that Jasmine will retire is \$327,963. As a pro forma adjustment, the MFRs contain retirements of \$66,591. Accordingly, we have made the following adjustments to accounts to reflect the appropriate amounts related to the retirement of the water plant: plant-in-service has been adjusted by \$261,372; operation and maintenance expense reduced by \$8,158; which includes labor decreased by (\$3,800); chemical expense adjusted by (\$2,106); and electrical expense adjusted by (\$2,252). The decrease in labor is the result of discussions with the owner of the utility as to the amount of labor related to the retirement of the water facilities. The amounts reduced for chemical and electrical expense are the

amounts listed in the MFRs for the production of water. The land value for accommodating the storage tank facilities and the pumping station is \$2,570. Accumulated depreciation on these assets is \$78,706. CIAC and related amortization, calculated as percentages of total plant and CIAC, are \$105,917 and \$45,756, respectively. Depreciation expense, net of test period CIAC amortization, is \$4,515. Finally, the related reduction to property tax is \$4,073, calculated as a percentage of total property tax paid in the test year.

Sludge Dewatering Device

The utility purchased a \$250,000 sludge dewatering device (a Rapidrain) to reduce its sludge volume and save on sludge hauling and disposal costs. As a result of this device, the utility's sludge hauling expense was reduced by \$39,000.

The Rapidrain is composed mainly of a rotary drum screen, a polymer mixing tank, and an automatic feeding system. It utilizes gravity to drain out water from digested sludge and increase the solid content from 0.5 percent to about 4.5 percent. Therefore the volume of sludge is significantly reduced.

The device is one of two Rapidrains manufactured to date. The original manufacturer filed for bankruptcy and was taken over by the utility owner's brother. The first Rapidrain was sold in 1988 to the city of Tacoma, Washington. That unit was abandoned by the City of Tacoma as a result of malfunctions. We believe that this raises some serious doubts about the durability of the Rapidrain, although, according to the utility's records, Jasmine's unit is working properly.

However, the utility's owner purchased this Rapidrain unit from his brother's company, R.L. Dreher Construction, without considering other types of equipment and other vendors. The utility failed to provide a reasonable explanation to support its decision to purchase a Rapidrain from a related party. We believe that the utility did not give enough consideration in selecting the sludge dewatering equipment before purchasing the Rapidrain.

A belt filter press is the most commonly used equipment for sludge dewatering purposes and serves the same functions as the Rapidrain. Also, a belt filter press can be purchased at a much lower price than the Rapidrain. After inquiring with several companies regarding the cost of belt filter presses we discovered that for the size of a 0.368 MGD wastewater treatment plant, the cost of a normal belt filter press is \$60,000 to \$70,000, while a

stainless steel double belt filter press costs approximately \$140,000. Even if the cost of a belt filter press is not considered, the equipment cost for a similar type of rotary drum thickener with excess capacity for this type of wastewater system is between \$40,00 to \$80,000. As a rule of thumb, the installation cost for such equipment is estimated to be between 35 percent and 50 percent of the equipment cost. To be conservative, we believe that \$80,000 for equipment cost and 50 percent of the device cost for installation is appropriate.

Based upon the foregoing, we find that the sludge dewatering device is needed. However, the cost of \$250,000 for the Rapidrain sludge dewatering equipment is hereby reduced to \$120,000. Accordingly, plant-in-service has been adjusted by (\$130,000) and accumulated depreciation has been adjusted by 6,585.

Accumulated Depreciation and Accumulated Amortization of CIAC

According to our auditor, the utility failed to record any depreciation expense on its assets, or amortization of CIAC, for the period from April, 1990, to July, 1990. This resulted in an understatement that led to an error in the average balance of accumulated depreciation and average accumulated amortization of CIAC in the MFRs. Therefore, we shall correct this error by increasing the average balance of accumulated depreciation by \$4,496 for water and \$4,929 for wastewater and by increasing the average accumulated amortization of CIAC \$1,207 for water and \$1,014 for wastewater.

Used and Useful

According to its MFRs, the Jasmine Lakes subdivision is already built out. Pasco County serves the surrounding neighborhood which eliminates the possibility of annexing any new service areas for the utility. Our field investigation confirmed that the Jasmine Lakes system is virtually a built-out system. Therefore, we find that Jasmine's water and wastewater treatment facilities are 100% used and useful. Further, based on the above, we find that the water distribution and wastewater collection facilities are also 100% used and useful.

Working Capital

Jasmine used the formula approach, or one-eighth of operation and maintenance expenses (1/8th of O&M), to calculate working capital. Jasmine's use of the formula approach is consistent with the method prescribed by form PSC/WAS 17 of the MFRs, which is

incorporated in Rule 25-30.437, Florida Administrative, by reference.

We find it appropriate to use the formula method to calculate the working capital requirement of this utility. In a later section of this Order, we find that the proper amounts of test year O & M expenses are \$416,488 for the water system and \$262,357 for the wastewater system. We have made adjustments for changes in O&M expenses, as discussed in later issues. Therefore, we have included one-eighth of those amounts, \$52,061 for the water system and \$32,795 for the wastewater system, in rate base as the utility's working capital allowance. Based on those adjustments, working capital shall be reduced by \$2,296 and \$3,438 for water and wastewater, respectively.

Test Year Rate Base

In consideration of the foregoing, we find that the average test year rate base is \$170,829 for water and \$491,764 for wastewater.

COST OF CAPITAL

Our calculation of the appropriate cost of capital is depicted on Schedule No. 2-A. Our adjustments are itemized on Schedule No. 2-B. 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.

Return on Equity

We have calculated the allowed return on equity using the leverage formula in Order No. PSC-92-0686-FOF-WS, issued July 21, 1992. According to that Order, the appropriate return on equity is 12.44%. Therefore, Jasmine's authorized rate of return on equity is 12.44%, with a range of reasonableness of between 11.44% to 13.44%.

Rate of Return

The proper overall rate of return for this utility is 10.48%, with a range of 10.35% to 10.61%.

NET OPERATING INCOME

Our calculations of net operating income are depicted on Schedule 3-A for the water system and Schedule No. 3-B for the wastewater system. Our adjustments are itemized on Schedule No. 3-C. 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.

Wastewater Collection System

The utility included a \$25,496 annual expense for a wastewater collection system repair program. After reviewing a video tape of the sewer lines and photographs of repair works, we agree with the utility that an annual repair program will improve the condition of the wastewater collection lines and reduce public health concerns.

However, we believe that the utility has not made the most competitive contract bid for this repair program. The utility solicited only one bid for this project from Wray Enterprise, Inc., who is the present contract operator for Jasmine Lakes. Based on its bid, the total cost of the proposed project is \$293,236. In its bid, the company proposes that a cost of \$4 per linear foot is necessary for televising, cleaning, testing, and sealing all joints. We have reviewed available records and discovered that the average cost for televising, cleaning, and repairing leaks per linear foot is \$2.15. With the total project encompassing 13.6 miles, a dollar less per foot for this repair could save customers approximately \$70,000.

Therefore, we find that the utility should obtain three or more competitive bids through advertisement. After these bids are obtained the utility should file a limited proceeding to recover the costs of this repair project. No adjustment is necessary for the inspection and cleaning program, because we believe that the program is required to enable the utility to get competitive contract bids for the sewer line repair project.

Purchased Water

In its MFRs, the utility reported in 1991 that its purchased water cost from Pasco County was \$2.25/1,000 gallons. However, the actual amount for which the utility purchased water from Pasco County was \$2.19/1,000 gallons. Therefore, we find it appropriate to reduce purchased water expense by \$1,172, to reflect the actual rate currently being charged by Pasco County.

Legal Expenses

The utility included a \$7,672 estimate for legal expense in its MFRs. The utility asserts that this amount should be allowed because litigation with Pasco County may result in lower purchased water costs for the ratepayers.

As discussed previously in this Order, Pasco County and the utility are currently in a legal dispute regarding Jasmine's nonpayment of water bills. The utility believes that, by this lawsuit, and maintaining water storage and pumping facilities, the County will be inclined to lower rates for all wholesale customers. An argument has also been made by the utility that water can be pumped at night, and if the electric utility will provide off-peak power rates, the customers will benefit from lower purchased power cost. We cannot predict whether the County will change the rates or if the electric utility will provide off-peak rates. Any potential outcome is merely speculative at this point.

Further, this utility was purchased by the current owners with an understanding of the purchased water contract in place with Pasco County. Current ratepayers should not be burdened with the legal expense of attacking this agreement. As this Commission has no jurisdiction over the rates charged by Pasco County, proper recourse is through the voting process. By buying water from Pasco County, Jasmine's ratepayers are paying, in part, for the legal expense to prosecute the lawsuit against Jasmine Lakes Utility. Payment for both the prosecution and defense of this action is redundant and excessive and should properly be borne by the shareholders. Therefore, based on the above, we find that legal expense should be reduced by \$5,672. We find it appropriate to allow the utility a \$2,00 legal expense for the estimated annual cost of future pass-through or index filings.

Out of Period Expenses and Charitable Contributions

Our auditors discovered an out of period expense of \$1,295 which was related to bad debt writeoffs that were charged to the test period. In addition, a charitable contribution to the Children's Home Society was made in the test year for \$86, and split evenly between the water and wastewater divisions. Our policy is to reflect charitable contributions as a below the line expense. Therefore, added together, we find that the operation and maintenance expenses shall be decreased by \$1,338 for the water and \$43 for wastewater.

Depreciation Expense

In its MFRs, Jasmine retired transportation equipment, but failed to make a corresponding reduction to depreciation expense. Accordingly, to correct this oversight, we have reduced depreciation expense for the test period by \$1,700 for water and \$833 for wastewater.

Retirement of Water Plant

As a result of our decision to retire the utility's water plant, a loss from retirement of \$125,075 will occur.

The unexpected early retirement of this property, and the resulting depletion of the existing depreciation reserve, should be amortized over a certain period. It is our policy to allocate the loss from retirement then to divide the net loss by the sum of the annual depreciation expense plus the dollar rate of return that would have been allowed to determine the number of years to amortize the loss. With this method, the shareholders receive a timely return on the retired assets, while the ratepayers are insulated from the effects of this loss over an extended period.

Through the above calculation, we have determined that it would take Jasmine 4.44 years to recover its investment. By rounding this figure to four years, the utility will have an increased annual expense of \$31,269. Therefore, based on the above, we find that a four-year period shall be used to recognize the amortization of a loss from this retirement, which will result in an annual expense of \$31,269.

Rate Case Expense

The utility included an \$84,500 estimate for rate case expense in its MFRs. At our request, the utility submitted updated rate case expense information showing actual expenses as of the date of submittal and an estimate of costs through completion of the PAA process. According to the utility's updated information, overall rate case expense is \$80,500.

The updated rate case expense information included payments for legal services totalling \$33,862, the rate case filing fee of \$1,800, accounting fees totalling \$42,138, and various costs to notify customers about this proceeding. We have reviewed the actual payments and the projected completion costs for evidence of unreasonable or unnecessary costs, and we detected none. Therefore, we find that the updated request for rate case expense,

of \$80,500 is reasonable and the utility shall be allowed to recover this amount. This approved amount results in an overall reduction of \$4,000 to rate case expense and yields a \$2,031 reduction to test year water expense and a \$1,969 reduction to test year wastewater expense.

In addition, the utility is to submit, within 60 days of the effective date of this Order, a breakdown of actual rate case expense incurred. The information shall be submitted in the manner required for Schedule B-10 of the MFRs.

Test Year Operating Income

Based on our adjustments discussed herein, we find the appropriate level of test year operating income to be \$510,279 and \$388,681 for the water and wastewater systems, respectively.

REVENUE REQUIREMENTS

Based upon our review of the utility's books and records and based upon the adjustments discussed above, we find that the appropriate annual revenue requirements for this utility are \$510,279 for the water system and \$388,685 for the wastewater system. These revenue requirements represent an annual increase in revenues of \$159,015 (45.27%) for the water system and \$262,702 (208.53%) for the wastewater system.

Private Fire Protection

By Order No. 23728, issued on November 7, 1990, we approved the transfer of Jasmine Lakes Services, Inc., (JLSI) to Jasmine Lakes Utilities Corporation. The utility was providing private fire protection service to one general service customer, however, the utility's tariff did not contain approved private fire protection rates. The private fire protection customer is a condominium with a 6" meter on a 6" fire line. Subsequent to the transfer, Jasmine discovered that JLSI had not been charging the condominium for the private fire protection service. In December 1990, Jasmine began charging the condominium for private fire protection service as it believed that it was discriminatory to other customers to provide this service free of charge. The utility charged the condominium \$148.12 each month, which is the approved 6" meter water base facility charge in the utility's tariff. It is our practice to set private fire protection rates at one-third of the water base facility charge for comparable line sizes. Thus, the appropriate private fire protection rate would have been one-third of the utility's approved 6" meter rate, or

\$49.37. Consequently, Jasmine has overcharged this customer by \$98.75 each month, or approximately \$2,370 to date.

Section 367.081(1), Florida Statutes, provides that a utility may only charge rates and charges that have been approved by this Commission. Section 367.091(3), Florida Statutes, states that a utility may only impose and collect those rates and charges approved by this Commission for the particular class of service involved. The statute further provides that a change in any rate schedule may not be made without Commission approval.

The utility violated these statutes by charging unauthorized private fire protection rates. However, after considering a number of unique factors in these circumstances, we believe that the utility made an inadvertent error. First, fire lines are not customarily equipped with meters. However, our billing audit verified that the condominium has a 6" meter for private fire protection and that the utility reads the meter each month. The utility asserts that the use of the meter on the fire line lead them to believe it was appropriate to bill the condominium at regular rates. According to the utility's records, the condominium did receive private fire protection service during the time that it was charged for the service.

The customer received the required service at an approved charge for its meter size. The harm caused was that the utility's only fire protection customer was overcharged \$98.75 per month. In this proceeding, the utility is establishing appropriate class of service with the correct rates. Also, the utility shall refund any overcharge plus interest. Based on the foregoing, we do not believe a show cause proceeding is appropriate in this instance. However, we do not take this violation lightly. The utility should be aware that any future violations of this nature may result in a fine or a show cause proceeding.

We find it appropriate to approve a new class of service for private fire protection. Further, we find it appropriate that the private fire protection rates be set at one-third of the approved water base facility charge for comparable line sizes, with a minimum of a 4" line size. Our approved rates are shown on Schedule No. 4-A. Further, we hereby order the utility to refund two-thirds of the total revenue collected from the condominium for private fire protection service between December 1990 and the date that the new private fire protection rates become effective, plus interest.

Residential Wastewater Gallonage Cap

Presently, Jasmine's residential wastewater gallonage cap is 10,000 gallons per month. In its application, the utility requested to continue using the same level. However, by letter dated November 20, 1992, the utility stated that, after receiving numerous inquiries from customers regarding the current 10,000 gallon caps, it believed that the usage characteristics of its customers could support a reduced wastewater gallonage cap and that the customers would support such a proposal.

According to DER, one equivalent residential connection (ERC) is equal to 350 gallons per day. This figure is based upon usage of 100 gallons per day by 3.5 people per household. Jasmine primarily serves a retirement community consisting of one or two people per household. Applying the same standard, their usage would be approximately 200 gallons per day per household or 6,000 gallons per month. The utility's billing analysis indicates that 87 percent of the residential wastewater billed in 1991 was below the 6,000 gallon per month level, and the average consumption was 4,308 gallons per bill.

We find that a residential wastewater cap of 10,000 is inappropriate for Jasmine's customers, and that a level of 6,000 gallons per month would be more equitable. Accordingly, we find a 6,000 gallons cap per month on residential wastewater service to be reasonable and appropriate.

RATES AND CHARGES

The permanent rates requested by the utility are designed to produce annual revenues of \$520,486 and \$436,061 for the water and wastewater systems, respectively. The requested revenues represent increases of \$178,901 (52.37%) for the water and \$310,082 (246.14%) for wastewater. Since we have determined that the appropriate annual revenue requirements are \$510,279 and \$388,681 for the respective water and wastewater systems, we will design final water and wastewater rates to give the utility the opportunity to achieve those annual revenue levels. We have designed the approved rates using the base facility charge (BFC) rate structure. The BFC rate structure allows the utility to more accurately track its costs and allows the customers to have some control over their bills. Each customer pays for his or her pro rata share of the fixed costs necessary to provide utility service through the base facility charge and pays for his or her usage through the gallonage charge.

The approved rates for water service are uniform for residential and general service customers. By Order No. 24275, issued March 25, 1991, we increased the water gallonage charge. Therefore, the gallonage charge did not warrant a significant increase in the instant proceeding. However, the base facility charge was not increased in that docket and thus requires a substantially higher increase than the gallonage charge. The disproportionate increase between the base facility charge and gallonage charge creates an aberration in the percentage increase of the customers' typical bills at different levels of usage.

The approved rates for wastewater service include a base charge for all residential customers regardless of meter size with a cap of 6,000 gallons of usage per month on which the gallonage charge may be billed. There is no cap on usage for general service wastewater bills. The differential in the gallonage charge for residential and general service wastewater customers is designed to recognize that a portion of a residential customer's water usage will not be returned to the wastewater system. The utility's present rates did not recognize this differential. Consequently, an aberration in the percentage increase of the general service average bill occurs.

WATER

Residential & General Service

<u>Meter Size</u>	<u>Utility Present Rates</u>	<u>Commission Approved Interim Rates</u>	<u>Utility Proposed Final Rates</u>	<u>Commission Approved Final Rates</u>
5/8" X 3/4"	\$ 2.96	\$ 3.27	\$ 11.83	\$ 9.94
1"	7.42	8.20	29.58	24.85
1-1/2"	14.84	16.41	59.15	49.70
2"	23.39	25.86	94.64	79.52
3"	47.40	52.40	189.28	159.04
4"	74.06	81.87	295.75	248.50
6"	148.12	163.75	591.50	497.00
8"	-	-	946.40	795.20
Gallon Charge (per 1,000 gallons)	\$ 3.33	\$ 3.68	\$ 3.29	\$ 3.59

Private Fire Protection

<u>Line Size</u>	<u>Utility Present Rates</u>	<u>Commission Approved Interim Rates</u>	<u>Utility Proposed Final Rates</u>	<u>Commission Approved Final Rates</u>
2"	-	-	31.55	-
3"	-	-	63.09	-
4"	-	-	98.58	82.83
6"	-	-	197.17	165.67
8"	-	-	315.47	265.07

WASTEWATER

Residential

<u>Meter Size</u>	<u>Utility Present Rates</u>	<u>Commission Approved Interim Rates</u>	<u>Utility Proposed Final Rates</u>	<u>Commission Approved Final Rates</u>
<u>All Sizes</u>	\$ 3.50	\$ 8.08	\$ 14.57	\$ 10.85
Gal. Charge	\$.77	\$ 1.78	\$ 2.07	\$ 2.71
Max.Gallons	10M	10M	10M	6M
Minimum Bill	\$ 3.50	\$ 8.08	\$ 14.57	\$ 10.85
Maximum Bill	\$ 11.20	\$ 25.88	\$ 35.27	\$ 27.11

General Service

<u>Meter Size</u>	<u>Utility Present Rates</u>	<u>Commission Approved Interim Rates</u>	<u>Utility Proposed Final Rates</u>	<u>Commission Approved Final Rates</u>
5/8" X 3/4"	\$ 3.50	\$ 8.08	\$ 14.57	\$ 10.85
1"	8.80	20.32	36.43	27.13
1-1/2"	17.57	40.56	72.85	54.25
2"	28.11	64.89	116.56	86.80
3"	-	-	233.12	173.60
4"	-	-	364.25	271.25
6"	-	-	728.50	542.50
8"	-	-	1,165.60	868.00
Gallon Charge	\$.77	\$ 1.78	\$ 2.49	\$ 3.25

(per 1,000 gallons)
 (No Maximum)

The approved rates will be effective for meters read on or after thirty days from the stamped approval date on the revised tariff sheets. The utility shall submit revised tariff sheets reflecting the approved rates and a proposed customer notice listing the new rates and explaining the reasons therefor. The tariff sheets will be approved upon our staff's verification that the tariffs are consistent with our decisions herein, that the protest period has expired and that the proposed customer notice is adequate.

Statutory Four-year Rate Reduction

Section 367.0816, Florida Statutes, states,

The amount of rate case expense determined by the Commission . . . to be recovered through . . . rate[s] shall be apportioned for recovery over a period of 4 years. At the conclusion of the recovery period, the rate[s] . . . shall be reduced immediately by the amount of rate case expense previously included in rates.

Accordingly, we have amortized the amount of allowed rate case expense over four years and then adjusted the altered revenue requirement for regulatory assessment fees. Therefore, at the end of the four-year recovery period, the utility's water rates shall

be reduced by \$10,727 and its wastewater rates shall be reduced by \$10,398.

The rates at the end of the four year period are shown on Schedules Nos. 6-A and 6-B, attached hereto. The utility shall file revised tariff sheets no later than one month prior to the actual date of the required rate reduction. The utility shall also file a proposed customer notice setting forth the lower rates and the reason for the reduction. If the utility files this reduction in conjunction with a price index or pass-through rate adjustment, separate data shall be filed for each rate change.

Schedule Of Commission Approved Rates
 and Rate Decrease in Four Years

WATER

Residential & General Service

<u>Meter Size</u>	<u>Commission Approved Final Rates</u>	<u>Rate Decrease</u>
5/8" X 3/4"	\$ 9.94	\$.21
1"	24.85	.52
1-1/2"	49.70	1.04
2"	79.52	1.67
3"	159.04	3.34
4"	248.50	5.21
6"	497.00	10.42
8"	795.20	16.68
Gallon Charge	\$ 3.59	\$.08
(per 1,000 gallons)		

Private Fire Protection

<u>Line Size</u>	<u>Commission Approved Final Rates</u>	<u>Rate Decrease</u>
4"	\$ 82.83	\$ 1.74
6"	165.67	3.47
8"	265.07	5.56

WASTEWATER

Residential

<u>Meter Size</u>	<u>Commission Approved Final Rates</u>	<u>Rate Decrease</u>
All Meter Sizes	\$ 10.85	\$.29
Gallon Charge (per 1,000 gallons) (Maximum 6,000 gallons)	\$ 2.71	\$.07

General Service

<u>Meter Size</u>	<u>Commission Approved Final Rates</u>	<u>Rate Decrease</u>
5/8" X 3/4"	\$ 10.85	\$.29
1"	27.13	.72
1-1/2"	54.25	1.45
2"	86.80	2.32
3"	173.60	4.63
4"	271.25	7.24
6"	542.50	14.48
8"	868.00	23.16
Gallon Charge (per 1,000 gallons) (No Maximum)	\$ 3.25	\$.09

DISPOSITION OF EXCESS INTERIM RATES

By Order No. PSC-92-1120-FOF-WS, issued on October 6, 1992, we suspended the utility's proposed rates and granted it interim water and wastewater rates, subject to refund. The interim revenue requirement was \$389,640 for water; the approved final revenue requirement for water is \$510,279. Therefore, no refund of excess interim water rates is appropriate. The interim revenue requirement was \$290,839 for wastewater; the approved final revenue

requirement for wastewater was \$388,681. Therefore, no refund of excess wastewater rates is appropriate.

Miscellaneous Service Charges

Rule 25-30.345, Florida Administrative Code, permits utilities to assess charges for miscellaneous services. The principle purpose of such charges is to provide a means by which the utility can recover its costs of providing miscellaneous services from those customers who require the services. Thus, costs are more closely borne by the cost causer rather than the general body of ratepayers. We have traditionally encouraged utilities to establish charges for the services of initial connection, normal reconnection, violation reconnection and premises visit in lieu of disconnection.

The utility did not request a change in its miscellaneous service charges in this application. The utility's present charges are consistent with those we have approved for other utilities in the past except for the wastewater violation reconnection charge. Jasmine's tariff shows that charge as \$15.00. The appropriate charge is the actual cost of the reconnection. Therefore, we hereby approve a wastewater violation reconnection charge to allow collection of actual costs. The utility shall file revised tariff sheets. The new miscellaneous service charge shall be effective for service provided after the stamped approval date on the revised tariff sheets.

Service Availability Charges

The utility's existing service availability policy was approved by Order No. 23728, issued on November 7, 1991, when we approved the transfer of Jasmine Lakes Services, Inc., to Jasmine Lakes Utilities Corporation. Developers were required to construct and donate all on-site facilities, including on-site water and wastewater lines, services and fire hydrants. The utility has only one water service availability charge and does not have any wastewater service availability charges. The current water charge is a customer connection (tap-in) charge of \$10.00 for 5/8" x 3/4" and 1" meters.

The utility's contribution level as of December 31, 1991, was 19.41% for water and 18.32% for wastewater. These levels are below the guidelines set forth in Rule 25-30.580, Florida Administrative Code. Rule 25-30.580(1)(b), Florida Administrative Code, states that the minimum amount of contributions-in-aid-of-construction should not be less than the percentage of such facilities and plant

that is represented by the water transmission and distribution and sewage collection systems. Following this guideline, the utility's minimum contribution level for 1991 is 58.57% for water and 32.32% for wastewater.

In an earlier section of this Order, we determined that the wastewater treatment plant, water transmission and distribution systems, and sewage collection systems are 100% used and useful, and that both the water and wastewater systems are built-out. Rule 25-30.580(2), Florida Administrative Code, allows this Commission the discretion to waive compliance with Subsection (1) of that Rule if compliance is determined not to be in the best interests of the utility or the customers. We believe that implementation of additional service availability charges is unnecessary because the utility is built-out and, therefore, we find it appropriate to waive the utility's compliance with Rule 25-30.580(1) and to approve the continuation of the utility's existing service availability charges.

The utility did not request approval of plant capacity, main capacity, or main extension charges because the water and wastewater systems are built-out. However, the utility did request approval of backflow preventor installation charges and a backflow preventor inspection charge. The utility has installed one backflow preventor to date, and that device is on a 2" meter. The requested charges are as follows:

Backflow Preventor Installation Charge:

<u>Meter Size</u>	<u>Charge</u>
5/8" x 3/4"	\$205.00
1"	\$290.00
1 1/2"	\$395.00
2"	\$490.00
Over 2"	Actual Cost

Backflow Preventor Inspection Charge (Annual Charge):

<u>Meter Size</u>	<u>Charge</u>
All Meter Sizes	\$ 55.00

We have consulted with the distributor of backflow prevention devices and have found these charges to be reasonable. DER Rule 17-555.360, Florida Administrative Code, states that a utility is

required to establish a routine cross-connection control program to detect and prevent cross-connections that create or may create an imminent and substantial danger to public health. However, the Rule does not require every customer to install a backflow prevention device. Unless DER requires this, the utility cannot require any customers to install a backflow prevention device. If DER requires installation of the device or a customer requests the device on a purely voluntary basis, the annual inspection becomes mandatory for that device.

The utility shall collect the annual inspection charge for all installed devices. The utility shall file revised tariff sheets. The new charges shall be effective for installations and inspections performed after the stamped approval date of the revised tariff sheets.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that the application of Jasmine Lakes Utilities Corporation for an increase in its water and wastewater rates in Pasco County is approved as set forth in the body of this Order. It is further

ORDERED that each of the findings made in the body of this Order are by reference incorporated herein. It is further

ORDERED that all that is contained in the schedules attached hereto are by reference incorporated herein. It is further

ORDERED that all of the provisions of this Order are issued as proposed agency action and shall become final, unless an appropriate petition in the form provided by Rule 25-22.029, Florida Administrative Code, is received by the Director of the Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the date set forth in the Notice of Further Proceedings below. It is further

ORDERED that Jasmine Lakes Utilities Corporation is authorized to charge the new rates and charges as set forth in the body of this Order. 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 pages. It is further

ORDER NO. PSC-93-0027-FOF-WS
DOCKET NO. 920148-WS
PAGE 22

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

ORDERED that the miscellaneous service charges approved herein shall be effective for services rendered on or after the stamped approval date on the revised tariff pages. It is further

ORDERED that, prior to its implementation of the rates and charges approved herein, Jasmine Lakes Utilities Corporation shall submit and have approved a proposed notice to its customers of the increased rates and charges approved herein and the reasons therefor. The notice will be approved upon Staff's verification that it is consistent with our decisions herein. It is further

ORDERED that the rates shall be reduced at the end of the four-year rate case expense amortization period, consistent with our decision herein. The utility shall file revised tariff sheets no later than one month prior to the actual date of the reduction and shall also file a customer notice. It is further

ORDERED that prior to its implementation of the rates and charges approved herein, Jasmine Lakes Utilities Corporation shall submit and have approved revised tariff pages. The revised tariff pages will be approved upon Staff's verification that the pages are consistent with our decision herein, that the proposed customer notice has been approved, and that the protest period has expired. It is further

ORDERED that this docket may be closed if a timely protest is not filed from a substantially affected person and upon the utility's filing and staff's approval of revised tariff sheets.

By ORDER of the Florida Public Service Commission this 5th day of January, 1993.

STEVE TRIBBLE, Director,
Division of Records and Reporting

(S E A L)
RG

by: Kay Helton
Chief, Bureau of Records

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.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on January 26, 1993.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater 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 of the effective date 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.

JASMINE LAKES UTILITIES CORPORATION
 SCHEDULE OF WATER RATE BASE
 DECEMBER 31, 1991

SCHEDULE NO. 1-A
 920148-WS

COMPONENT	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR PER UTILITY	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR
1 UTILITY PLANT IN SERVICE	\$ 595,751	\$ (74,221)	\$ 521,530	\$(261,372)	260.158
2 LAND	2,570	0	2,570	(2,570)	0
3 NON-USED & USEFUL COMPONENTS	0	0	0	0	0
4 ACCUMULATED DEPRECIATION	(238,399)	71,186	(167,213)	74,210	(93,003)
5 ACQUISITION ADJUSTMENT -NET	0	0	0	0	0
6 CIAC	(193,231)	0	(193,231)	105,917	(87,314)
7 AMORTIZATION OF CIAC	83,476	0	83,476	(44,549)	38,927
8 DEBIT DEFERRED INCOME TAXES	0	0	0	0	0
9 WORKING CAPITAL ALLOWANCE	39,715	14,642	54,357	(2,296)	52,061
RATE BASE	\$ 289,882	\$ 11,607	\$ 301,489	\$(130,660)	170,829

JASMINE LAKES UTILITIES CORPORATION
SCHEDULE OF WASTEWATER RATE BASE
DECEMBER 31, 1991

SCHEDULE NO. 1-B
920148-WS

COMPONENT	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR PER UTILITY	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR
1 UTILITY PLANT IN SERVICE	\$ 918,016	\$ (5,000)	\$ 913,016	\$ (130,000)	783,016
2 LAND	5,802	0	5,802	0	5,802
3 NON-USED & USEFUL COMPONENTS	0	0	0	0	0
4 ACCUMULATED DEPRECIATION	(215,661)	(12,883)	(228,544)	1,656	(226,888)
5 ACQUISITION ADJUSTMENT - NET	0	0	0	0	0
6 CIAC	(162,245)	0	(162,245)	0	(162,245)
7 AMORTIZATION OF CIAC	58,270	0	58,270	1,014	59,284
8 DEBIT DEFERRED INCOME TAXES	0	0	0	0	0
9 WORKING CAPITAL ALLOWANCE	21,485	14,748	36,233	(3,438)	32,795
RATE BASE	\$ 625,667	\$ (3,135)	\$ 622,532	\$ (130,768)	491,764

JASMINE LAKES UTILITIES CORPORATION ADJUSTMENTS TO RATE BASE DECEMBER 31, 1991		SCHEDULE NO. 1-C 920148-WS	
EXPLANATION	WATER	WASTEWATER	
1. UTILITY PLANT IN SERVICE			
A. To adjust value of sewer treatment plant	\$ 0	\$ (130,000)	
B. To retire water treatment plant	(261,372)	0	
	\$ (261,372)	\$ (130,000)	
2. LAND			
A. To retire water plant land	\$ (2,570)	\$ 0	
3. ACCUMULATED DEPRECIATION			
A. To remove accumulated depreciation related to the retirement of the treatment plant	\$ 78,706	\$ 0	
B. To remove accumulated depreciation related to the adjusted value of sewer treatment plant	0	6,585	
C. To adj. acc. depr. for the period 4/90 to 7/90	(4,496)	(4,929)	
	\$ 74,210	\$ 1,656	
4. CIAC			
A. To remove CIAC related to plant retirement	\$ 105,917	\$ 0	
5. ACCUMULATED AMORTIZATION OF CIAC			
A. To remove accumulated amortization of CIAC related to the retirement of treatment plant	\$ (45,756)	\$ 0	
B. To adj. acc. amort. of CIAC for the period 4/90 to 7/90	1,207	1,014	
	\$ (44,549)	\$ 1,014	
6. WORKING CAPITAL			
A. To adjust working capital provision	\$ (2,296)	\$ (3,438)	

JASMINE LAKES UTILITIES CORPORATION CAPITAL STRUCTURE DECEMBER 31, 1991						SCHEDULE NO. 2-A 920148-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	
1 LONG TERM DEBT	\$ 478,106	83.36%	10.21%	8.51%	\$ 96,929	\$ 575,035	86.79%	10.21%	8.86%	
2 SHORT TERM DEBT	0	0.00%	0.00%	0.00%	0	0	0.00%	0.00%	0.00%	
3 CUSTOMER DEPOSITS	17,627	3.07%	8.00%	0.25%	(13,880)	3,747	0.57%	8.00%	0.05%	
4 PREFERRED STOCK	0	0.00%	0.00%	0.00%	0	0	0.00%	0.00%	0.00%	
5 COMMON EQUITY	77,842	13.57%	14.00%	1.90%	5,968	83,810	12.65%	12.44%	1.57%	
6 INVESTMENT TAX CREDITS	0	0.00%	0.00%	0.00%	0	0	0.00%	0.00%	0.00%	
7 DEFERRED TAXES	0	0.00%	0.00%	0.00%	0	0	0.00%	0.00%	0.00%	
8 TOTAL CAPITAL	<u>\$ 573,575</u>	<u>100.00%</u>		<u>10.66%</u>	<u>\$ 89,018</u>	<u>\$ 662,593</u>	<u>100.00%</u>		<u>10.48%</u>	
RANGE OF REASONABLENESS							LOW	HIGH		
RETURN ON EQUITY							11.44%	13.44%		
OVERALL RATE OF RETURN							10.35%	10.61%		

JASMINE LAKES UTILITIES CORPORATION ADJUSTMENTS TO CAPITAL STRUCTURE DECEMBER 31, 1991		SCHEDULE NO. 2-B 920148-WS			
DESCRIPTION	REMOVE NON- UTILITY COMPONENTS		PRO RATA RECONCILE	NET ADJUSTMENT	
1 LONG TERM DEBT	\$ 0	\$ 0	96,929	96,929	
2 SHORT TERM DEBT	0	0	0	0	
3 CUSTOMER DEPOSITS	0	0	(13,880)	(13,880)	
4 PREFERRED STOCK	0	0	0	0	
5 COMMON EQUITY	(9,813)	0	15,781	5,968	
6 INVESTMENT TAX CREDITS	0	0	0	0	
7 DEFERRED INCOME TAXES	0	0	0	0	
8 TOTAL CAPITAL	<u>\$ (9,813)</u>	<u>\$ 0</u>	<u>98,831</u>	<u>89,018</u>	

JASMINE LAKES UTILITIES CORPORATION		SCHEDULE NO. 3-A					
STATEMENT OF WATER OPERATIONS		920148-WS					
DECEMBER 31, 1991							
DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	UTILITY ADJUSTED TEST YEAR	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 341,585	\$ 178,901	\$ 520,486	(\$ 169,222)	\$ 351,264	\$ 159,015	510,279
OPERATING EXPENSES						45.27%	
2 OPERATION AND MAINTENANCE	\$ 317,720	\$ 117,139	\$ 434,859	(\$ 18,371)	\$ 416,488	\$ 0	416,488
3 DEPRECIATION	11,505	3,035	14,540	(4,515)	10,025	0	10,025
4 AMORTIZATION	0	0	0	31,269	31,269	0	31,269
5 TAXES OTHER THAN INCOME	27,908	11,221	39,129	(11,688)	27,441	7,156	34,597
6 INCOME TAXES	0	0	0	0	0	0	0
7 TOTAL OPERATING EXPENSES	\$ 357,133	\$ 131,395	\$ 488,528	(\$ 3,305)	\$ 485,223	\$ 7,156	492,378
8 OPERATING INCOME	\$ (15,548)	\$ 47,506	\$ 31,958	(\$ 165,917)	(\$ 133,959)	\$ 151,860	17,901
9 RATE BASE	\$ 289,882	\$ 301,489	\$ 170,829	\$ 170,829	\$ 170,829	\$ 170,829	\$ 170,829
RATE OF RETURN	-5.36%	10.60%	-78.42%	10.48%			

JASMINE LAKES UTILITIES CORPORATION		SCHEDULE NO. 3-B					
STATEMENT OF WASTEWATER OPERATIONS		920148-WS					
DECEMBER 31, 1991							
DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	UTILITY ADJUSTED TEST YEAR	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIRED
1 OPERATING REVENUES	\$ 125,979	\$ 310,082	\$ 436,061	\$(310,082)	\$ 125,979	\$ 262,702	388,681
OPERATING EXPENSES						208.53%	
2 OPERATION AND MAINTENANCE	\$ 171,879	\$ 117,986	\$ 289,865	\$(27,508)	\$ 262,357	\$	262,357
3 DEPRECIATION	20,248	17,883	38,131	(3,283)	34,848		34,848
4 AMORTIZATION	0	0	0	0	0		0
5 TAXES OTHER THAN INCOME	24,222	17,855	42,077	(13,954)	28,123	11,822	39,945
6 INCOME TAXES	0	0	0	0	0	0	0
7 TOTAL OPERATING EXPENSES	\$ 216,349	\$ 153,724	\$ 370,073	\$(44,745)	\$ 325,328	\$ 11,822	\$ 337,150
8 OPERATING INCOME	\$ (90,370)	\$ 156,358	\$ 65,988	\$(265,337)	\$(199,349)	\$ 250,881	\$ 51,532
9 RATE BASE	\$ 625,667	\$	\$ 622,532	\$	\$ 491,764	\$	\$ 491,764
RATE OF RETURN	-14.44%		10.60%		-40.54%		10.48%

JASMINE LAKES UTILITIES CORPORATION ADJUSTMENTS TO OPERATING STATEMENTS DECEMBER 31, 1991		SCHEDULE NO. 3-C 920148-WS	
EXPLANATION	WATER	WASTEWATER	
1. OPERATING REVENUES			
A. Reverse revenue increase utility contends is needed to achieve its revenue requirement	\$ (168,037)	\$ (310,082)	
B. Adj. to remove fire protection overcharges	(1,185)	0	
	<u>\$ (169,222)</u>	<u>\$ (310,082)</u>	
2. OPERATING EXPENSES			
A. Remove wastewater expense related to sewer main maintenance	\$ 0	\$ (25,496)	
B. Adj. to reflect purchased water cost at current county rate	(1,172)	0	
C. Adj. legal costs	(5,672)	0	
D. Adj. to reflect reduced exp. related to retirement of plant	(8,158)		
E. Adj. to reflect out of period and charitable expense	(1,338)	(43)	
F. Adj. rate case expense	(2,031)	(1,969)	
	<u>\$ (18,371)</u>	<u>\$ (27,508)</u>	
3. DEPRECIATION			
A. Adj. to reduce depreciation for retired assets	\$ (4,515)	\$ 0	
B. Adj. to reduce depr. for revalued sludge dewatering equip.	0	(3,283)	
C. Adj. to reduce depr. exp. for retirement of trans. equip.	(1,700)	(833)	
	<u>\$ (4,515)</u>	<u>\$ (3,283)</u>	
4. AMORTIZATION			
A. Amortization of loss on retired assets	\$ 31,269	\$ 0	
5. TAXES OTHER THAN INCOME TAXES			
A. Remove provision for added RAF taxes	\$ (7,562)	\$ (13,954)	
B. Remove prov. for added RAF taxes related to overcharges	(53)	0	
C. Remove provision for property taxes on retired plant	(4,073)	0	
	<u>\$ (11,688)</u>	<u>\$ (13,954)</u>	
6. OPERATING REVENUES			
A. Additional revenues to achieve revenue requirement	\$ 159,015	\$ 262,702	
7. TAXES OTHER THAN INCOME TAXES			
A. Adjustment for RAF taxes	\$ 7,156	\$ 11,822	