

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for a staff-) DOCKET NO. 951296-WS
assisted rate case in Volusia) ORDER NO. PSC-96-0934-FOF-WS
County by Plantation Bay Utility) ISSUED: July 18, 1996
Co.)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER GRANTING TEMPORARY RATES IN THE EVENT OF A PROTEST
AND
NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING INCREASED RATES AND CHARGES

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein except for the granting of temporary rates in the event of a protest, is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

BACKGROUND

Plantation Bay Utility Co. (PBU or utility) is a Class C water and wastewater utility operating in Volusia County. The system serves approximately 435 customers. PBU applied for a staff-assisted rate increase on November 2, 1995. The service territory extends into both Volusia and Flagler Counties.

Since its certification, docketed activity for this utility has included an application for a miscellaneous service charge in Docket No. 880477-WS, request for name change in Docket No. 911112-WS, a territory amendment in Docket No. 950181-WS, and the current staff assisted rate case. In addition to these docketed activities, the utility has taken advantage of price indexing and pass-through opportunities.

Ecocen, Inc. and Intervest Inc. have created a joint venture named Intervest at Plantation Bay Development for the purpose of selling lots and custom homes. While the water and wastewater utility is owned separately from these companies and joint venture

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FPSC-RECORDS/REPORTING

by four stockholders, these same stockholders are actively involved in Ecocen and Intervest. PBU is managed by employees from Intervest, Inc.

We approved an historical test year ended December 31, 1995. During the fiscal year, the utility's books reflected unaudited operating revenues of \$73,417 for water and \$81,209 for wastewater. The utility recorded unaudited net operating losses of \$105,314 for water and \$74,008 for wastewater.

This utility is within the St. Johns River Water Management District (SJRWMD). The service area is located thirteen miles north of Daytona Beach at the intersection of Old Dixie Highway and Interstate 95. The service area is in a defined caution use area, but according to the staff at the water management district, the utility is within prescribed usage levels.

QUALITY OF SERVICE

The customer meeting was held on May 11, 1995, at the Old Kings Elementary School in Flagler Beach, Florida. There were approximately 128 customers who attended the meeting. Of that number, 15 made comments. In addition, three written statements were received. Water quality was the primary concern of the customers. Compliance reliability for chemical testing such as copper was questioned, and customers complained about yellow or blue colored water, murky water, discoloration of clothing, sediment, stains and corrosion of plumbing fixtures. There were also complaints about the water taste and odor. Concern was also expressed regarding response time by the utility to customer service complaints.

Based upon the chemical testing results, we find that the utility is in compliance with health standards. We determined, through contacts with DEP, that there are no major compliance problems with this utility. However, there have been physical problems with plant equipment that have caused most of the above mentioned problems with the treated water supplied to the customers. The sand filter, with a faulty underdrain system, has been identified as the primary source of those problems.

The present management of the utility is aware of the problems, and is working towards correcting them. The utility has presented us with plans and related costs necessary to improve the treatment efficiency of the water treatment plant. One improvement, which is completed, is recent repairs made to the water plant lime slaker unit. Future improvements include the replacement of the sand media and repair of the underdrain system to the filter. Also, an overhaul of the slaker grit removal system

is necessary. We find these and other improvements necessary, and have included them as pro forma improvements. These improvements should control ph levels to prevent the discoloration of the water, and reduce the sediment, taste, and odor problems.

The remaining concern of the customers dealt with the utility's response to customer complaints. Although, we did not find problems relating to the handling of customer service complaints, the utility has indicated concern over the customers' perception in this area. It is presently reviewing its response procedure, and plans to increase customer education on this subject.

In light of the customers' apparent dissatisfaction with the quality of service provided by the utility, we are unable to find the utility's quality of service satisfactory. However, we do find that improved service should be noted after the above mentioned improvements are completed. We find it appropriate that the utility complete the proposed pro forma improvements within six months of the date of this Order. Our staff shall then determine if the water quality has improved through the reduction in the amount of sediment in the water, stabilized ph levels, and improvements in the taste and odor noticed by the customers. In addition, within thirty days of the date of this Order, the utility shall provide us a written statement explaining its plans to improve response to customer complaints. This statement shall include any plans to increase customer education in this area, after hours contact sources and any emergency repair plans. Also, for a period of six months after the date of this Order, the utility shall file quarterly reports pertaining to any customer complaints, and how the complaints were resolved.

RATE BASE

Our calculation of the appropriate rate base for the purposes of this proceeding is depicted on Schedules Nos. 1 and 1-A, and our adjustments are itemized on Schedule No. 1-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.

Used and Useful Plant

Water Treatment Plant

The design capacity of the water treatment plant is 750,000 gallons per day. For the purpose of this case, we find the well capacity of 612,000 gallons per day to be the present capacity of

the plant in the used and useful calculation. We consider this necessary since the wells are presently the most flow restrictive. Additional investment to construct pumping capacity will be necessary to meet the treatment plant capacity. The maximum daily flow that occurred during the test year was 153,200 gallons per day. With 17,164 gallons per day of margin reserve, we find that the water treatment plant is 38% used and useful.

Wastewater Treatment Plant

The wastewater treatment plant has a treatment capacity of 475,000 gallons per day. The average daily flow of the peak usage month during the test year was 69,000 gallons per day. With 7,726 gallons per day of margin reserve, we find that the wastewater treatment plant is 16% used and useful.

Water Distribution and Wastewater Collection Systems

The water distribution and wastewater collection systems have a capacity of 1,187 equivalent residential connections (ERCs). The average number of test year connections is 436 ERCs. With 49 ERCs added for margin reserve considerations, we find that the water distribution and wastewater collection systems is 41% used and useful.

Test Year Rate Base

The appropriate components of the utility rate base include depreciable plant in service, contributions in aid of construction (CIAC), accumulated depreciation, accumulated amortization of CIAC, and working capital allowance. Plant, depreciation, and CIAC balances were determined through the staff audit. Further adjustments are necessary to reflect test year changes, used and useful levels, and pro forma plant. A discussion of each component follows:

Plant-in-Service

We have made adjustments to water plant to reflect pro forma additions for filter repair of \$17,595, addition of high service pump for \$2,646, addition of fire hydrant meter for \$725 and repair of lime slaker system for \$2,329. We have made an averaging adjustment of (\$14,466) for test year additions and a reclassification of land valued at \$33,754. These adjustments result in a net decrease in water plant in service of \$24,925. We do not find that it would be cost effective at this time to require the utility to escrow the revenue associated with the pro forma additions. We have calculated the potential escrow amount at \$250 per month. Based on this amount and our decision to leave this

docket open to review completion of these pro forma additions and to gauge the status of the quality of service, we do not find it appropriate to require that revenues associated with the pro forma additions be placed in escrow. We find that water plant in service totals \$2,085,833.

We have made adjustments to wastewater plant to reflect pro forma additions for roof repair of \$3,240, addition of chlorine scales for \$1,457, an averaging adjustment of (\$3,764) for test year additions and a reclassification of land valued at \$50,000. These adjustments result in a net decrease in water plant in service of \$49,067. We find that wastewater plant in service totals \$1,747,095.

Land

The utility application included land value in plant in service. We have adjusted this account to record the book value for water plant land at \$33,754, and wastewater plant land at \$50,000.

Non-Used and Useful Plant

Based upon the application of used and useful percentages discussed earlier, we have reduced water and wastewater used and useful plant by \$1,178,990 and \$1,135,089, respectively, to reflect non-used and useful plant. In general terms, this utility was constructed to serve approximately 1,700 connections. At the present time, only one fourth of this capacity is being utilized.

Contributions-in-Aid-of-Construction (CIAC)

The sole adjustment to CIAC levels is to account for the non-used and useful portion of the contributions. We have added \$306,044 to the water system and \$527,403 to the wastewater system to true the CIAC levels to that determined as a result of the used and useful calculations. We find that the appropriate CIAC balance is (\$541,616) for water and (\$544,186) for wastewater.

Accumulated Depreciation

We calculated accumulated depreciation using the prescribed rates contained in Rule 25-30.140, Florida Administrative Code. We adjusted the accumulated depreciation balances to reflect pro forma additions of (\$673) for water and (\$109) for wastewater, and to reflect non-used and useful accumulated depreciation of \$426,711 for water and \$431,047 for wastewater. We find that the appropriate balance of accumulated depreciation balance is (\$307,741) for water and (\$164,174) for wastewater.

Accumulated Amortization

We calculated accumulated amortization of CIAC using the prescribed rates contained in Rule 25-30.140, Florida Administrative Code. Based on these rates, we have adjusted the utility filing by adding \$13,150 for water and \$24,362 for wastewater to reflect unrecorded amortization of CIAC during the test period. We also calculated the adjustment for non-used and useful accumulated amortization of CIAC, which results in a decrease in accumulated amortization of \$70,415 for water and \$115,652 for wastewater. We find that the appropriate balance of accumulated amortization of CIAC totals \$114,274 for water and \$113,005 for wastewater.

Working Capital Allowance

Consistent with Rule 25-30.433(2), Florida Administrative Code, the one-eighth of operation and maintenance (O&M) expense formula approach shall be used to calculate the working capital allowance. Applying this formula, we find that the appropriate working capital allowance is \$8,094 for water (based on O&M expense of \$64,751) and \$8,517 for wastewater (based on O&M expense of \$68,138).

Applying the foregoing adjustments, we find that the appropriate balance of PBU rate base is \$213,608 for water and \$75,169 for wastewater.

COST OF CAPITAL

Our calculation of the appropriate cost of capital and our adjustments are contained in Schedule No. 2. The utility's capital structure includes long-term debt, at an interest rate of 10%, equity, and customer deposits. Using the current leverage formula approved in Docket No. 950006-WS, Order No. PSC-95-0982-FOF-WS, issued August 8, 1995, we find that the rate of return on common equity is 10.27%. Applying the weighted average method to the total capital structure yields an overall rate of return of 10.15%. The company's debt and equity have been adjusted to match our allowance for rate base.

NET OPERATING INCOME

Our calculation of net operating income for the water system is depicted on Schedules Nos. 3-A and 3-D. Our calculation of net operating income for the wastewater system is depicted on Schedules Nos. 3-B and 3-E. Our adjustments are shown on Schedule No. 3-C.

Test Year Operating Revenue

The PBU water system recorded revenues of \$73,417 for water and \$81,209 for wastewater in 1995. Based on our review of the test year billing analysis we have increased annual revenues by \$967 for water and \$6,391 for wastewater for unrecorded receipts. We find that the appropriate test year operating revenue for water is \$74,384, and for wastewater, \$87,600.

Test Year Operating Expense

The utility recorded operating expense of \$178,731 for water and \$155,217 for wastewater. The components of these expenses include operation and maintenance (O&M) expenses, depreciation expense (net of related amortization of CIAC), and taxes other than income taxes.

A number of customers have expressed concerns over our reliance on "unaudited" numbers in preparing this case. These concerns stemmed from the following disclaimer in the staff audit report:

This is an internal accounting report prepared after performing a limited scope audit; accordingly, this document must not be relied upon for any purpose except to assist the Commission staff in the performance of their duties. Substantial additional work would have to be performed to satisfy generally accepted auditing standards (GAAS) and produce audited financial statements for public use.

The staff audit does not follow GAAS in all respects. To do so would be irrelevant for regulatory purposes. We find that the audit of the utility was sufficient in scope to provide us reasonable assurance that no material changes to the financial statements were necessary. The level of testing performed for small utilities meets and often exceeds the requirements of GAAS. The utility's test year operating expenses have been traced to supporting invoices. The auditor traced all material additions to rate base, recalculated income for the test period, and tested the expenses included in the income statement. In addition to the audit, we have compared the level of utility expense in this case with the levels of expense for other utilities of like size and treatment type to determine the reasonableness of utility expenditures.

Since the staff audit is completed for an entirely different purpose than a GAAS audit, we do not strictly follow the GAAS that are required of audits completed by external certified public accountants. While the staff audit is a primary resource of information in determining rates, it is not intended as a primary source of information for financial investment by the general public.

Operation and Maintenance (O&M) Expenses

The utility charged \$79,073 to water O&M and \$69,545 to wastewater O&M during 1995. Explanations of the utility's recorded expenses and our allowances follow:

1) Salaries and Wages - Employees - There is no specific expenditure for inhouse personnel, as the utility is charged a management fee for all services. This is discussed further under contractual services.

2) Salaries and Wages - Officers - There is no specific expenditure for inhouse personnel, as the utility is charged a management fee for all services (see contractual services).

3) Sludge Removal Expense - The utility included a provision for sludge removal expense of \$6,091. We have reduced this expense by \$278 to reclassify testing expense to the proper account. We find that the appropriate sludge removal expense is \$5,813.

4) Purchased Power - The utility included a provision for purchased power of \$12,866 for water and \$13,047 for wastewater. We have reduced this expense by \$1,393 for water and added \$703 for wastewater to correct the reported amount to the amount invoiced during the test year. We find that the appropriate purchased power expense is \$11,473 for water and \$13,750 for wastewater.

5) Chemicals - The utility recorded chemical expense of \$0 for water and \$3,517 for wastewater. We have reclassified \$8,330 from contractual services to chemical expense. We find this amount reasonable. Therefore, we find total chemical expense of \$8,330 for water and \$3,517 for wastewater reasonable.

6) Materials and Supplies - The utility recorded materials and supplies expense of \$3,239 for water and \$959 for wastewater. We find this amount to be reasonable and therefore, no adjustment is warranted.

7) Contractual Services - The utility recorded contractual service expense of \$58,594 for water and \$42,090 for wastewater. We have made adjustments to water contractual services to a) adjust

out legal costs associated with a stock sale for (\$565), b) adjust accounting expense for unrecorded invoices in the amount of \$263, c) adjust operator expense by \$467 to reflect actual test year expense, d) reclassify chemical expense of \$8,330, f) adjust out duplicative lead copper testing by (\$440), i) adjust out nonrecurring expense from the test year in the amount of \$8,753, and j) adjust recommended utility salary expense for water and wastewater systems by (\$2,191), to account for extensive outsourcing. Billing, operator services and accounting services are provided by subcontractors. Based on these audit adjustments which result in a total reduction of \$19,549, we find that the total water contractual services expense is \$39,045.

We have made adjustments to the wastewater contractual services to a) adjust out legal costs associated with a stock sale by (\$565), b) adjust accounting expense for unrecorded expense of \$263, c) adjust operator expense to reflect test year expense by (\$467), e) reclassify testing expense from sludge expense for \$278, g) adjust for pro forma tank painting expense of \$1,560 (\$7,800 paint job amortized over five years), h) adjust for pro forma storage pond cleaning of \$1,000 (\$5,000 expense amortized over five years) and j) adjust recommended utility salaries by (\$2,191) to achieve a prescribed level that reflects extensive outsourcing by the utility. Billing, operator services and accounting services are provided by subcontractors. Based on these audit adjustments which result in a reduction of \$122, we find that the total wastewater contractual services expense is \$41,968.

8) Rents - The utility included the rent expense in the management fee. We find no adjustment necessary.

9) Transportation Expenses - The utility included the transportation expense in the management fee. We find no adjustment necessary.

10) Insurance Expense - The utility reported insurance expense of \$3,266 for water and \$3,265 for wastewater. We have reduced this amount by \$1,960 for water and \$1,960 for wastewater to reflect the non-used and useful components of the insured rate base. We find that the appropriate water and wastewater insurance expenses are \$1,306 and \$1,305, respectively.

11) Regulatory Commission Expense - The utility recorded no regulatory commission (rate case) expense in the test year. We have made an adjustment of \$250 for each system to include an amortized portion of the instant rate case filing fee (\$2,000 amortized over four years).

We find that regulatory commission (rate case) expense totals \$250 for water and \$250 for wastewater.

12) Miscellaneous Expense - The utility recorded water miscellaneous expense of \$1,083 for water and \$552 for wastewater. We find no adjustment necessary. In addition, the utility recorded bad debt expense of \$25 for water and \$24 for wastewater. We find no adjustment is necessary. Therefore, we find that total miscellaneous expense is \$1,083 for water and \$552 for wastewater.

Operation and Maintenance Expenses (O&M) Summary

We have reduced total PBU O&M adjustments by \$14,322 for water and \$1,407 for wastewater. We find that operation and maintenance expense totals \$64,751 for water and \$68,138 for wastewater.

Depreciation Expense (Net of Amortization of CIAC)

We reduced depreciation expense by \$13,150 for water and \$24,362 for wastewater to reflect unrecorded amortization of CIAC and to agree this expense with NARUC approved rates. We have also adjusted for non-used and useful depreciation expense in the amount of (\$47,637) for water and (\$51,185) for wastewater. We have added \$673 and \$109, respectively, for water and wastewater depreciation expense for pro forma additions to plant in service. Finally, we increased non-used and useful amortization of CIAC in the amount of \$6,945 for water and \$15,519 for wastewater. Based on these adjustments, we find total depreciation expense, net of CIAC amortization, in the amount of \$29,082 for water and \$12,563 for wastewater.

Taxes Other Than Income Tax

The utility recorded \$17,407 for water and \$13,190 for wastewater taxes other than income. We find it appropriate to make a used and useful adjustment against the provision for property tax. Based on the percentage of used and useful plant, we have reduced water property tax by \$7,204 and wastewater property tax by \$4,803. We find that total water and wastewater taxes other than income in the test year is \$10,203 and \$8,387, respectively.

Operating Revenue

We have adjusted revenues by \$53,749 for water and \$9,547 for wastewater to reflect the increase in revenue required to cover utility expense and allow the utility an opportunity to earn the approved rate of return on investment.

Taxes Other Than Income Tax

We increased this expense by \$2,419 for water and \$430 for wastewater to reflect the regulatory assessment fee of 4.5% on the approved increase in revenue.

Operating Expense Summary

The application of our adjustments to the utility's test year operating expenses results in approved operating expense of \$106,455 for water and \$89,518 for wastewater.

REVENUE REQUIREMENT

We find that the appropriate annual increase in revenue is \$53,749 (72%) for water and \$9,547 (11%) for wastewater. These increases will allow the utility the opportunity to recover its expenses and earn a 10.15% return on investment. The revenue requirement and resulting annual increase are shown on Schedules Nos. 3-A and 3-B.

RATES AND CHARGES

During the test year, PBU provided water and wastewater service to approximately 435 customers. We have a memorandum of understanding with the Florida Water Management Districts. This memorandum recognizes that a joint cooperative effort is necessary to implement an effective, state wide water conservation policy. While water use at this utility is within reasonable levels, we find that rates determined by meter size and usage (no allowance for gallonage in the base facility charge) will continue to encourage continued conservation by the utility customers.

We have calculated a base facility/gallonage charge for water customers based on test year data. We find that the base facility/gallonage charge rate structure is the preferred rate structure, because it is designed to provide for the equitable sharing by the ratepayers of both the fixed and variable costs of providing service. The base facility charge is based upon the concept of readiness to serve all customers connected to the system. This ensures that rate payers pay their share of the costs of providing service through the consumption or gallonage charge and also pay their share of the fixed costs of providing service through the base facility charge.

Approximately 60% (or \$87,081) of the water revenue requirement is associated with the fixed costs of providing service. Fixed costs are recovered through the base facility charge based on the number of factored ERCs. The remaining 32% (or

\$41,052) of the water revenue requirement represents the consumption charge based on the estimated number of gallons consumed during the test period.

Approximately 65% (or \$63,254) of the wastewater revenue requirement is associated with the fixed costs of providing service. Fixed costs are recovered through the base facility charge based on the number of factored ERCs. The remaining 35% (or \$33,893) of the water revenue requirement represents the consumption charge based on the estimated number of gallons consumed during the test period.

Schedules of the utility's existing rates and our approved rates are as follows:

Plantation Bay Utility Co.
WATER RATES
RESIDENTIAL, MULTI-RESIDENTIAL, AND GENERAL SERVICE

<u>Meter Size</u>	<u>Base Facility Charge</u>	
	<u>Existing Rate</u>	<u>Commission Approved Rate</u>
5/8" x 3/4"	\$ 9.37	\$ 16.41
3/4"	N/A	24.62
1"	23.45	41.04
1-1/2"	46.91	82.07
2"	75.03	131.32
3"	150.08	262.64
4"	234.47	410.37
6"	468.97	820.75
Gallage Charge Per 1,000 gallons	\$ 1.14	\$ 1.90

Using the 428 test year residential water customers with an average water use of 3,988 gallons per month, the following is the average residential water bill comparison:

	<u>Average Bill Using Existing Rates</u>	<u>Average Bill Using Approved Rates</u>	<u>Percent Increase</u>
Base Facility Charge	\$ 9.37	\$16.41	
Gallage Charge	<u>4.55</u>	<u>7.57</u>	
Total	\$13.92	\$23.98	72%

Using the six test year general service water customers (excluding the clubhouse) with an average water use of 10,319 gallons per month, the following is the average 5/8 inch general service water bill comparison:

	<u>Average Bill Using Existing Rates</u>	<u>Average Bill Using Approved Rates</u>	<u>Percent Increase</u>
Base Facility Charge	\$ 9.37	\$16.41	
Gallonge Charge	<u>11.76</u>	<u>19.58</u>	
Total	\$21.13	\$35.99	70%

Using the clubhouse general service water customer with an average water use of 34,667 gallons per month, the following is the average 2 inch general service water bill comparison:

	<u>Average Bill Using Existing Rates</u>	<u>Average Bill Using Approved Rates</u>	<u>Percent Increase</u>
Base Facility Charge	\$ 75.03	\$131.32	
Gallonge Charge	<u>39.52</u>	<u>65.75</u>	
Total	\$114.55	\$197.07	72%

Plantation Bay Utility Co.
WASTEWATER RATES
GENERAL SERVICE

<u>Meter Size</u>	<u>Base Facility Charge</u>	
	<u>Existing Rate</u>	<u>Approved Rate</u>
5/8" x 3/4"	\$ 11.80	\$ 11.92
3/4"	N/A	17.89
1"	29.51	29.81
1-1/2"	59.06	59.62
2"	94.41	95.39
3"	188.96	190.78
4"	295.24	298.09
6"	590.50	596.17
Gallonge Charge Per 1,000 gallons	\$ 1.48	\$ 2.00

Using the clubhouse general service customer, with an average wastewater use of 34,670 gallons per month, and the remaining six general service customers, with average gallonage usage of 10,320, the following is the average general service wastewater bill comparison:

	Average Bill Using Existing Rates	Average Bill Using Approved Rates	Percent Increase
Clubhouse			
Base Facility Charge	\$ 94.41	\$ 95.39	
Gallonage Charge	<u>51.31</u>	<u>69.38</u>	
Total	\$145.72	\$164.77	13%
Six General Service Customers			
Base Facility Charge	\$ 11.80	\$ 11.92	
Gallonage Charge	<u>15.27</u>	<u>20.66</u>	
Total	\$ 27.07	\$ 32.58	20%

Plantation Bay Utility Co.
WASTEWATER RATES
RESIDENTIAL SERVICE

<u>Meter Size</u>	<u>Base Facility Charge</u>	
	<u>Existing Rate</u>	<u>Approved Rate</u>
5/8" x 3/4"	\$ 11.80	\$ 11.92
3/4"	11.80	17.89
1"	11.80	29.81
1-1/2"	11.80	59.62
2"	11.80	95.39
3"	11.80	190.78
4"	11.80	298.09
6"	11.80	596.17
Gallonage Charge Per 1,000 gallons (10,000 gallon cap)	\$ 1.23	\$ 1.67

Using the 428 test year residential wastewater customers with an average water use of 3,690 gallons per month, the following is the average residential wastewater bill comparison:

	<u>Average Bill Using Existing Rates</u>	<u>Average Bill Using Approved Rates</u>	<u>Percent Increase</u>
Base Facility Charge	\$ 11.80	\$11.92	
Gallonge Charge	<u>4.53</u>	<u>6.15</u>	
Total	\$ 16.33	\$18.07	11%

SERVICE AVAILABILITY CHARGES

By Order No. 25429, issued January 6, 1992, we approved a system capacity charge per ERC for water and wastewater. Currently, the utility's tariff contains service availability charges that include a meter installation fee of \$100 for water, a customer connection (tap-in) fee of \$636 for water and \$531 for wastewater.

The water and wastewater treatment plant can accommodate approximately 1,200 additional connections. The current charges will not cause the utility to exceed the 75% maximum level at build out pursuant to Rule 25-30.580(1), Florida Administrative Code. Therefore, we find that the currently approved service availability charges are appropriate.

EFFECTIVE DATE

The rates shall be effective for service rendered as of the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, Florida Administrative Code, provided the customers have received notice. The utility shall provide proof of the date notice was given within 10 days of the date notice was given. The tariff sheets shall be approved upon staff's verification that the tariffs are consistent with our decision herein, that the customer notice is adequate, and that any required security has been provided.

If the effective date of the new rates falls within a regular billing cycle, the initial bills at the new rate may be prorated. The old charge shall be prorated based on the number of days in the billing cycle before the effective date of the new rates. The new charge shall be prorated based on the number of days in the billing cycle on or after the effective date of the new rates. In no event shall the rates be effective for service rendered prior to the stamped approval date on the tariffs.

STATUTORY RATE REDUCTION AND RECOVERY PERIOD

Section 367.0816, Florida Statutes, requires that the rates be reduced immediately following the expiration of the four year period by the amount of the rate case expense previously included in the rates. The reduction will reflect the removal of revenues associated with the amortization of rate case expense and the gross-up for regulatory assessment fees. This amount is \$523. The reduction in revenues results in the rates Shown on Schedule Nos. 4-A and 4-B.

The utility shall be required to file revised tariff sheets no later than one month prior to the actual date of the required rate reduction. The utility shall also be required to 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 the price index and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense.

TEMPORARY RATES IN THE EVENT OF A PROTEST

This Order contains an increase in water and wastewater rates for PBU. A timely protest might delay what may be a justified rate increase resulting in an unrecoverable loss of revenue to the utility. Therefore, in the event of a protest filed by a party other than the utility, we hereby authorize the utility to collect the rates approved herein on a temporary basis, subject to refund, provided the utility first furnishes and has approved by staff, adequate security for a potential refund, a copy of the proposed customer notice and revised tariff sheets. The security should be in the form of a bond or letter of credit in the amount of \$37,123 for water and \$6,594 for wastewater. Alternatively, the utility may establish an escrow agreement with an independent financial institution.

If the utility chooses a bond as security, the bond shall contain wording to the affect that it will be terminated only under the following conditions:

- 1) The Commission approves the rate increase; or
- 2) If the Commission denies the increase, the utility shall refund the amount collected that is attributable to the increase.

If the utility chooses a letter of credit as a security, it shall contain the following conditions:

- 1) The letter of credit is irrevocable for the period it is in effect.
- 2) The letter of credit will be in effect until final Commission order is rendered, either approving or denying the rate increase.

If security is provided through an escrow agreement, the following conditions shall be part of the agreement:

- 1) No refunds in the escrow account may be withdrawn by the utility without the express approval of the Commission.
- 2) The escrow account shall be an interest bearing account.
- 3) If a refund to the customers is required, all interest earned by the escrow account shall be distributed to the customers.
- 4) If a refund to the customers is not required, the interest earned by the escrow account shall revert to the utility.
- 5) All information on the escrow account shall be available from the holder of the escrow account to a Commission representative at all times.
- 6) The amount of revenue subject to refund shall be deposited in the escrow account within seven days of receipt.
- 7) This escrow account is established by the direction of the Florida Public Service Commission for the purpose(s) set forth in its order requiring such account. Pursuant to Cosentino v. Elson, 263 So.2d 253 (Fla. 3d DCA 1972), escrow accounts are not subject to garnishments.
- 8) The Director of Records and Reporting must be a signatory to the escrow agreement.

In no instance shall the maintenance and administrative costs associated with the refund be borne by the customers. These costs are the responsibility of, and shall be borne by, the utility. Irrespective of the form of security chosen by the utility, an account of all monies received as a result of the rate increase shall be maintained by the utility. This account must specify by

ORDER NO. PSC-96-0934-FOF-WS
DOCKET NO. 951296-WS
PAGE 18

whom and on whose behalf such monies were paid. If a refund is ultimately required, it shall be paid with interest calculated pursuant to Rule 25-30.360(4), Florida Administrative Code.

The utility shall maintain a record of the amount of the bond, and the amount of revenues that are subject to refund. In addition, after the increased rates are in effect, the utility shall file reports with the Division of Water and Wastewater no later than 20 days after each monthly billing. These reports shall indicate the amount of revenue collected under the increased rates. This docket shall remain open upon expiration of the protest period for a period of ten months from the date of this Order. This time frame will give staff sufficient opportunity to review the construction of pro forma plant and to survey utility customers regarding the level of service being provided.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Plantation Bay Utility Co.'s application for increased water and wastewater rates is hereby 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 is hereby approved in every respect. It is further

ORDERED that Plantation Bay Utility Co. shall complete the proposed pro forma improvements set forth herein within six months of the date of this Order. It is further

ORDERED that within thirty days of the date of this Order, Plantation Bay Utility Co. shall file with the Commission a written statement explaining its plans to improve response to customer complaints. This statement shall include any plans to increase customer education in this area, after hours contact sources and any emergency repair plans. It is further

ORDERED that for a period of six months from the date of this Order, Plantation Bay Utility Co. shall file with the Commission quarterly reports pertaining to any customer complaints, and how the complaints were resolved. It is further

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

ORDERED that Plantation Bay Utility Co. is hereby authorized to charge the new rates and charges as set forth in the body of this Order. It is further

ORDER NO. PSC-96-0934-FOF-WS
DOCKET NO. 951296-WS
PAGE 19

ORDERED that Plantation Bay Utility Co.'s rates and charges shall be effective for service rendered on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(1), Florida Administrative Code, provided that the customers have received proper notice. It is further

ORDERED that Plantation Bay Utility Co. shall provide proof that the customers have received notice within ten days of the date of the notice. It is further

ORDERED that prior to its implementation of the rates and charges approved herein, Plantation Bay Utility Co. shall submit and have approved a bond or letter of credit in the amount of \$47,426. Alternatively, Plantation Bay Utility Co. may establish an escrow agreement as a guarantee of any potential refund of revenues collected on a temporary basis. It is further

ORDERED that Plantation Bay Utility Co.'s existing service availability charges shall be maintained. It is further

ORDERED that in the event of a protest by any substantially affected person other than the utility, Plantation Bay Utility Co., is authorized to collect the rates approved on a temporary basis, subject to refund in accordance with Rule 25-30.360, Florida Administrative Code, provided that Plantation Bay Utility Co. has furnished satisfactory security for any potential refund and provided that it has submitted and staff has approved revised tariff pages and a proposed customer notice. It is further

ORDERED that, prior to its implementation of the rates and charges approved herein, Plantation Bay Utility Co. 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 protest period has expired, that the customer notice is adequate and that the required security has been provided. 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 file a customer notice. It is further

ORDERED that Plantation Bay Utility Co. shall submit monthly reports as set forth in the body of this Order. It is further

ORDERED that the provisions of this Order except for the granting of temporary rates in the event of a protest, are issued

ORDER NO. PSC-96-0934-FOF-WS
DOCKET NO. 951296-WS
PAGE 20

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, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the Notice of Further Proceedings or Judicial Review attached hereto. It is further

ORDERED that if no timely protest is received from a substantially affected person, this docket shall be closed administratively ten months from the date of this Order, upon the utility's filing and staff's approval of revised tariff sheets and the customer notice, and upon staff's verification of the utility's construction of pro forma plant and customer satisfaction of the utility's quality of service.

By ORDER of the Florida Public Service Commission, this 18th day of July, 1996.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay Flynn
Chief, Bureau of Records

(S E A L)

TV

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 except for the granting of temporary rates in the event of a protest, 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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on August 8, 1996.

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 substantially 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.

PLANTATION BAY UTILITY COMPANY
 TEST YEAR ENDING DECEMBER 31, 1995
 SCHEDULE OF WATER RATE BASE

SCHEDULE NO. 1
 DOCKET NO. 951296-WS

	BALANCE PER UTILITY 12/31/1995	COMMISSION ADJ. TO UTIL. BAL.	BALANCE PER COMMISSION
UTILITY PLANT IN SERVICE	\$2,110,758	(\$24,925) A	\$2,085,833
LAND/NON-DEPRECIABLE ASSETS	0	33,754 B	33,754
PLANT HELD FOR FUTURE USE	0	0	0
NON-USED AND USEFUL PLANT	0	(1,178,990) C	(1,178,990)
CWIP	0	0	0
CIAC	(847,660)	306,044 D	(541,616)
ACCUMULATED DEPRECIATION	(733,779)	426,038 E	(307,741)
AMORTIZATION OF ACQUISITION ADJUSTMENT	0	0	0
AMORTIZATION OF CIAC	171,539	(57,265) F	114,274
WORKING CAPITAL ALLOWANCE	0	8,094 G	8,094
WATER RATE BASE	\$700,858	(\$487,250)	\$213,608

PLANTATION BAY UTILITY COMPANY
 TEST YEAR ENDING DECEMBER 31, 1995
 SCHEDULE OF WASTEWATER RATE BASE

SCHEDULE NO. 1-A
 DOCKET NO. 951296-WS

	BALANCE PER UTILITY 12/31/1995	COMMISSION ADJ. TO UTIL. BAL.	BALANCE PER COMMISSION
UTILITY PLANT IN SERVICE	\$1,796,162	(\$49,067) A	\$1,747,095
LAND/NON-DEPRECIABLE ASSETS	0	50,000 B	50,000
PLANT HELD FOR FUTURE USE	0	0	0
NON-USED AND USEFUL PLANT	0	(1,135,089) C	(1,135,089)
CWIP	0	0	0
CIAC	(1,071,589)	527,403 D	(544,186)
ACCUMULATED DEPRECIATION	(595,112)	430,938 E	(164,174)
AMORTIZATION OF ACQUISITION ADJUSTMENT	0	0	0
AMORTIZATION OF CIAC	204,295	(91,290) F	113,005
WORKING CAPITAL ALLOWANCE	0	8,517 G	8,517
WASTEWATER RATE BASE	\$333,756	(\$258,587)	\$75,169

PLANTATION BAY UTILITY COMPANY
 TEST YEAR ENDING DECEMBER 31, 1995
 ADJUSTMENTS TO RATE BASE

SCHEDULE NO. 1-B
 DOCKET NO. 951296-WS

	WATER	WASTE- WATER
A. UTILITY PLANT IN SERVICE		
1. Pro forma filter repair	\$ 17,595	\$ 0
2. Pro forma high service pump	2,646	0
3. Pro forma fire hydrant meter	725	0
4. Pro forma lime slaker system (\$1,398 add. & \$931 repair)	2,329	0
5. Pro forma roof repair	0	3,240
6. Pro forma chlorine scales	0	1,457
7. Reflect averaging adjustment	(14,466)	(3,764)
8. To reclass value of land	(33,754)	(50,000)
9.	0	0
	<u>\$ (24,925)</u>	<u>\$ (49,067)</u>
B. LAND		
1. To reclass value of land from pis	\$ 33,754	\$ 50,000
2.	0	0
	<u>\$ 33,754</u>	<u>\$ 50,000</u>
C. NON-USED AND USEFUL PLANT		
1. To reflect non-used and useful plant	\$ (1,178,990)	\$ (1,135,089)
D. CIAC		
1. To reflect non-used and useful CIAC	\$ 326,778	\$ 544,714
2. To reflect imputation of CIAC against margin reserve	(20,734)	(17,311)
3.	0	0
4.	0	0
	<u>\$ 306,044</u>	<u>\$ 527,403</u>
E. ACCUMULATED DEPRECIATION		
1. To record 1/2 year accumulated depr. on pro forma plant	\$ (673)	\$ (109)
2. To reflect non-used and useful accumulated depreciation	426,711	431,047
3.	0	0
4.	0	0
5.	0	0
6.	0	0
7.	0	0
	<u>\$ 426,038</u>	<u>\$ 430,938</u>
F. AMORTIZATION OF CIAC		
1. To record test year amortization (AJE 1)	\$ 13,150	\$ 24,362
2. To reflect non-used and useful amort.	(71,204)	(116,241)
3. To reflect imputation of CIAC amort. assoc. with margin reserve	789	589
4.	0	0
	<u>\$ (57,265)</u>	<u>\$ (91,290)</u>
G. WORKING CAPITAL ALLOWANCE		
1. To reflect 1/8 of test year O & M expenses	\$ 8,094	\$ 8,517

PLANTATION BAY UTILITY COMPANY
 TEST YEAR ENDING DECEMBER 31, 1995
 SCHEDULE OF CAPITAL STRUCTURE

SCHEDULE NO. 2
 DOCKET NO. 951296-WS

	PER UTL. 12/31/1995	COMMISSION ADJ. TO UTIL. BAL.	BALANCE PER COMMISSION	PERCENT OF TOTAL	COST	WEIGHTED COST
LONG-TERM DEBT	\$ 52,000	\$ (37,759)	\$ 14,241	4.93%	10.00%	0.49%
LONG-TERM DEBT	0	0	0	0.00%	0.00%	0.00%
LONG-TERM DEBT	0	0	0	0.00%	0.00%	0.00%
LONG-TERM DEBT	0	0	0	0.00%	0.00%	0.00%
LONG-TERM DEBT	0	0	0	0.00%	0.00%	0.00%
LONG-TERM DEBT	0	0	0	0.00%	0.00%	0.00%
LONG-TERM DEBT	0	0	0	0.00%	0.00%	0.00%
LONG-TERM DEBT	0	0	0	0.00%	0.00%	0.00%
EQUITY	975,124	(708,078)	267,046	92.47%	10.27%	9.50%
PREFERRED STOCK	0	0	0	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	7,490	0	7,490	2.59%	6.00%	0.16%
TOTAL	\$ 1,034,614	\$ (745,837)	\$ 288,777	100.00%		10.15%
RATE BASE	1,034,614		288,777			

<u>RANGE OF REASONABLENESS</u>	<u>LOW</u>	<u>HIGH</u>
RETURN ON EQUITY	9.27%	11.27%
OVERALL RATE OF RETURN	9.22%	11.07%

PLANTATION BAY UTILITY COMPANY
TEST YEAR ENDING DECEMBER 31, 1995
SCHEDULE OF WATER OPERATING INCOME

SCHEDULE NO. 3-A
DOCKET NO. 951296-WS

	TEST YEAR PER UTILITY	COMMISSION ADJ. TO UTILITY	COMMISSION ADJUSTED TEST YEAR	ADJUST. FOR INCREASE	TOTAL PER COMMISSION
OPERATING REVENUES	\$ 73,417	\$ 967	\$ 74,384	\$ 53,749 E	\$ 128,133
OPERATING EXPENSES					
OPERATION AND MAINTENANCE	79,073	(14,322) A	64,751	0	64,751
DEPRECIATION	82,251	(53,169) B	29,082	0	29,082
AMORTIZATION	0	0 C	0	0	0
TAXES OTHER THAN INCOME	17,407	(7,204) D	10,203	2,419 F	12,622
INCOME TAXES	0	0	0	0	0
TOTAL OPERATING EXPENSES	\$ 178,731	\$ (74,695)	\$ 104,036	\$ 2,419	\$ 106,455
OPERATING INCOME / (LOSS)	\$ (105,314)		\$ (29,652)		\$ 21,679
WATER RATE BASE	\$ 700,858		\$ 213,608		\$ 213,608
RATE OF RETURN	<u>-15.03%</u>		<u>-13.88%</u>		<u>10.15%</u>

PLANTATION BAY UTILITY COMPANY
TEST YEAR ENDING DECEMBER 31, 1995
SCHEDULE OF WASTEWATER OPERATING INCOME

SCHEDULE NO. 3-B
DOCKET NO. 951296-WS

	<u>TEST YEAR PER UTILITY</u>	<u>COMMISSION ADJ. TO UTILITY</u>	<u>COMMISSION ADJUSTED TEST YEAR</u>	<u>ADJUST. FOR INCREASE</u>	<u>TOTAL PER COMMISSION</u>
OPERATING REVENUES	\$ 81,209	\$ 6,391	\$ 87,600	\$ 9,547 E	\$ 97,146
OPERATING EXPENSES					
OPERATION AND MAINTENANCE	69,545	(1,407) A	68,138	0	68,138
DEPRECIATION	72,482	(59,919) B	12,563	0	12,563
AMORTIZATION	0	0 C	0	0	0
TAXES OTHER THAN INCOME	13,190	(4,803) D	8,387	430 F	8,817
INCOME TAXES	0	0	0	0	0
TOTAL OPERATING EXPENSES	\$ 155,217	\$ (66,129)	\$ 89,088	\$ 430	\$ 89,518
OPERATING INCOME / (LOSS)	\$ (74,008)		\$ (1,488)		\$ 7,629
WASTEWATER RATE BASE	\$ 333,756		\$ 75,169		\$ 75,169
RATE OF RETURN	<u>-22.17%</u>		<u>-1.98%</u>		<u>10.15%</u>

PLANTATION BAY UTILITY COMPANY
 TEST YEAR ENDING DECEMBER 31, 1995
 ADJUSTMENTS TO OPERATING INCOME

SCHEDULE NO. 3-C (Sheet 1 of 2)
 DOCKET NO. 951296-WS

<u>REVENUE</u>	<u>WATER</u>	<u>WASTE- WATER</u>
a. To adjust income to the billing analysis	967	6,391
b.	0	0
	<u>\$ 967</u>	<u>\$ 6,391</u>
A. OPERATION AND MAINTENANCE EXPENSES		
<u>1. Salaries and Wages (Employees)</u>		
a.	<u>\$ 0</u>	<u>\$ 0</u>
<u>2. Salaries and Wages (Officers)</u>		
a.	<u>\$ 0</u>	<u>\$ 0</u>
<u>3. Sludge Removal Expense</u>		
a. Reclass testing expense (Eng.)	0	(278)
b.	0	0
	<u>\$ 0</u>	<u>\$ (278)</u>
<u>4. Purchased Water/Purchased Power</u>		
a. To correct purchased power expense (AJE 2)	(1,393)	703
b.	0	0
	<u>\$ (1,393)</u>	<u>\$ 703</u>
<u>5. Chemicals</u>		
a. Adjust from contractual services	8,330	0
b.	0	0
	<u>\$ 8,330</u>	<u>\$ 0</u>
<u>6. Materials and Supplies</u>		
a.	<u>\$ 0</u>	<u>\$ 0</u>
<u>7. Contractual Services</u>		
a. Adjust out legal costs related to stock sale (AJE 3)	(565)	(565)
b. Adjust accounting expense to reflect test year expense (AJE 4)	263	263
c. Adjust operator expense to reflect test year expense (AJE 5)	467	(467)
d. Adjust from contractual services to chemical expense	(8,330)	0
e. Reclass testing expense from sludge expense (Eng.)	0	278
f. Adj. out duplicative lead copper test expense (Eng.)	(440)	0
g. Pro forma tank painting expense (Eng.) (\$7,800/5)	0	1,560
h. Pro forma storage pond cleaning expense (Eng.) (\$5,000/5)	0	1,000
i. Adjust out nonrecurring expense from test year expenses	(8,753)	0
j. Adjust salary allocation to reflect outsourcing	(2,191)	(2,191)
	0	0
	0	0
	<u>\$ (19,549)</u>	<u>\$ (122)</u>
<u>8. Rents</u>		
a.	0	0
b.	0	0
c.	0	0
	<u>\$ 0</u>	<u>\$ 0</u>
<u>9. Transportation Expenses</u>		
a.	0	0
b.	0	0
c.	0	0
	<u>\$ 0</u>	<u>\$ 0</u>
<u>10. Insurance Expense</u>		
a. Adjust insurance expense for non-used and useful plant	(1,960)	(1,960)
b.	0	0
c.	0	0
d.	0	0
e.	0	0
	<u>\$ (1,960)</u>	<u>\$ (1,960)</u>

PLANTATION BAY UTILITY COMPANY
TEST YEAR ENDING DECEMBER 31, 1995
ANALYSIS OF WATER OPERATION AND
MAINTENANCE EXPENSE

SCHEDULE NO. 3-D
DOCKET NO. 951296-WS

	<u>TOTAL PER UTIL.</u>	<u>COMMISSION ADJUST.</u>		<u>TOTAL PER COMMISSION</u>
(601) SALARIES AND WAGES - EMPLOYEES	\$ 0	\$ 0	[1]	0
(603) SALARIES AND WAGES - OFFICERS	0	0	[2]	0
(604) EMPLOYEE PENSIONS AND BENEFITS	0	0		0
(610) PURCHASED WATER	0	0	[4]	0
(615) PURCHASED POWER	12,866	(1,393)		11,473
(616) FUEL FOR POWER PRODUCTION	0	0		0
(618) CHEMICALS	0	8,330	[5]	8,330
(620) MATERIALS AND SUPPLIES	3,239	0	[6]	3,239
(630) CONTRACTUAL SERVICES	58,594	(19,549)	[7]	37,545
DEP REQUIRED TESTING	0	0		1,500
(640) RENTS	0	0	[8]	0
(650) TRANSPORTATION EXPENSE	0	0	[9]	0
(655) INSURANCE EXPENSE	3,266	(1,960)	[10]	1,306
(655) REGULATORY COMMISSION EXPENSE	0	250	[11]	250
(670) BAD DEBT EXPENSE	25	0		25
(675) MISCELLANEOUS EXPENSES	1,083	0	[12]	1,083
UNCLASSIFIED DISBURSEMENTS	0	0	[13]	0
	<u>\$ 79,073</u>	<u>\$ (14,322)</u>		<u>\$ 64,751</u>

PLANTATION BAY UTILITY COMPANY
 TEST YEAR ENDING DECEMBER 31, 1995
 ANALYSIS OF WASTEWATER OPERATION AND
 MAINTENANCE EXPENSE

SCHEDULE NO. 3-E
 DOCKET NO. 951296-WS

	TOTAL PER UTIL.	COMMISSION ADJUST.		TOTAL PER COMMISSION
(701) SALARIES AND WAGES - EMPLOYEES	\$ 0	\$ 0	[1]	0
(703) SALARIES AND WAGES - OFFICERS	0	0	[2]	0
(704) EMPLOYEE PENSIONS AND BENEFITS	0	0		0
(710) PURCHASED SEWAGE TREATMENT SLUDGE REMOVAL	6,091	(278)	[3]	5,813
(715) PURCHASED POWER	13,047	703	[4]	13,750
(716) FUEL FOR POWER PRODUCTION	0	0		0
(718) CHEMICALS	3,517	0	[5]	3,517
(720) MATERIALS AND SUPPLIES	959	0	[6]	959
(730) CONTRACTUAL SERVICES	42,090	(122)	[7]	41,968
(740) RENTS	0	0	[8]	0
(750) TRANSPORTATION EXPENSE	0	0	[9]	0
(755) INSURANCE EXPENSE	3,265	(1,960)	[10]	1,305
(765) REGULATORY COMMISSION EXPENSES	0	250	[11]	250
(770) BAD DEBT EXPENSE	24	0		24
(775) MISCELLANEOUS EXPENSES	552	0	[12]	552
UNCLASSIFIED DISBURSEMENTS	0	0	[13]	0
	\$ 69,545	\$ (1,407)		\$ 68,138

RECOMMENDED RATE REDUCTION SCHEDULE

PLANTATION BAY UTILITY COMPANY
TEST YEAR ENDING DECEMBER 31, 1995
CALCULATION OF RATE REDUCTION AMOUNT

SCHEDULE NO. 4-A
DOCKET NO. 951296-WS

CALCULATION OF RATE REDUCTION AMOUNT
AFTER RECOVERY OF RATE CASE EXPENSE AMORTIZATION PERIOD OF FOUR YEARS
RATE BASE CALCULATION

MONTHLY WATER RATES

<u>RESIDENTIAL AND GENERAL SERVICE</u>	<u>RECOMMENDED RATES</u>	<u>RATE DECREASE</u>
BASE FACILITY CHARGE:		
Meter Size:		
5/8"X3/4"	\$ 16.41	0.03
3/4"	24.62	0.05
1"	41.04	0.08
1-1/2"	82.07	0.17
2"	131.32	0.27
3"	262.64	0.54
4"	410.37	0.84
6"	820.75	1.68
RESIDENTIAL GALLONAGE CHARGE PER 1,000 GALLONS	\$ 1.90	0.00

RECOMMENDED RATE REDUCTION SCHEDULE

PLANTATION BAY UTILITY COMPANY
TEST YEAR ENDING DECEMBER 31, 1995
CALCULATION OF RATE REDUCTION AMOUNT

SCHEDULE NO. 4-B
DOCKET NO. 951296-WS

CALCULATION OF RATE REDUCTION AMOUNT
AFTER RECOVERY OF RATE CASE EXPENSE AMORTIZATION PERIOD OF FOUR YEARS

MONTHLY WASTEWATER RATES

<u>RESIDENTIAL AND GENERAL SERVICE</u>	<u>RECOMMENDED RATES</u>	<u>RATE DECREASE</u>
BASE FACILITY CHARGE:		
Meter Size:		
5/8"X3/4"	\$ 11.92	0.03
1"	17.89	0.05
1-1/4"	29.81	0.08
1-1/2"	59.62	0.16
2"	95.39	0.26
3"	190.78	0.51
4"	298.09	0.80
6"	596.17	1.61
RESIDENTIAL GALLONAGE CHARGE PER 1,000 GALLONS	\$ 1.67	0.00