

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for rate) DOCKET NO. 951056-WS
increase in Flagler County by) ORDER NO. PSC-96-0493-FOF-WS
Palm Coast Utility Corporation.) ISSUED: April 9, 1996
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER SUSPENDING PROPOSED RATES AND
GRANTING INTERIM RATE INCREASE SUBJECT TO REFUND

BY THE COMMISSION:

BACKGROUND

Palm Coast Utility Corporation (Palm Coast) is a utility, which provides water and wastewater service to the public in Flagler County. According to the St. Johns River Water Management District (SJRWMD), Palm Coast is located in a critical use area. During the twelve months ending December 31, 1994 (the historical test year), the utility recorded operating revenues of \$5,007,702 for water service and \$2,951,217 for wastewater service. During the same period, Palm Coast reported a net operating loss of \$2,247 for water, and net operating income of \$281,533 for wastewater.

On December 27, 1995, the utility filed an application for increased rates pursuant to Sections 367.081 and 367.082, Florida Statutes. The utility satisfied the minimum filing requirements (MFRs) on February 12, 1996 for a rate increase, and that date was designated as the official filing date pursuant to Section 367.083, Florida Statutes.

The utility's requested test year for interim purposes is the historical period ending December 31, 1994. Its requested test period for final rates is the projected year ending December 31, 1995. For interim, the utility requested total revenues of \$5,515,503 and \$3,432,636 for water and wastewater, respectively. This represents revenue increases of \$457,694 (8.30%) for water and \$442,999 (12.9%) for wastewater, designed to produce a rate of return of 7.70%. For final purposes, the utility has requested total revenue of \$6,971,647 for water and \$4,906,850 for wastewater. These revenues reflect revenue increases of \$1,479,626 (21.22%) for water and \$1,575,817 (32%) for wastewater. The

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utility's final revenues are based on the utility's requested overall rate of return of 8.84%.

The utility contends that the necessity for a rate increase arises from the fact that as adjusted for the test year ending December 31, 1995, it will have a rate of return of only 2.64% on a rate base of \$21,328,433 for its water operations and a rate of return of only 3.54% on a rate base of \$16,031,209 for its wastewater operations.

The utility has not requested that this case be processed pursuant to the proposed agency action as provided in Section 367.081(8), Florida Statutes. The case has been set for hearing in Flagler County on July 1 and 2, 1996.

SUSPENSION OF RATES

Section 367.081(6), Florida Statutes, provides that the rate schedules proposed by the utility shall become effective within sixty days after filing unless the Commission votes to withhold consent to implementation of the requested rates. Further, the above-referenced statute permits the proposed final rates to go into effect, under bond, eight months after filing unless final action has been taken by the Commission.

We have reviewed the filing and have considered the proposed rates, the revenues thereby generated, and the information filed in support of the rate application. We find it is reasonable and necessary to require further amplification and explanation regarding this data, and to require production of additional and/or corroborative data. This further examination by staff will include on-site investigations by staff accountants, engineers and rate analysts. Based on the above, we find that it is appropriate to suspend the proposed final rate increase.

INTERIM RATES

As stated earlier, Palm Coast requested interim rates designed to generate annual revenues of \$5,515,503 for water and 3,432,636 for wastewater. The requested test year for interim is the historical test year ended December 31, 1994. The utility filed rate base, cost of capital, and operating statements to support its requested water and wastewater rate increases. We find it appropriate to approve a reduced interim revenue requirement and allow Palm Coast to collect interim rates as set forth below and in the schedules attached hereto which are incorporated by reference.

RATE BASE

Our calculations of the appropriate rate base for the water and wastewater systems are depicted on Schedule No. 1-A and Schedule No. 1-B, respectively. 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.

In its filing, Palm Coast used the formula method to calculate its interim working capital allowance. This was the method used by the Commission for the last rate case for this utility. Section 367.082, states that in calculating the interim revenue requirement, adjustments should be made consistent with those made in the last rate proceeding. As such, it is appropriate to calculate the working capital allowance using the formula approach. However, the utility's calculation of working capital did not reflect one-eighth of its operation and maintenance (O&M) expenses. Hence, we have corrected the utility's calculation and find that the working capital allowance shall be increased by \$8,279 and decreased by \$30,424 for water and wastewater, respectively. Based on this, the working capital amount shall be \$314,124 for water and \$237,797 for wastewater. Applying these adjustments to working capital, the interim rate base is \$14,368,802 for water and \$7,434,564 for wastewater.

COST OF CAPITAL

Our calculation of the appropriate cost of capital, including our adjustments, is depicted on Schedule No. 2. Those adjustments which are self-explanatory or which are essentially mechanical in nature are reflected on that schedule without further discussion in the body of this Order. The major adjustments are discussed below.

In its MFRs, Palm Coast used an historical 13-month average capital structure and made no specific adjustments. The utility then made pro rata adjustments to reconcile the capital structure to rate base. The utility used a cost rate of 5.02% and 6.92% for long and short term debt, respectively. In accordance with the interim statute, Palm Coast used (11.13%) the lower end of the range of the last authorized return on equity, established in its last rate proceeding (Order No. 22843, issued April 23, 1990), to calculate its return on equity. Investment tax credits and accumulated deferred income taxes were included at zero cost, which is consistent with the treatment utilized in Palm Coast's last rate proceeding. Based on the above, we find that no adjustments are necessary to the utility's overall cost of capital of 7.70%.

NET OPERATING INCOME

Our calculations of net operating income for the water and wastewater systems are depicted on Schedule No. 3-A and Schedule No. 3-B, respectively. Our adjustments are itemized on schedule 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.

Based on our review of Palm Coast's operating statements, we find that only two adjustments are necessary. Section 367.082(5) (b) (1), Florida Statutes, states that the achieved rate of return is calculated by annualizing any rate changes occurring during the interim test period. For the purposes of this application, the utility used the historic interim test year ended December 31, 1994. Palm Coast received a price index increase on October 10, 1995. In its application, the utility annualized its revenues related to this price index. Because the index was implemented after the interim test year, we have removed the annualized revenues which were adjusted for the index. Therefore, test year revenues are reduced by \$50,107 and \$38,420 for water and wastewater, respectively.

Based on the above adjustments and the utility's filing, we find that test year operating income, before any revenue increase, is \$822,824 for water and \$277,499 for wastewater. This represents an achieved rate of return of 7.70% for water and 7.53% for wastewater.

Revenue Requirement

Based upon recovery of actual operating expenses for the year ended December 31, 1994 and a 7.70% and 7.53% overall rate of return, we find it appropriate to approve an interim rate increase of \$5,491,319 in annual water revenues and \$3,432,636 in annual wastewater revenues. This represents an annual increase of \$483,617 (or 9.66%) for water and \$481,419 (or 16.31%) for wastewater.

INTERIM RATES

Palm Coast's current, proposed interim, proposed final, and our approved interim rates are shown on Schedules 4-A and 4-B. Palm Coast was granted an index rate increase effective for service rendered on or after November, 1995. This rate increase was not taken into consideration for interim purposes since it occurred outside of the historical test year. Revenues for interim purposes

were annualized based on rates in effect during the test year ending December 31, 1994.

The interim rates shall be implemented for service rendered on or after the stamped approval date on the tariff sheets provided customers have received notice. The revised tariff sheets shall be approved upon staff's verification that the tariffs are consistent with the Commission's decision, that the proposed notice to the customers of the approved increase is adequate and the required security has been filed. The utility shall provide proof of the date notice was given within 10 days after the date of notice.

Security for Refund

Pursuant to Section 367.082, Florida Statutes, the excess of interim rates over the previously authorized rates shall be collected under guarantee subject to refund with interest. The amount of a potential refund in this case has been calculated to be \$796,200.

If the security provided is an escrow account, said account should 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 should 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 should occur without the prior approval of the Commission through the Director of the Division of Records and Reporting; that the account should be interest bearing; that the Director of Records and Reporting must be signatory to the escrow agreement; that information concerning the escrow account be available from the institution to the Commission or its representative at all times; and that pursuant to Cosentino 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, \$88,467, into the escrow account each month. 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 corporate undertaking, bond, or a letter of credit, said instrument should be in the amount of \$796,200. If the utility chooses a bond as security, the bond shall state that it will be released or should terminate upon

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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.

Irrespective of the type of security provided, the utility shall keep an accurate and detailed account of all monies it receives. Pursuant to Rule 25-30.360(6), Florida Administrative Code, the utility shall provide a report by the 20th of each month indicating the monthly and total revenue collected subject to refund. Should a refund be required, the refund shall be with interest and undertaken in accordance with Rule 25-30.360, Florida Administrative Code.

In no instance shall maintenance and administrative costs associated with any refund be borne by the customers. The costs are the responsibility of, and shall be borne by, the utility.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that the final rates and schedules proposed by Palm Coast Utility Corporation are hereby suspended in accordance with Section 367.081(6). It is further

ORDERED that each of the findings made in the body of this Order is hereby approved in every respect. It is further

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

ORDERED that the request for an interim increase in water and wastewater rates by Palm Coast is hereby granted in part, as set forth in the body of this Order. It is further

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

ORDERED that Palm Coast shall provide a corporate undertaking, a bond or letter of credit in the amount of \$796,200 or an escrow agreement as a guarantee for any potential refund of interim water or wastewater revenues. It is further

ORDERED that the approved interim rates shall become effective for service rendered on or after the stamped approval date on the

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tariff sheets, provided the customers have received notice. It is further

ORDERED that prior to the implementation of the interim rates approved herein, Palm Coast shall file and have approved tariff pages revised in accordance with the provisions of this Order, appropriate security for the refund, and a proposed customer notice. It is further

ORDERED that Palm Coast shall provide proof of the date notice was given within 10 days after date of the notice. It is further

ORDERED that the tariff sheets will be stamped approved upon verification that they are consistent with our decision herein, that the proposed customer notice is adequate, and that the appropriate security is provided. It is further

ORDERED that during the time the interim rates are in effect, Palm Coast shall file a report by the twentieth day of each month indicating the monthly and total revenue collected subject to refund, pursuant to Rule 25-30.360(6), Florida Administrative Code.

By ORDER of the Florida Public Service Commission, this 9th day of April, 1996.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay Flynn
Chief, Bureau of Records

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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 intermediate in nature, may request 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. Citizens of the State of Florida v. Mayo, 316 So. 2d 262 (Fla. 1975), states that an order on interim rates is not final nor reviewable until a final order is issued. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

PALM COAST UTILITY CORPORATION SCHEDULE OF WATER RATE BASE HISTORICAL TEST YEAR ENDED 12/31/94			SCHEDULE NO. 1-A DOCKET NO. 951056-WS		
COMPONENT	TEST YEAR PER UTILITY 1994	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	COMMISSION ADJUSTMENTS	COMMISSION ADJ. TEST YEAR
1 UTILITY PLANT IN SERVICE	\$ 57,908,009	(1,773,897)	\$ 56,134,112	0	56,134,112
2 LAND & LAND RIGHTS	504,632	0	504,632	0	504,632
3 NON-USED & USEFUL COMPONENTS	(14,986,337)	(106,058)	(15,092,395)	0	(15,092,395)
4 CWIP	0	0	0	0	0
5 ACCUMULATED DEPRECIATION	(17,406,325)	827,992	(16,578,333)	0	(16,578,333)
6 CIAC	(13,684,326)	(1,224,768)	(14,909,094)	0	(14,909,094)
7 AMORTIZATION OF CIAC	2,521,092	225,430	2,746,522	0	2,746,522
8 PREPAID INCOME TAXES	0	3,526,181	3,526,181	0	3,526,181
9 TAX IMPACT CHARGES (NET)	0	(2,276,947)	(2,276,947)	0	(2,276,947)
10 ADVANCES FOR CONSTRUCTION	(2,414,089)	2,414,089	0	0	0
11 WORKING CAPITAL ALLOWANCE	0	305,845	305,845	8,279	314,124
12 OTHER	0	0	0	0	0
RATE BASE	\$ 12,442,656	1,917,867	\$ 14,360,523	8,279	14,368,802
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PALM COAST UTILITY CORPORATION SCHEDULE OF WASTEWATER RATE BASE HISTORICAL TEST YEAR ENDED 12/31/94			SCHEDULE NO. 1-B DOCKET NO. 951056-WS		
COMPONENT	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	COMMISSION ADJUSTMENTS	COMMISSION ADJ TEST YEAR
1 UTILITY PLANT IN SERVICE	\$ 48,768,273	1,773,897	\$ 50,542,170	0	50,542,170
2 LAND & LAND RIGHTS	593,395	0	593,395	0	593,395
3 NON-USED & USEFUL COMPONENTS	16,738,401	106,058	16,844,459	0	16,844,459
4 CWIP	0	0	0	0	0
5 ACCUMULATED DEPRECIATION	(15,986,664)	(827,992)	(16,814,656)	0	(16,814,656)
6 CIAC	(58,223,140)	(2,174,804)	(60,397,944)	0	(60,397,944)
7 AMORTIZATION OF CIAC	14,171,559	609,844	14,781,403	0	14,781,403
8 PREPAID INCOME TAXES	0	3,230,226	3,230,226	0	3,230,226
9 TAX IMPACT CHARGES (NET)	0	(1,582,286)	(1,582,286)	0	(1,582,286)
10 ADVANCES FOR CONSTRUCTION	(635,191)	635,191	0	0	0
11 WORKING CAPITAL ALLOWANCE	0	268,221	268,221	(30,424)	237,797
12 OTHER	0	0	0	0	0
RATE BASE	\$ 5,426,633	2,038,355	\$ 7,464,988	(30,424)	7,434,564
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PALM COAST UTILITY CORPORATION ADJUSTMENTS TO RATE BASE HISTORICAL TEST YEAR ENDED 12/31/94	SCHEDULE NO. 1-C DOCKET NO. 951056-WS	
EXPLANATION	WATER	WASTEWATER
(1) WORKING CAPITAL To reflect correction to Formula Method	\$ <u>8,279</u>	\$ <u>(30,424)</u>

PALM COAST UTILITY CORPORATION
 CAPITAL STRUCTURE
 HISTORICAL TEST YEAR ENDED 12/31/94

SCHEDULE NO. 2
 DOCKET NO. 951056-WS

DESCRIPTION	TOTAL CAPITAL	SPECIFIC ADJUSTMENTS (EXPLAIN)	PRO RATA ADJUSTMENTS	CAPITAL RECONCILED TO RATE BASE	RATIO	COST RATE	WEIGHTED COST
PER UTILITY 1994							
1 LONG TERM DEBT	13,307,692	0	(5,478,035)\$	7,829,657	35.87%	5.02%	1.80%
2 SHORT-TERM DEBT	442,308	0	(182,074)	260,234	1.19%	6.92%	0.08%
3 PREFERRED STOCK	0	0	0	0	0.00%	0.00%	0.00%
4 COMMON EQUITY	19,165,793	0	(7,889,488)	11,276,305	51.67%	11.13%	5.75%
5 CUSTOMER DEPOSITS	415,651	0	(171,100)	244,551	1.12%	6.00%	0.07%
6 DEFERRED INCOME TAXES	1,348,969	0	(555,295)	793,674	3.64%	0.00%	0.00%
7 DEFERRED ITC'S-ZERO COST	2,415,360	0	(994,269)	1,421,091	6.51%	0.00%	0.00%
8 OTHER	0	0	0	0	0.00%	0.00%	0.00%
9 TOTAL CAPITAL	<u>37,095,773</u>	0	<u>(15,270,261)\$</u>	21,825,512	100.00%		7.70%
PER COMMISSION 1994							
10 LONG TERM DEBT	13,307,692	0	(5,485,980)\$	7,821,712	35.87%	5.02%	1.80%
11 SHORT-TERM DEBT	442,308	0	(182,338)	259,970	1.19%	6.92%	0.08%
12 PREFERRED STOCK	0	0	0	0	0.00%	0.00%	0.00%
13 COMMON EQUITY	19,165,793	0	(7,900,930)	11,264,863	51.67%	11.13%	5.75%
14 CUSTOMER DEPOSITS	415,651	0	(171,348)	244,303	1.12%	6.00%	0.07%
15 DEFERRED INCOME TAXES	1,348,969	0	(556,101)	792,868	3.64%	0.00%	0.00%
15 DEFERRED ITC'S-ZERO COST	2,415,360	0	(995,711)	1,419,649	6.51%	0.00%	0.00%
16 OTHER	0	0	0	0	0.00%	0.00%	0.00%
17 TOTAL CAPITAL	<u>37,095,773</u>	0	<u>(15,292,408)\$</u>	21,803,365	100.00%		7.70%
RANGE OF REASONABLENESS					LOW	HIGH	
RETURN ON EQUITY					11.13%	13.13%	
OVERALL RATE OF RETURN					7.70%	8.73%	

PALM COAST UTILITY CORPORATION
 STATEMENT OF WATER OPERATIONS
 HISTORICAL TEST YEAR ENDED 12/31/94

SCHEDULE NO. 3-A
 DOCKET NO. 951056-WS

DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	COMMISSION ADJUSTMENTS	COMM ADJ. TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 5,007,702	\$ 507,801	\$ 5,515,503	(507,801)	5,007,702	483,617	5,491,319
OPERATING EXPENSES:						9.66%	
2 OPERATION AND MAINTENANCE	\$ 2,880,157	\$(367,169)	\$ 2,512,988	0	\$ 2,512,988		2,512,988
3 DEPRECIATION	1,532,966	(557,690)	975,276	0	975,276		975,276
4 AMORTIZATION	(69,805)	0	(69,805)	0	(69,805)		(69,805)
5 TAXES OTHER THAN INCOME	819,400	(232,622)	586,778	(27,851)	563,927	21,763	585,690
6 INCOME TAXES	(152,769)	540,796	388,027	(185,535)	202,492	178,137	380,629
7 TOTAL OPERATING EXPENSES	\$ 5,009,949	\$(616,685)	\$ 4,393,264	(208,386)	4,184,878	199,900	4,384,778
8 OPERATING INCOME	\$ (2,247)	\$ 1,124,486	\$ 1,122,239	(299,415)	822,824	283,717	1,106,541
9 RATE BASE	\$ 12,442,656		\$ 14,360,523		14,368,802		14,368,802
RATE OF RETURN	-0.02%		7.81%		5.73%		7.70%

PALM COAST UTILITY CORPORATION
 STATEMENT OF WASTEWATER OPERATIONS
 HISTORICAL TEST YEAR ENDED 12/31/94

SCHEDULE NO. 3-B
 DOCKET NO. 951056-WS

DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	COMMISSION ADJUSTMENTS	COMM ADJ. TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 2,951,217	\$ 481,419	\$ 3,432,636	\$ (481,419)	2,951,217	481,419	3,432,636
OPERATING EXPENSES						16.31%	
2 OPERATION AND MAINTENANCE	\$ 2,272,232	\$ (369,859)	\$ 1,902,373	\$ 0	1,902,373		1,902,373
3 DEPRECIATION	51,868	412,933	464,801	0	464,801		464,801
4 AMORTIZATION	(48,509)	0	(48,509)	0	(48,509)		(48,509)
5 TAXES OTHER THAN INCOME	283,302	78,992	362,294	(21,664)	340,630	21,664	362,294
6 INCOME TAXES	110,791	82,341	193,132	(178,709)	14,423	177,328	191,751
7 TOTAL OPERATING EXPENSES	\$ 2,669,684	\$ 204,407	\$ 2,874,091	\$ (200,373)	2,673,718	198,991	2,872,710
8 OPERATING INCOME	\$ 281,533	\$ 277,012	\$ 558,545	\$ (281,046)	277,499	282,428	559,926
9 RATE BASE	\$ 5,426,633		\$ 7,464,988		7,434,564		7,434,564
RATE OF RETURN	5.19%		7.48%		3.73%		7.53%

PALM COAST UTILITY CORPORATION ADJUSTMENTS TO OPERATING STATEMENTS HISTORICAL TEST YEAR ENDED 12/31/94		SCHEDULE NO. 3-C DOCKET NO. 951056-WS	
EXPLANATION	WATER	WASTEWATER	
(1) OPERATING REVENUES	\$	\$	
1) Adjustment to remove requested revenue increase	(457,694)	(442,999)	
2) Adjustment to reflect revenues at test year rates	<u>(50,107)</u>	<u>(38,420)</u>	
	\$ <u>(507,801)</u>	\$ <u>(481,419)</u>	
(2) TAXES OTHER THAN INCOME			
Adjustment to remove RAF's related to revenue increase	\$ <u>(22,851)</u>	\$ <u>(21,664)</u>	
(3) INCOME TAXES			
To reflect test year provision for Income Taxes	\$ <u>(185,535)</u>	\$ <u>(178,709)</u>	
(4) OPERATING REVENUES			
To reflect recommended revenue increase	\$ <u>483,617</u>	\$ <u>481,419</u>	
(5) TAXES OTHER THAN INCOME			
Adjustment for increase in RAF's related to revenue increase	\$ <u>21,763</u>	\$ <u>21,664</u>	
(5) INCOME TAXES			
Adjustment to reflect increased income	\$ <u>178,137</u>	\$ <u>177,328</u>	

PALM COAST UTILITY CORPORATION
SCHEDULE OF WATER RATES

Residential, General Service and Multi-Family

<u>Meter Size</u>	<u>Utility Test Year Rates Pre-Indx</u>	<u>Utility Present Rates</u>	<u>Utility Proposed Interim Rates</u>	<u>Utility Proposed Final Rates</u>	<u>Commission Approved Interim Rates</u>
5/8" x 3/4"	\$ 10.44	\$ 10.55	\$ 11.50	\$ 15.36	\$ 11.49
1"	26.08	26.34	28.72	38.39	28.71
1 1/2"	52.16	52.69	57.46	76.79	57.42
2"	83.45	84.29	91.92	122.86	91.87
3"	166.89	168.58	183.84	245.71	183.73
4"	260.78	263.41	287.25	383.93	287.09
6"	521.54	526.81	574.49	767.84	574.16
Gallonage Charge per 1,000 gallons	\$ 3.56	\$ 3.60	\$ 3.93	\$ 4.52	\$ 3.92
6" (Hammock Dunes Bulk Rate)	\$ 193.83	\$ 195.79	\$ 213.51	\$ 285.64	\$ 213.39
Gallonage Charge/MG	\$ 1.00	\$ 1.01	\$ 1.10	\$ 1.26	\$ 1.10

Irrigation Service
(All Classes)

<u>Meter Size</u>	<u>Utility Test Year Rates Pre-Indx</u>	<u>Utility Present Rates</u>	<u>Utility Proposed Interim Rates</u>	<u>Utility Proposed Final Rates</u>	<u>Commission Approved Interim Rates</u>
5/8" x 3/4"	\$ 5.22	\$ 5.27	\$ 5.75	\$ 7.68	\$ 5.75
1"	26.08	26.34	28.72	38.39	28.71
1 1/2"	52.16	52.69	57.46	76.79	57.42
2"	83.45	84.29	91.92	122.86	91.87
3"	166.89	168.58	183.84	245.71	183.73
4"	260.78	263.41	287.25	383.93	287.09
6"	521.54	526.81	574.49	767.84	574.16
Gallonage Charge per 1,000 gallons	\$ 3.56	\$ 3.60	\$ 3.93	\$ 4.52	\$ 3.92

Private Fire Protection

<u>Meter Size</u>	<u>Utility Test Year Rates Pre-Indx</u>	<u>Utility Present Rates</u>	<u>Utility Proposed Interim Rates</u>	<u>Utility Proposed Final Rates</u>	<u>Commission Approved Interim Rates</u>
4"	\$ 86.91	\$ 87.89	\$ 95.73	\$ 31.97	\$ 95.68
6"	173.84	175.60	191.49	63.87	191.38
8"	278.14	280.95	306.38	102.18	306.20
10"	399.79	403.83	440.38	146.88	440.13
12"	747.39	754.94	823.26	274.58	822.80

Public Fire Hydrants

(Annual Charge)	\$ 100.00	\$100.00	\$ 100.00	\$ 0.00	\$ 100.00
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Schedule No. 4-B

PALM COAST UTILITY CORPORATION

SCHEDULE OF WASTEWATER RATES

Residential

<u>Meter Size</u>	<u>Utility Test Year Rates Pre-Indx</u>	<u>Utility Present Rates</u>	<u>Utility Proposed Interim Rates</u>	<u>Utility Proposed Final Rates</u>	<u>Commission Approved Interim Rates</u>
All Sizes	\$ 10.95	\$ 11.10	\$ 12.75	\$ 13.46	\$ 12.75
Gallonge Charge (MAX. 8,000 mg)	\$ 2.89	\$ 2.93	\$ 3.36	\$ 4.66	\$ 3.36
Minimum Bill	\$ 10.95	\$ 11.10	\$ 12.75	\$ 13.46	\$ 12.75
Maximum Bill	\$ 34.07	\$ 34.54	\$ 39.63	\$ 50.74	\$ 39.63

General Service and Multi-Family

<u>Meter Size</u>	<u>Utility Test Year Rates Pre-Indx</u>	<u>Utility Present Rates</u>	<u>Utility Proposed Interim Rates</u>	<u>Utility Proposed Final Rates</u>	<u>Commission Approved Interim Rates</u>
5/8" x 3/4"	\$ 10.95	\$ 11.10	\$ 12.75	\$ 13.46	\$ 12.75
1"	27.36	27.72	31.83	33.65	31.85
1 1/2"	54.71	55.44	63.66	67.31	63.68
2"	87.53	88.69	101.83	107.69	101.88
3"	175.06	177.39	203.68	215.38	203.77
4"	273.54	277.18	318.26	336.53	318.40
6"	547.07	554.35	636.50	673.05	636.79
Gallonge Charge (No Max.)	\$ 3.47	\$ 3.52	\$ 4.04	\$ 5.60	\$ 4.04
<u>Effluent Reuse Service</u>					
Gallonge Charge/MG	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.67	\$ 0.00

Schedule No. 4-B

PALM COAST UTILITY CORPORATION

SCHEDULE OF WASTEWATER RATES

Residential

<u>Meter Size</u>	<u>Utility Test Year Rates Pre-Indx</u>	<u>Utility Present Rates</u>	<u>Utility Proposed Interim Rates</u>	<u>Utility Proposed Final Rates</u>	<u>Commission Approved Interim Rates</u>
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General Service and Multi-Family

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Gallonge Charge (No Max.)	\$ 3.47	\$ 3.52	\$ 4.04	\$ 5.60	\$ 4.04
<u>Effluent Reuse Service</u>					
Gallonge Charge/MG	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.67	\$ 0.00