

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for rate
increase in Marion, Orange,
Pasco, Pinellas, and Seminole
Counties by Utilities, Inc. of
Florida.

DOCKET NO. 020071-WS
ORDER NO. PSC-03-0568-PCO-WS
ISSUED: May 5, 2003

The following Commissioners participated in the disposition of
this matter:

LILA A. JABER, Chairman
J. TERRY DEASON
BRAULIO L. BAEZ
RUDOLPH "RUDY" BRADLEY
CHARLES M. DAVIDSON

ORDER GRANTING INTERIM RATE INCREASE SUBJECT TO REFUND

BY THE COMMISSION:

BACKGROUND

Utilities, Inc. of Florida (UIF or utility) is a Class A utility providing water and wastewater service to 23 systems in the following counties: Marion, Orange, Pasco, Pinellas, and Seminole. UIF is a wholly-owned subsidiary of Utilities, Inc. (UI).

By letter dated February 26, 2002, UIF requested test year approval in order to file an application for general rate relief for all of its systems. On June 28, 2002, the utility filed minimum filing requirements (MFRs) to justify its requested rate increase. By letter dated July 19, 2002, the utility was notified that the MFRs were deficient. In response to that deficiency letter, the utility submitted additional explanations, schedules and data on September 3, 2002. However, by letter dated September 11, 2002, the utility was notified that the MFRs were still deficient. UIF corrected the remaining deficiencies on October 3, 2002. Thus, October 3, 2002, was established as the official date of filing for this rate case.

DOCUMENT NUMBER-DATE

04037 MAY-5 3

FPSC-03-0568-PCO-WS CLERK

UIF's requested test year for final and interim purposes is the historical year ended December 31, 2001. The utility has requested that the rate case be scheduled directly for hearing, and it filed its direct testimony with its June 28, 2002, MFR filing. The Office of Public Counsel (OPC) served its Notice of Intervention in this docket and by Order No. PSC-02-1026-PCO-WS, issued July 29, 2002, OPC's intervention was acknowledged.

On October 31, 2002, UIF materially amended its MFR rate schedules, and as such, the official date of filing was reset to that date. By letter dated December 4, 2002, UIF waived the 60-day statutory deadline for this Commission to consider interim rates to April 29, 2003. The utility also waived the 8-month statutory deadline for final action on its application to October 28, 2003. By Order PSC-03-0030-PCO-WS, issued January 6, 2003, we suspended the utility's rate increase request.

On March 6, 2003, OPC filed a Motion for Extension of Time to File Testimony (Motion for Extension of time), a Motion to Dismiss UIF's Petition for Rate Increase, and a Request for Oral Argument on both Motions. On March 10, 2003, UIF filed a Response to OPC's Motion to Dismiss and a Request for Oral Argument on both Motions. OPC since withdrew its Motion to Dismiss, both parties withdrew their Requests for Oral Argument, and UIF stated that it did not oppose OPC's Motion for Extension of Time. By Order No. PSC-03-0389-PCO-WS, issued March 20, 2003, OPC's Motion for Extension of Time was granted, and UIF's further waiver of the 8-month statutory deadline was acknowledged. Therefore, the deadline for Commission action on final rates is November 25, 2003.

In its MFRs, the utility requested total company annual interim revenues of \$1,433,786 for water and \$1,019,014 for wastewater. This represents a revenue increase of \$120,660 (9.19%) for water and \$256,242 (33.59%) for wastewater. The utility's most recent rate proceeding for Marion and Pinellas Counties was addressed by Order No. PSC-94-0739-FOF-WS, issued June 16, 1994, in Docket No. 930826-WS. UIF's most recent rate proceeding for Orange, Pasco and Seminole Counties was addressed by Order No. PSC-95-0574-FOF-WS, issued May 9, 1995, in Docket No. 940917-WS. Subsequent to those cases, this Commission approved the acquisition of the Wis-Bar and Sunshine Systems in Pasco County from Bartelt Enterprises. Order No. PSC-01-1655-PAA-WS, issued August 13, 2001,

in Docket No. 000793-WS (consummated by Order No. PSC-01-1824-CO-WS, issued September 11, 2001). Further, this Commission approved the sale of the Druid Isles water system and a portion of the Oakland Shores water system in Orange County to the City of Maitland by Order No. PSC-99-2171-FOF-WU, issued November 8, 1999, in Docket No. 981589-WU. We also approved the sale of the Green Acres facilities in Seminole County to the City of Altamonte Springs by Order No. PSC-99-2373-FOF-WS, issued December 6, 1999, in Docket No. 991288-WS. The utility is not requesting any changes to its miscellaneous service or service availability charges.

This Order addresses the utility's request for interim rates. We have jurisdiction pursuant to Section 367.082, Florida Statutes.

INTERIM RATES

Pasco County Water and Wastewater Systems; Seminole County Water Systems

In its MFRs, UIF requested interim rates which would be uniform for all systems within each individual county. However, the existing rate structures for the water and wastewater systems in Pasco County and the water systems in Seminole County utilize non-uniform rates. Specifically, the Pasco County systems include separate rates for the systems acquired from Bartelt Enterprises, Inc., and the Oakland Shores system in Seminole County was included in the Orange County rate structure in the last rate case, because the system served customers in both counties. As stated above, the Orange County portion of the system was sold to the City of Maitland, leaving the Seminole County portion with a rate structure different from the other Seminole County water systems. The utility did not provide sufficient data in its MFRs to calculate separate interim revenue requirements for those systems that have different rates within given counties. Our staff advised the utility of this issue at the time of issuance of the initial MFR deficiency notice. However, UIF has not filed the requisite data.

Because the utility did not provide sufficient data in its MFRs to calculate separate interim revenue requirements for each system, UIF's interim rate increase requested for the water and

wastewater systems in Pasco County and for the water systems in Seminole County is denied.¹

Marion County Water and Wastewater Systems; Orange and Pinellas County Water Systems; Seminole County Wastewater Systems

UIF requested interim rates designed to generate annual total company water revenues of \$1,433,786 and wastewater revenues of \$1,019,014. This represents a water revenue increase of \$120,660 (9.19%) and a wastewater revenue increase of \$256,242 (33.59%). The utility has filed rate base, cost of capital, and operating statements to support its requested water and wastewater increases.

Pursuant to Section 367.082(5)(b)(1), Florida Statutes, the achieved rate of return for interim purposes shall be calculated by applying appropriate adjustments consistent with those used in the utility's most recent rate proceeding. We have reviewed the utility's interim request, as well as prior orders concerning the utility's systems, and we find it appropriate to increase UIF's rates on an interim basis as set forth below and in the schedules attached hereto, which are incorporated herein by reference. 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. The attached accounting schedules illustrate UIF's approved rate base, capital structure, and test year operating income amounts. Each county has a separate set of schedules, and is identified as such. The rate base schedules are labeled as No. 1, the capital structure schedules are labeled as No. 2, and the operating income schedules are labeled as No. 3.

¹We note that by Order No. PSC-95-1327-FOF-WS, issued November 1, 1995, in Docket No. 950495-WS, this Commission similarly denied interim rates with respect to certain systems operated by Southern States Utilities, Inc. This Commission stated, in relevant part, that "[b]ecause the utility did not provide plant-specific MFRs for those plants included in Docket No. 920199-WS, we cannot calculate stand-alone revenue requirements for those facilities."

RATE BASE

The utility filed a thirteen-month average rate base for the year ended December 31, 2001. For interim purposes, the utility calculated working capital using the formula method or 1/8 of operating and maintenance (O&M) expenses. Based on our analysis, we find that the following adjustments are necessary to the utility's rate base.

Marion County Water and Wastewater Systems

Our review of the utility's MFRs revealed that certain adjustments ordered in the most recent rate proceeding have not been properly made by the utility. Therefore, we find it appropriate to decrease water plant-in-service by \$14,314, to increase land by \$4,467, and to decrease accumulated depreciation by \$1,608, in order to reflect adjustments consistent with Order No. PSC-94-0739-FOF-WS. Further, wastewater plant-in-service shall be decreased by \$1,633, land shall be increased by \$720, and accumulated depreciation shall be decreased by \$94.

In the utility's most recent rate proceeding, we approved the use of the formula method for calculating working capital for the Marion County systems. Therefore, we find that UIF's methodology in this filing is appropriate for interim purposes. We approve certain adjustments to the utility's O&M expenses, as set forth in a later section of this Order. Accordingly, we approve corresponding reductions of \$181 to water working capital and of \$71 to wastewater working capital.

Orange County Water Systems

Our review of the utility's MFRs revealed that certain adjustments ordered in the most recent rate proceeding for the Orange County systems have not been properly made by the utility. Therefore, we find it appropriate to decrease water plant-in-service by \$7,056, and to decrease accumulated depreciation by \$8,491, to reflect adjustments consistent with Order No. PSC-95-0574-FOF-WS.

In the utility's most recent rate proceeding, we required the use of the balance sheet method for calculating working capital for

the Orange County systems. Therefore, we find that UIF's formula methodology reflecting a balance of \$9,335 in its MFRs is inappropriate for interim purposes. We have recalculated the working capital for Orange County using the balance sheet method. In the process of our calculation, we reviewed the balance sheet method working capital calculation used by the utility in its MFRs for final rates, and the total UIF balance sheet filed by the utility. In so doing, we found that UIF's working capital calculation for final rates yielded an average total company working capital of \$1,634,531, without any explanation or support for adjustments made to individual components. We were particularly concerned about the high cash balance in UIF's calculation in relation to accounts payable and other liabilities.

Our prima facie review of the utility's balance sheet as filed in MFR Schedules Nos. A-18 and A-19 noted that the cash balance approximated the amount the used in the utility's calculation, but that the accounts payable balance was substantially higher. Calculating working capital using the 13-month average amounts from Schedules Nos. A-18 and A-19 would result in a negative total company working capital of \$6,200,290. This will be an issue subject to further development of the record in the determination of final rates. Nevertheless, we find that for the purposes of interim rates, a prima facie review of the data presented by the utility is not conclusive. Accordingly, we shall disallow the \$9,335 working capital requested for the Orange County water systems.

Pinellas County Water Systems

Our review of UIF's MFRs revealed that certain adjustments ordered in the most recent rate proceeding for the Pinellas County water systems had not been properly made by the utility. Therefore, we find it appropriate to decrease water plant-in-service by \$30,651, to decrease land by \$3,701, and to increase accumulated depreciation by \$2,171, to reflect adjustments consistent with Order No. PSC-94-0739-FOF-WS.

In the utility's most recent rate proceeding, we approved the use of the formula method for calculating working capital for the Pinellas County systems. Therefore, UIF's methodology in this filing is appropriate for interim purposes. We approve certain

adjustments to the utility's O&M expenses, as set forth in a later section of this Order. Accordingly, we approve a corresponding reduction of \$65 in water working capital for Pinellas County.

Seminole County Wastewater Systems

Our review of UIF's MFRs revealed that certain adjustments ordered in the most recent rate proceeding for the Seminole County wastewater systems had not been properly made by the utility. Therefore, we find it appropriate to decrease water plant-in-service by \$33,688, and to decrease accumulated depreciation by \$46,683, to reflect adjustments consistent with Order No. PSC-95-0574-FOF-WS.

We note that the utility's balance sheet submitted as Schedule No. A-19 of the MFRs reflects \$48,000 in Advances for Construction, which amounts were not included in the utility's calculation of interim rate base. We find it appropriate to decrease rate base by \$48,000.

In the utility's most recent rate proceeding, we required the use of the balance sheet method for calculating working capital for the Seminole County systems. Therefore, we find that UIF's methodology in its MFRs is inappropriate for interim purposes. As noted in the discussion of working capital for the Orange County systems, we have estimated the average total company working capital to be a negative \$6,200,290, using the balance sheet method. Accordingly, we disallow the \$53,883 working capital requested for the Seminole County wastewater systems.

COST OF CAPITAL

In its MFRs, UIF used a thirteen-month average capital structure, which consisted of allocated investor sources of capital and deferred income taxes from its parent company, UI, and from actual customer deposits for each county included in UIF's filing. The utility's requested interim cost of capital is shown below.

<u>System</u>	<u>Requested Cost of Capital</u>
Marion Water and Wastewater	9.53%
Orange Water	9.12%
Pinellas Water	9.40%
Seminole Wastewater	9.51%

We have reviewed the utility's calculations, and we find that three adjustments are appropriate. First, pursuant to Section 367.082(5)(b)(3), Florida Statutes, the required rate of return for an interim increase shall be calculated using the minimum of the range of the last authorized rate of return on equity (ROE) established in the utility's most recent individual rate proceeding. ROE was last established for the Marion and Pinellas systems by Order No. PSC-94-0739-FOF-WS. By that Order, this Commission authorized a return on equity of 10.64%, with a range of 9.64% to 11.64%. ROE was last established for the Orange and Seminole systems by Order PSC-95-0574-FOF-WS, at 10.83%, with a range of 9.83% to 11.83%. Using the minimum of these ranges, for interim purposes, we hereby approve an ROE of 9.64% for the Marion water and wastewater systems and the Pinellas water systems. The ROE for the Orange water systems and the Seminole wastewater systems shall be 9.83%.

Our second adjustment relates to the utility's cost of long-term and short-term debt. Our review of Schedule No. D-1 of the utility's revised MFRs reflects cost rates of 8.73% and 3.01% for long-term and short-term debt, respectively. The utility's interim calculation was not revised and reflects incorrect cost rates. For interim purposes, we find it appropriate to use the cost rates in the revised MFRs for final rates.

Finally, we compared the accumulated deferred income tax and deferred tax credits included in Schedule No. D-1 of the interim schedules with the amounts included in Schedules Nos. C-6 and C-7 of the MFRs, and have found differences which were not explained or supported by UIF. In recalculating the system's capital structure, we allocated the total company accumulated deferred taxes of \$236,232 from Schedule No. C-6 and the total company deferred tax

credits of \$114,663 from Schedule No. C-7 to the various systems in proportion to their respective rate bases.

Based upon all of the foregoing, UIF's approved rate of return (ROR) for interim purposes is as shown below. Schedule No. 2 illustrates the ROR approved herein.

<u>System</u>	<u>Commission</u>	
	<u>Approved Minimum</u>	<u>Range of ROR</u>
Marion Water and Wastewater	8.02%	8.02% to 8.88%
Orange Water	7.90%	7.90% to 8.69%
Pinellas Water	7.93%	7.93% to 8.76%
Seminole Wastewater	7.33%	7.33% to 8.08%

NET OPERATING INCOME

Operating Expenses

The utility made several adjustments to operating expenses for interim purposes. We have reviewed these and we find that several adjustments are appropriate, as discussed below.

In its interim operating and maintenance expenses (O&M), UIF requested amortization of rate case expense. The utility also included in taxes other than income an adjustment for pro forma payroll taxes. Based on our review, these adjustments are not appropriate on an interim basis and they shall therefore be disallowed. Further, our review of UIF's previous rate cases indicates that adjustments should be made to depreciation expense in order to be consistent with the prior rate proceedings. These adjustments are detailed below.

<u>System</u>	<u>Adjustment: Increase (Decrease)</u>		
	<u>Rate Case Expense</u>	<u>Depreciation Expense</u>	<u>Taxes Other Than Income</u>
Marion Water	(\$1,448)	(\$803)	(\$2,049)
Marion Wastewater	(\$563)	\$126	(\$176)
Orange Water	(\$806)	(\$199)	(\$1,639)
Pinellas Water	(\$519)	(\$905)	(\$5,472)
Seminole Wastewater	(\$3,253)	(\$955)	(\$12,279)

Net Operating Income

Based on these adjustments, we find that the appropriate test year operating income amounts, before any revenue increase, are as shown below. Schedule No. 3-A illustrates UIF's approved net operating income, with adjustments reflected on Schedule No. 3-B.

<u>System</u>	<u>Net Operating Income (Loss)</u>	<u>Test Year Achieved ROR</u>
Marion Water	\$12,585	4.68%
Marion Wastewater	\$7,636	9.23%
Orange Water	(\$877)	(1.13)%
Pinellas Water	\$12,291	6.73%
Seminole Wastewater	(\$21,130)	(1.56)%

We note that the utility's filing reflected that the Marion County wastewater systems were earning above their previously authorized rate of return by an immaterial amount. Therefore, we find that no interim adjustment is appropriate for the Marion County wastewater rates.

REVENUE REQUIREMENT

Based on the above, we hereby approve interim revenue requirements as shown below and as shown on Schedule No. 3. The

corresponding interim increases in annual water and wastewater revenues are shown below. We find that these interim increases will allow the utility the opportunity to recover its operating expenses and earn returns on its rate bases as shown below.

<u>System</u>	<u>Test Year Revenue</u>	<u>\$ Revenue Increase</u>	<u>Interim Revenue Requirement</u>	<u>% Revenue Increase</u>
Marion Water	\$151,712	\$15,113	\$166,825	9.96%
Marion Wastewater	\$58,529	\$0	\$58,529	0.00%
Orange Water	\$84,904	\$11,792	\$96,696	13.89%
Pinellas Water	\$56,101	\$3,675	\$59,776	6.55%
Seminole Wastewater	\$398,991	\$202,023	\$601,014	50.63%

Interim Rates

The service rates for UIF in effect as of December 31, 2001, shall be increased as shown below to generate the approved revenue increase for the interim period.

<u>System</u>	<u>Increase</u>
Marion Water	10.05%
Orange Water	14.31%
Pinellas Water	6.69%
Seminole Wastewater	51.15%

Interim service rates for UIF shall be designed to allow the utility the opportunity to generate additional annual operating revenues as shown below. To determine the appropriate increase to apply to the service rates, miscellaneous service and other revenues shall be removed from the test year revenues. The calculation is as follows:

<u>System</u>	<u>Revenue Requirement</u>	<u>Less: Misc. Revenue</u>	<u>Revenues - Service Rates</u>	<u>\$ Revenue Increase</u>	<u>% Rate Increase</u>
Marion Water	\$166,825	\$1,275	\$165,550	\$15,113	10.05%
Orange Water	\$96,696	\$2,470	\$94,226	\$11,792	14.31%
Pinellas Water	\$59,776	\$1,190	\$58,586	\$3,675	6.69%
Seminole Wastewater	\$601,014	\$4,031	\$596,983	\$202,023	51.15%

The approved rates shall be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), Florida Administrative Code, provided the customers have received notice. The rates shall not be implemented until the required security has been filed and proper notice has been received by the customers. The utility shall provide proof to our staff of the date notice was given, within ten days after the date of the notice.

Schedule No. 4 reflects each of the above system's current rates, the requested interim and final rates, and the approved interim rates.

SECURITY FOR REFUND

Pursuant to Section 367.082(2)(a), Florida Statutes, the excess of interim rates over the previously authorized rates shall be collected under guarantee, subject to refund with interest. We have reviewed UIF's financial data, and the financial statements of its parent company, UI, to determine if UIF can support a corporate undertaking. We hereby approve for UIF to file a corporate undertaking, to be guaranteed by UI, as security for the potential refund of the interim rates approved herein. We have calculated the potential refund of water and wastewater revenues and interest collected under interim conditions to be \$198,156. This amount is based on an estimated ten months of revenue being collected from the interim rates approved herein over the previously authorized rates shown on Schedule No. 4.

The criteria for a corporate undertaking include sufficient liquidity, ownership equity, profitability, and interest coverage to guarantee any potential refund. UIF is a wholly-owned

subsidiary of UI, which provides all investor capital to its subsidiaries. UI's 1999, 2000 and 2001 financial statements were used in determining the financial condition of the company. UI has minimal liquidity and has experienced a significant decline in net income and interest coverage from 2000 to 2001. However, if a one-time \$9.8 million merger-related charge is reversed, UI's financial performance would show a three-year trend of stable equity capitalization, interest coverage, and profitability.

UI is currently guaranteeing corporate undertakings in the amount of \$565,833. This request will bring the cumulative amount to \$763,989. We find that UIF has adequate resources to support a corporate undertaking of this amount. Based on this analysis, we accept the filing of a cumulative corporate undertaking of \$763,989, contingent upon the receipt of the written guarantee of UI. This brief financial analysis is only appropriate for deciding if the utility can support a corporate undertaking in the amount proposed, and should not be considered a finding regarding our position on other issues in the rate case.

The corporate undertaking shall state that it will be released or terminated upon subsequent order of the Commission addressing any refund requirements. Moreover, pursuant to Rule 25-30.360(6), Florida Administrative Code, the utility shall provide a report by the twentieth 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

ORDERED by the Florida Public Service Commission that the interim rate increase requested by Utilities Inc., of Florida for the water and wastewater systems in Pasco County and for the water systems in Seminole County is denied. It is further

ORDERED that the request for an interim increase in water and wastewater rates by Utilities Inc., of Florida is otherwise granted to the extent 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 all matters contained in the schedules attached hereto are incorporated herein by reference. It is further

ORDERED that the approved interim rates shall become effective for service rendered on or after the stamped approval date on the tariff sheets, provided customers have received notice. It is further

ORDERED that Utilities Inc., of Florida shall provide proof of the date notice was given within ten days after the date of the notice. It is further

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

ORDERED that Utilities Inc., of Florida shall file a corporate undertaking, guaranteed by Utilities Inc., in the cumulative amount of \$763,989, as security for the funds held subject to refund. The corporate undertaking shall state that it will be released or terminated upon subsequent order of the Commission addressing any refund requirements. It is further

ORDERED that prior to the implementation of the interim rates approved herein, Utilities Inc., of Florida shall file and have approved tariff pages revised in accordance with the provisions of this Order, appropriate security for the refund, a proposed customer notice, and proof that the customers have received notice of the interim rate increase. 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

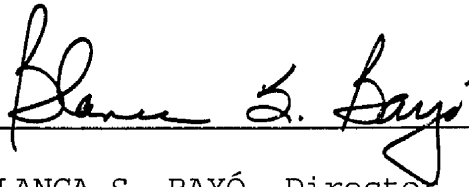
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ORDERED that during the time the interim rates are in effect, Utilities Inc., of Florida shall file a report by the twentieth day of each month indicating the monthly and total revenue collected subject to refund, pursuant to Rule 25-30.360(6), Florida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

ORDERED that should a refund be required, the refund shall be with interest and undertaken in accordance with Rule 25-30.360, Florida Administrative Code. It is further

ORDERED that this docket shall remain open.

By ORDER of the Florida Public Service Commission this 5th day of May, 2003.



BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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.

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Any party adversely affected by this order, which is non-final in nature, may request (1) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of the Commission Clerk and Administrative Services, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Citizens of the State of Florida v. Mayo, 316 So.2d 262 (Fla. 1975), states that an order on interim rates is not final or 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.

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UTILITIES, INC. OF FLORIDA: MARION CO. SCHEDULE OF WATER RATE BASE TEST YEAR ENDED 12/31/01			SCHEDULE NO. 1-A DOCKET 020071-WS			
DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUST- MENTS	ADJUSTED TEST YEAR PER UTILITY	COMMISSION ADJUST- MENTS	COMMISSION ADJUSTED TEST YEAR	
1 UTILITY PLANT-IN-SERVICE	\$639,910	\$0	\$639,910	(\$14,314)	\$625,596	
2 LAND & LAND RIGHTS	12,615	0	12,615	4,467	17,082	
3 NON-USED & USEFUL COMPONENTS	0	0	0	0	0	
4 ACCUMULATED DEPRECIATION	(302,921)	0	(302,921)	1,608	(301,313)	
5 CIAC	(134,337)	0	(134,337)	0	(134,337)	
6 AMORTIZATION OF CIAC	44,137	0	44,137	0	44,137	
7 WORKING CAPITAL ALLOWANCE	13,283	0	13,283	(181)	13,102	
8 ALLOCATED PLANT	<u>4,884</u>	<u>0</u>	<u>4,884</u>	<u>0</u>	<u>4,884</u>	
RATE BASE	<u>\$277,571</u>	<u>\$0</u>	<u>\$277,571</u>	<u>(\$8,420)</u>	<u>\$269,151</u>	

UTILITIES, INC. OF FLORIDA: MARION CO. SCHEDULE OF WASTEWATER RATE BASE TEST YEAR ENDED 12/31/01			SCHEDULE NO. 1-B DOCKET 020071-WS			
DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUST- MENTS	ADJUSTED TEST YEAR PER UTILITY	COMMISSION ADJUST- MENTS	COMMISSION ADJUSTED TEST YEAR	
1 UTILITY PLANT-IN-SERVICE	\$149,913	\$0	\$149,913	(\$1,633)	\$148,280	
2 LAND	10,080	0	10,080	720	10,800	
3 NON-USED & USEFUL COMPONENTS	(17,812)	0	(17,812)	0	(17,812)	
4 ACCUMULATED DEPRECIATION	(64,072)	0	(64,072)	94	(63,978)	
5 CIAC	(450)	0	(450)	0	(450)	
6 AMORTIZATION OF CIAC	18	0	18	0	18	
7 WORKING CAPITAL ALLOWANCE	5,196	0	5,196	(71)	5,125	
8 ALLOCATED PLANT	<u>727</u>	<u>0</u>	<u>727</u>	<u>0</u>	<u>727</u>	
RATE BASE	<u>\$83,600</u>	<u>\$0</u>	<u>\$83,600</u>	<u>(\$890)</u>	<u>\$82,710</u>	

UTILITIES, INC. OF FLORIDA: MARION CO.		SCHED. NO. 1-C	
ADJUSTMENTS TO RATE BASE		DOCKET 020071-WS	
TEST YEAR ENDED 12/31/01			
EXPLANATION	WATER	WASTEWATER	
<u>PLANT-IN-SERVICE</u>			
To correct adjustments from prior rate case	<u>(\$14,314)</u>	<u>(\$1,633)</u>	
<u>LAND</u>			
To correct adjustments from prior rate case	<u>\$4,467</u>	<u>\$720</u>	
<u>NON-USED AND USEFUL</u>			
To reflect net non-used and useful adjustment	<u>0</u>	<u>0</u>	
<u>ACCUMULATED DEPRECIATION</u>			
To correct adjustments from prior rate case	<u>\$1,608</u>	<u>\$94</u>	
<u>WORKING CAPITAL</u>			
To adjust for adjustments to O&M Expense	<u>(\$181)</u>	<u>(\$71)</u>	

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UTILITIES, INC. OF FLORIDA: MARION CO.					SCHEDULE NO. 2		
CAPITAL STRUCTURE					DOCKET 020071-WS		
TEST YEAR ENDED 12/31/01							
DESCRIPTION	TOTAL CAPITAL	SPECIFIC ADJUSTMENTS (EXPLAINED)	PRO RATA ADJUSTMENTS	CAPITAL RECONCILED TO RATE BASE	RATIO	COST RATE	WEIGHTED COST
PER UTILITY 2001 - 13-MONTH AVERAGE							
1 LONG TERM DEBT	\$72,476,923	\$0	(\$72,312,117)	\$164,806	45.63%	8.59%	3.92%
2 SHORT-TERM DEBT	13,255,885	0	(13,225,517)	30,368	8.41%	6.62%	0.56%
3 PREFERRED STOCK	0	0	0	0	0.00%	0.00%	0.00%
4 COMMON EQUITY	73,349,304	0	(73,181,230)	168,074	46.54%	11.03%	5.13%
5 CUSTOMER DEPOSITS	(4,865)	0	0	(4,865)	-1.35%	6.00%	-0.08%
6 DEFERRED INCOME TAXES	2,788	0	0	2,788	0.77%	0.00%	0.00%
7 DEFERRED ITC'S-ZERO COST	0	0	0	0	0.00%	0.00%	0.00%
8 TOTAL CAPITAL	<u>\$159,080,035</u>	<u>\$0</u>	<u>(\$158,718,864)</u>	<u>\$361,171</u>	<u>100.00%</u>		<u>9.53%</u>
PER COMMISSION 2001 - 13-MONTH AVERAGE							
9 LONG TERM DEBT	\$72,476,923	\$0	(\$72,327,147)	\$149,776	42.57%	8.73%	3.72%
10 SHORT-TERM DEBT	13,255,885	0	(\$13,228,491)	27,394	7.79%	3.01%	0.23%
11 PREFERRED STOCK	0	0	\$-0	0	0.00%	0.00%	0.00%
12 COMMON EQUITY	73,349,304	0	(\$73,197,725)	151,579	43.08%	9.64%	4.15%
13 CUSTOMER DEPOSITS	(4,865)	0	\$0	(4,865)	-1.38%	6.00%	-0.08%
14 DEFERRED INCOME TAXES	2,788	16,047	\$0	18,835	5.35%	0.00%	0.00%
15 DEFERRED ITC'S-ZERO COST	0	9,142	\$0	9,142	2.60%	0.00%	0.00%
16 TOTAL CAPITAL	<u>\$159,080,035</u>	<u>\$25,188</u>	<u>(\$158,753,363)</u>	<u>\$351,861</u>	<u>100.00%</u>		<u>8.02%</u>
					<u>LOW</u>	<u>HIGH</u>	
RETURN ON EQUITY					<u>9.64%</u>	<u>11.64%</u>	
OVERALL RATE OF RETURN					<u>8.02%</u>	<u>8.88%</u>	

UTILITIES, INC. OF FLORIDA: MARION CO. STATEMENT OF WATER OPERATIONS TEST YEAR ENDED 12/31/01						SCHEDULE NO. 3-A DOCKET 020071-WS	
DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUST- MENTS	ADJUSTED TEST YEAR PER UTILITY	COMMISSION ADJUST- MENTS	COMMISSION ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	<u>\$151,712</u>	<u>\$21,088</u>	<u>\$172,800</u>	<u>(\$21,088)</u>	<u>\$151,712</u>	<u>\$15,113</u> 9.96%	<u>\$166,825</u>
OPERATING EXPENSES:							
2 OPERATION & MAINTENANCE	\$106,262	\$0	\$106,262	(\$1,448)	\$104,814		\$104,814
3 DEPRECIATION	20,933	200	21,133	(803)	20,330		20,330
4 AMORTIZATION	(3,999)	0	(3,999)	0	(3,999)		(3,999)
5 TAXES OTHER THAN INCOME	16,742	1,976	18,718	(2,049)	16,669	680	17,349
6 INCOME TAXES	<u>(4,954)</u>	<u>11,734</u>	<u>6,780</u>	<u>(5,467)</u>	<u>1,313</u>	<u>5,431</u>	<u>6,744</u>
7 TOTAL OPERATING EXPENSES	<u>\$134,984</u>	<u>\$13,910</u>	<u>\$148,894</u>	<u>(\$9,767)</u>	<u>\$139,127</u>	<u>\$6,111</u>	<u>\$145,238</u>
8 OPERATING INCOME	<u>\$16,728</u>	<u>\$7,178</u>	<u>\$23,906</u>	<u>(\$11,321)</u>	<u>\$12,585</u>	<u>\$9,002</u>	<u>\$21,587</u>
9 RATE BASE	<u>\$277,571</u>		<u>\$277,571</u>		<u>\$269,151</u>		<u>\$269,151</u>
10 RATE OF RETURN	<u>6.03%</u>		<u>8.61%</u>		<u>4.68%</u>		<u>8.02%</u>

UTILITIES, INC. OF FLORIDA: MARION CO.
STATEMENT OF WASTEWATER OPERATIONS

SCHEDULE NO. 3-B
DOCKET 020071-WS

TEST YEAR ENDED 12/31/01

	DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUST- MENTS	ADJUSTED TEST YEAR PER UTILITY	COMM. ADJUST- MENTS	COMM. ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	<u>\$58,529</u>	<u>(\$555)</u>	<u>\$57,974</u>	<u>\$555</u>	<u>\$58,529</u>	<u>\$0</u> 0.00%	<u>\$58,529</u>
	OPERATING EXPENSES							
2	OPERATION & MAINTENANCE	\$41,564	\$0	\$41,564	(\$563)	\$41,001		\$41,001
3	DEPRECIATION	4,155	(1,157)	2,999	126	3,125		3,125
4	AMORTIZATION	(12)	0	(12)	0	(12)		(12)
5	TAXES OTHER THAN INCOME	4,151	128	4,279	(176)	4,103	0	4,103
6	INCOME TAXES	<u>2,178</u>	<u>(236)</u>	<u>1,942</u>	<u>735</u>	<u>2,677</u>	<u>0</u>	<u>2,677</u>
7	TOTAL OPERATING EXPENSES	<u>\$52,036</u>	<u>(\$1,265)</u>	<u>\$50,772</u>	<u>\$122</u>	<u>\$50,893</u>	<u>\$0</u>	<u>\$50,893</u>
8	OPERATING INCOME	<u>\$6,493</u>	<u>\$710</u>	<u>\$7,202</u>	<u>\$433</u>	<u>\$7,636</u>	<u>\$0</u>	<u>\$7,636</u>
9	RATE BASE	<u>\$83,600</u>		<u>\$83,600</u>		<u>\$82,710</u>		<u>\$82,710</u>
10	RATE OF RETURN	<u>7.77%</u>		<u>8.61%</u>		<u>9.23%</u>		<u>9.23%</u>

UTILITIES, INC. OF FLORIDA: MARION CO. ADJUSTMENTS TO OPERATING INCOME TEST YEAR ENDED 12/31/01		SCHED. NO. 3-(DOCKET 020071-W:	
EXPLANATION	WATER	WASTEWATER	
<u>OPERATING REVENUES</u>			
Remove requested final revenue increase	<u>(\$21,088)</u>	<u>\$555</u>	
<u>OPERATION & MAINTENANCE EXPENSE</u>			
Remove rate case amortization expense	<u>(\$1,448)</u>	<u>(\$563)</u>	
<u>DEPRECIATION EXPENSE-NET</u>			
Correct adjustments from prior rate case	<u>(\$803)</u>	<u>\$126</u>	
<u>TAXES OTHER THAN INCOME</u>			
1 RAFs on revenue adjustments above	(\$949)	\$25	
2 Correct utility's adjustments	(73)	(48)	
3 Remove pro forma payroll tax adjustment	<u>(1,027)</u>	<u>(153)</u>	
Total	<u>(\$2,049)</u>	<u>(\$176)</u>	
<u>INCOME TAXES</u>			
To adjust to test year income tax expense	<u>(\$5,467)</u>	<u>\$735</u>	

UTILITIES, INC. OF FLORIDA: MARION CO. WATER BIMONTHLY SERVICE RATES TEST YEAR ENDED 12/31/01		SCHEDULE NO. 4-A DOCKET 020071-WS		
	Rates Prior to <u>Filing</u>	Utility Requested <u>Interim</u>	Utility Requested <u>Final</u>	Comm. Approved <u>Interim</u>
<u>Residential, General Service and Multi-Family</u>				
Base Facility Charge:				
Meter Size:				
5/8" x 3/4"	\$8.16	\$9.38	\$10.61	\$8.98
1"	\$20.40	\$23.46	\$26.52	\$22.45
1-1/2"	\$40.79	\$46.91	\$53.03	\$44.89
2"	* \$65.28	\$0.00	\$0.00	\$71.84
3"	* \$130.54	\$0.00	\$0.00	\$143.65
4"	\$203.98	\$234.58	\$265.17	\$224.47
6"	* \$407.95	\$0.00	\$0.00	\$448.93
* The utility has approved rates, but currently no customers, for these meter sizes.				
Gallonage Charge, per 1,000				
Gallons	\$2.25	\$2.54	\$3.02	\$2.48
<u>Typical Residential Bills</u>				
<u>5/8" x 3/4" Meter Size</u>				
3,000 Gallons	\$14.91	\$17.00	\$19.67	\$16.42
5,000 Gallons	\$19.41	\$22.08	\$25.71	\$21.38
10,000 Gallons	\$30.66	\$34.78	\$40.81	\$33.78

UTILITIES, INC. OF FLORIDA: ORANGE CO. SCHEDULE OF WATER RATE BASE TEST YEAR ENDED 12/31/01				SCHEDULE NO. 1-A DOCKET 020071-WS		
DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUST- MENTS	ADJUSTED TEST YEAR PER UTILITY	COMMISSION ADJUST- MENTS	COMMISSION ADJUSTED TEST YEAR	
1 UTILITY PLANT-IN-SERVICE	\$192,432	\$0	\$192,432	(\$7,056)	\$185,376	
2 LAND & LAND RIGHTS	2,783	0	2,783	0	2,783	
3 NON-USED & USEFUL COMPONENTS	0	0	0	0	0	
4 ACCUMULATED DEPRECIATION	(105,683)	0	(105,683)	8,491	(97,192)	
5 CIAC	(38,403)	0	(38,403)	0	(38,403)	
6 AMORTIZATION OF CIAC	21,337	0	21,337	0	21,337	
7 WORKING CAPITAL ALLOWANCE	9,335	0	9,335	(9,335)	0	
8 ALLOCATED PLANT	<u>3,960</u>	<u>0</u>	<u>3,960</u>	<u>0</u>	<u>3,960</u>	
RATE BASE	<u>\$85,761</u>	<u>\$0</u>	<u>\$85,761</u>	<u>(\$7,900)</u>	<u>\$77,861</u>	

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DOCKET NO. 020071-WS
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UTILITIES, INC. OF FLORIDA: ORANGE CO.
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/01

SCHED. NO. 1-B
DOCKET 020071-WS

EXPLANATION	WATER
<u>PLANT-IN-SERVICE</u>	
To correct adjustments from prior order	<u>(\$7,056)</u>
<u>ACCUMULATED DEPRECIATION</u>	
To correct adjustments from prior order	<u>\$8,491</u>
<u>WORKING CAPITAL</u>	
To adjust to the balance sheet method	<u>(\$9,335)</u>

UTILITIES, INC. OF FLORIDA: ORANGE CO. CAPITAL STRUCTURE TEST YEAR ENDED 12/31/01				SCHEDULE NO. 2 DOCKET 020071-WS				
DESCRIPTION	TOTAL CAPITAL	SPECIFIC ADJUST-MENTS (EXPLAIN)	PRO RATA ADJUST-MENTS	CAPITAL RECONCILED TO RATE BASE	RATIO	COST RATE	WEIGHTED COST	
PER UTILITY 2001 - 13-MONTH AVERAGE								
1 LONG TERM DEBT	\$72,476,923	\$0	(\$72,441,291)	\$35,632	41.55%	8.59%	3.57%	
2 SHORT-TERM DEBT	13,255,885	0	(13,249,370)	6,515	7.60%	6.62%	0.50%	
3 PREFERRED STOCK	0	0	0	0	0.00%	0.00%	0.00%	
4 COMMON EQUITY	73,349,304	0	(73,313,243)	36,061	42.05%	11.23%	4.72%	
5 CUSTOMER DEPOSITS	4,765	0	0	4,765	5.56%	6.00%	0.33%	
6 DEFERRED INCOME TAXES	2,788	0	0	2,788	3.25%	0.00%	0.00%	
7 DEFERRED ITC'S-ZERO COST	0	0	0	0	0.00%	0.00%	0.00%	
8 TOTAL CAPITAL	<u>\$159,089,665</u>	<u>\$0</u>	<u>(\$159,003,904)</u>	<u>\$85,761</u>	<u>100.00%</u>		<u>9.13%</u>	
PER COMMISSION 2001 - 13-MONTH AVERAGE								
9 LONG TERM DEBT	\$72,476,923	\$0	(\$72,446,441)	\$30,482	39.15%	8.73%	3.42%	
10 SHORT-TERM DEBT	13,255,885	0	(\$13,250,310)	5,575	7.16%	3.01%	0.22%	
11 PREFERRED STOCK	0	0	\$-0	0	0.00%	0.00%	0.00%	
12 COMMON EQUITY	73,349,304	0	(\$73,318,455)	30,849	39.62%	9.83%	3.89%	
13 CUSTOMER DEPOSITS	4,765	0	0	4,765	6.12%	6.00%	0.37%	
14 DEFERRED INCOME TAXES	2,788	1,380	0	4,168	5.35%	0.00%	0.00%	
15 DEFERRED ITC'S-ZERO COST	0	<u>2,023</u>	0	<u>2,023</u>	<u>2.60%</u>	0.00%	<u>0.00%</u>	
16 TOTAL CAPITAL	<u>\$159,089,665</u>	<u>\$3,403</u>	<u>(\$159,015,206)</u>	<u>\$77,862</u>	<u>100.00%</u>		<u>7.90%</u>	
					<u>LOW</u>	<u>HIGH</u>		
RETURN ON EQUITY					<u>9.83%</u>	<u>11.83%</u>		
OVERALL RATE OF RETURN					<u>7.90%</u>	<u>8.69%</u>		

UTILITIES, INC. OF FLORIDA: ORANGE CO.
 STATEMENT OF WATER OPERATIONS
 TEST YEAR ENDED 12/31/01

SCHEDULE NO. 3-A
 DOCKET 020071-WS

DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUST- MENTS	ADJUSTED TEST YEAR PER UTILITY	COMMISSION ADJUST- MENTS	COMMISSION ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	<u>\$86,186</u>	<u>\$15,542</u>	<u>\$101,728</u>	<u>(\$16,824)</u>	<u>\$84,904</u>	<u>\$11,792</u> 13.89%	<u>\$96,696</u>
OPERATING EXPENSES:							
2 OPERATION & MAINTENANCE	\$74,682	\$0	\$74,682	(\$806)	\$73,876		\$73,876
3 DEPRECIATION	7,229	2	7,231	(199)	7,032		7,032
4 AMORTIZATION	(1,265)	0	(1,265)	0	(1,265)		(1,265)
5 TAXES OTHER THAN INCOME	9,323	862	10,185	(1,639)	8,546	531	9,077
6 INCOME TAXES	<u>(6,592)</u>	<u>2,956</u>	<u>(3,636)</u>	<u>1,228</u>	<u>(2,408)</u>	<u>4,238</u>	<u>1,830</u>
7 TOTAL OPERATING EXPENSES	<u>\$83,377</u>	<u>\$3,820</u>	<u>\$87,197</u>	<u>(\$1,416)</u>	<u>\$85,781</u>	<u>\$4,768</u>	<u>\$90,549</u>
8 OPERATING INCOME	<u>\$2,809</u>	<u>\$11,722</u>	<u>\$14,531</u>	<u>(\$15,408)</u>	<u>(\$877)</u>	<u>\$7,024</u>	<u>\$6,147</u>
9 RATE BASE	<u>\$85,761</u>		<u>\$85,761</u>		<u>\$77,861</u>		<u>\$77,861</u>
10 RATE OF RETURN	<u>3.28%</u>		<u>16.94%</u>		<u>(1.13%)</u>		<u>7.90%</u>

UTILITIES, INC. OF FLORIDA: ORANGE CO. ADJUSTMENTS TO OPERATING INCOME TEST YEAR ENDED 12/31/01		SCHED. NO. 3-B DOCKET 020071-WS
EXPLANATION	WATER	
<u>OPERATING REVENUES</u>		
To remove requested final revenue increase		<u>(\$16,824)</u>
<u>OPERATION & MAINTENANCE EXPENSE</u>		
To remove rate case expense amortization		<u>(\$806)</u>
<u>DEPRECIATION EXPENSE-NET</u>		
To correct adjustment for prior order		<u>(\$199)</u>
<u>TAXES OTHER THAN INCOME</u>		
1 RAFs on revenue adjustments above		(\$757)
2 To remove pro forma payroll tax adjustment		(920)
3 To correct utility's calculation		<u>38</u>
Total		<u>(1,639)</u>
<u>INCOME TAXES</u>		
To adjust to test year income tax expense		<u>\$1,228</u>

UTILITIES, INC. OF FLORIDA: ORANGE CO.		SCHEDULE NO. 4-A		
WATER BIMONTHLY SERVICE RATES		DOCKET 020071-WS		
TEST YEAR ENDED 12/31/01				
	Rates Prior to <u>Filing</u>	Utility Requested <u>Interim</u>	Utility Requested <u>Final</u>	Comm. Approved <u>Interim</u>
<u>Residential and General Service</u>				
Base Facility Charge:				
Meter Size:				
5/8" x 3/4"	\$12.16	\$14.29	\$23.34	\$13.90
1"	\$30.32	\$35.63	\$58.20	\$34.66
1-1/2"	* \$60.74	\$0.00	\$0.00	\$69.43
2"	* \$97.19	\$0.00	\$0.00	\$111.10
3"	* \$194.33	\$0.00	\$0.00	\$222.14
4"	* \$303.66	\$0.00	\$0.00	\$347.11
6"	* \$607.30	\$0.00	\$0.00	\$694.20
* The utility has approved rates, but currently no customers, for these meter sizes.				
Gallonage Charge, per 1,000				
Gallons	\$2.07	\$2.52	\$4.04	\$2.37
<u>Typical Residential Bills</u>				
5/8" x 3/4" Meter Size				
3,000 Gallons	\$18.37	\$21.85	\$35.46	\$21.01
5,000 Gallons	\$22.51	\$26.89	\$43.54	\$25.75
10,000 Gallons	\$32.86	\$39.49	\$63.74	\$37.60

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UTILITIES, INC. OF FLORIDA: PINELLAS CO. SCHEDULE OF WATER RATE BASE TEST YEAR ENDED 12/31/01			SCHEDULE NO. 1-A DOCKET 020071-WS			
DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUST- MENTS	ADJUSTED TEST YEAR PER UTILITY	COMMISSION ADJUST- MENTS	COMMISSION ADJUSTED TEST YEAR	
1 UTILITY PLANT-IN-SERVICE	\$374,535	\$0	\$374,535	(\$30,651)	\$343,884	
2 LAND & LAND RIGHTS	6,106	0	6,106	(3,701)	2,405	
3 NON-USED & USEFUL COMPONENTS	0	0	0	0	0	
4 ACCUMULATED DEPRECIATION	(75,413)	0	(75,413)	(2,171)	(77,584)	
5 CIAC	(138,847)	0	(138,847)	0	(138,847)	
6 AMORTIZATION OF CIAC	42,423	0	42,423	0	42,423	
7 WORKING CAPITAL ALLOWANCE	3,612	0	3,612	(65)	3,547	
8 ALLOCATED PLANT	<u>6,692</u>	<u>0</u>	<u>6,692</u>	<u>0</u>	<u>6,692</u>	
RATE BASE	<u>\$219,108</u>	<u>\$0</u>	<u>\$219,108</u>	<u>(\$36,588)</u>	<u>\$182,520</u>	

UTILITIES, INC. OF FLORIDA: PINELLAS CO.		SCHED. NO. 1-B
ADJUSTMENTS TO RATE BASE		DOCKET 020071-WS
TEST YEAR ENDED 12/31/01		
EXPLANATION	WATER	
<u>PLANT IN SERVICE</u>		
To correct adjustments per last rate case		<u>(\$30,651)</u>
<u>LAND</u>		
To correct adjustments per last rate case		<u>(\$3,701)</u>
<u>ACCUMULATED DEPRECIATION</u>		
To correct adjustments per last rate case		<u>(\$2,171)</u>
<u>WORKING CAPITAL</u>		
To adjust for O&M adjustment		<u>(\$65)</u>

UTILITIES, INC. OF FLORIDA: PINELLAS CO. CAPITAL STRUCTURE TEST YEAR ENDED 12/31/01				SCHEDULE NO. 2 DOCKET 020071-WS			
DESCRIPTION	TOTAL CAPITAL	SPECIFIC ADJUST-MENTS (EXPLAIN)	PRO RATA ADJUST-MENTS	CAPITAL RECONCILED TO RATE BASE	RATIO	COST RATE	WEIGHTED COST
PER UTILITY 2001 - 13-MONTH AVERAGE							
1 LONG TERM DEBT	\$72,476,923	\$0	(\$72,379,922)	\$97,001	44.27%	8.59%	3.80%
2 SHORT-TERM DEBT	13,255,885	0	(13,238,150)	17,735	8.09%	6.62%	0.54%
3 PREFERRED STOCK	0	0	0	0	0.00%	0.00%	0.00%
4 COMMON EQUITY	73,349,304	0	(73,251,133)	98,171	44.80%	11.10%	4.97%
5 CUSTOMER DEPOSITS	3,413	0	0	3,413	1.56%	6.00%	0.09%
6 DEFERRED INCOME TAXES	2,788	0	0	2,788	1.27%	0.00%	0.00%
7 DEFERRED ITC'S-ZERO COST	0	0	0	0	0.00%	0.00%	0.00%
8 TOTAL CAPITAL	<u>\$159,088,313</u>	<u>\$0</u>	<u>(\$158,869,205)</u>	<u>\$219,108</u>	<u>100.00%</u>		<u>9.41%</u>
PER COMMISSION 2001 - 13-MONTH AVERAGE							
9 LONG TERM DEBT	\$72,476,923	\$0	(\$72,401,934)	\$74,989	41.09%	8.73%	3.59%
10 SHORT-TERM DEBT	13,255,885	0	(\$13,242,170)	13,715	7.51%	3.01%	0.23%
11 PREFERRED STOCK	0	0	\$-0	0	0.00%	0.00%	0.00%
12 COMMON EQUITY	73,349,304	0	(\$73,273,412)	75,892	41.58%	9.64%	4.01%
13 CUSTOMER DEPOSITS	3,413	0	0	3,413	1.87%	6.00%	0.11%
14 DEFERRED INCOME TAXES	2,788	6,982	0	9,770	5.35%	0.00%	0.00%
15 DEFERRED ITC'S-ZERO COST	0	4,742	0	4,742	2.60%	0.00%	0.00%
16 TOTAL CAPITAL	<u>\$159,088,313</u>	<u>\$11,724</u>	<u>(\$158,917,516)</u>	<u>\$182,521</u>	<u>100.00%</u>		<u>7.93%</u>
RETURN ON EQUITY					<u>LOW</u>	<u>HIGH</u>	
OVERALL RATE OF RETURN					9.64%	11.64%	
					7.93%	8.76%	

UTILITIES, INC. OF FLORIDA: PINELLAS CO.
 STATEMENT OF WATER OPERATIONS
 TEST YEAR ENDED 12/31/01

SCHEDULE NO. 3-A
 DOCKET 020071-WS

DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUST- MENTS	ADJUSTED TEST YEAR PER UTILITY	COMMISSION ADJUST- MENTS	COMMISSION ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	<u>\$55,088</u>	<u>\$16,818</u>	<u>\$71,906</u>	<u>(\$15,805)</u>	<u>\$56,101</u>	<u>\$3,675</u> 6.55%	<u>\$59,776</u>
OPERATING EXPENSES:							
2 OPERATION & MAINTENANCE	\$28,893	\$0	\$28,893	(\$519)	\$28,374		\$28,374
3 DEPRECIATION	12,220	0	12,220	(905)	11,315		11,315
4 AMORTIZATION	(1,190)	(2,602)	(3,792)	0	(3,792)		(3,792)
5 TAXES OTHER THAN INCOME	4,767	5,525	10,292	(5,472)	4,820	165	4,985
6 INCOME TAXES	<u>2,077</u>	<u>3,397</u>	<u>5,474</u>	<u>(2,381)</u>	<u>3,093</u>	<u>1,321</u>	<u>4,414</u>
7 TOTAL OPERATING EXPENSES	<u>\$46,767</u>	<u>\$6,320</u>	<u>\$53,087</u>	<u>(\$9,277)</u>	<u>\$43,810</u>	<u>\$1,486</u>	<u>\$45,296</u>
8 OPERATING INCOME	<u>\$8,321</u>	<u>\$10,498</u>	<u>\$18,819</u>	<u>(\$6,528)</u>	<u>\$12,291</u>	<u>\$2,189</u>	<u>\$14,480</u>
9 RATE BASE	<u>\$219,108</u>		<u>\$219,108</u>		<u>\$182,520</u>		<u>\$182,520</u>
10 RATE OF RETURN	<u>3.80%</u>		<u>8.59%</u>		<u>6.73%</u>		<u>7.93%</u>

UTILITIES, INC. OF FLORIDA: PINELLAS CO. ADJUSTMENTS TO OPERATING INCOME TEST YEAR ENDED 12/31/01		SCHED. NO. 3-B DOCKET 020071-WS
EXPLANATION	WATER	
<u>OPERATING REVENUES</u>		
To remove requested final revenue increase	<u>(\$15,805)</u>	
<u>OPERATION & MAINTENANCE EXPENSE</u>		
To remove rate case expense amortization	<u>(\$519)</u>	
<u>DEPRECIATION EXPENSE-NET</u>		
To correct adjustments per last rate case	<u>(\$905)</u>	
<u>TAXES OTHER THAN INCOME</u>		
1 RAF's on revenue adjustments above	(\$711)	
2 To correct utility's calculation	7	
3 To remove pro forma payroll tax adjustment	<u>(4,768)</u>	
Total	<u>(\$5,472)</u>	
<u>INCOME TAXES</u>		
To adjust to test year income tax expense	<u>(\$2,381)</u>	

UTILITIES, INC. OF FLORIDA: PINELLAS CO. WATER BIMONTHLY SERVICE RATES TEST YEAR ENDED 12/31/01		SCHEDULE NO. 4-A DOCKET 020071-WS		
	Rates Prior to <u>Filing</u>	Utility Requested <u>Interim</u>	Utility Requested <u>Final</u>	Comm. Approved <u>Interim</u>
<u>Residential and General Service</u>				
Base Facility Charge:				
Meter Size:				
5/8" x 3/4"	\$9.10	\$11.38	\$26.39	\$9.71
1"	\$22.76	\$28.45	\$66.00	\$24.28
1-1/2"	* \$45.52	\$0.00	\$0.00	\$48.57
2"	\$72.81	\$91.01	\$211.15	\$77.68
3"	* \$145.64	\$0.00	\$0.00	\$155.38
4"	* \$227.53	\$0.00	\$0.00	\$242.75
6"	* \$455.05	\$0.00	\$0.00	\$485.49
* The utility has approved rates, but currently no customers, for these meter sizes.				
Gallonage Charge, per 1,000				
Gallons	\$1.07	\$1.43	\$3.02	\$1.14
<u>Typical Residential Bills</u>				
5/8" x 3/4" Meter Size				
3,000 Gallons	\$12.31	\$15.67	\$35.45	\$13.13
5,000 Gallons	\$14.45	\$18.53	\$41.49	\$15.41
10,000 Gallons	\$19.80	\$25.68	\$56.59	\$21.11

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UTILITIES, INC. OF FLORIDA: SEMINOLE COUNTY				SCHEDULE NO. 1-A	
SCHEDULE OF WASTEWATER RATE BASE				DOCKET 020071-WS	
TEST YEAR ENDED 12/31/2001					
DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUST- MENTS	ADJUSTED TEST YEAR PER UTILITY	COMMISSION ADJUST- MENTS	COMMISSION ADJUSTED TEST YEAR
1 UTILITY PLANT-IN-SERVICE	\$2,299,641	\$0	\$2,299,641	(\$33,688)	\$2,265,953
2 LAND	24,281	0	24,281	0	24,281
3 NON-USED & USEFUL COMPONENTS	0	0	0	0	0
4 ACCUMULATED DEPRECIATION	(775,058)	0	(775,058)	46,863	(728,195)
5 CIAC	(610,051)	0	(610,051)	0	(610,051)
6 AMORTIZATION OF CIAC	380,218	0	380,218	0	380,218
7 CONSTRUCTION WORK IN PROGRESS	57,895	0	57,895	0	57,895
8 ADVANCES FOR CONSTRUCTION	0	0	0	(48,000)	(48,000)
9 WORKING CAPITAL ALLOWANCE	53,883	0	53,883	(53,883)	0
10 ALLOCATED PLANT	<u>11,262</u>	<u>0</u>	<u>11,262</u>	<u>0</u>	<u>11,262</u>
RATE BASE	\$1,442,071	\$0	\$1,442,071	(\$88,708)	\$1,353,363

UTILITIES, INC. OF FLORIDA: SEMINOLE COUNTY
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED 12/31/2001

SCHED. NO. 1-B
DOCKET 020071-WS

EXPLANATION	WASTEWATER
<u>PLANT-IN-SERVICE</u>	
To reflect adjustments from prior rate case	<u>(\$33,688)</u>
<u>ACCUMULATED DEPRECIATION</u>	
To reflect adjustments from prior rate case	<u>\$46,863</u>
<u>ADVANCES FOR CONSTRUCTION</u>	
To adjust rate base to include advances	<u>(\$48,000)</u>
<u>WORKING CAPITAL</u>	
To adjust working capital to balance sheet method	<u>(\$53,883)</u>

UTILITIES, INC. OF FLORIDA: SEMINOLE COUNTY						SCHEDULE NO. 2		
CAPITAL STRUCTURE						DOCKET 020071-WS		
TEST YEAR ENDED 12/31/2001								
DESCRIPTION	TOTAL CAPITAL	SPECIFIC ADJUSTMENTS (EXPLAIN)	PRO RATA ADJUSTMENTS	CAPITAL RECONCILED TO RATE BASE	RATIO	COST RATE	WEIGHTED COST'	
PER UTILITY 2001 - 13-MONTH AVERAGE								
1 LONG TERM DEBT	\$72,476,923	\$0	(\$71,270,839)	\$1,206,084	44.77%	8.59%	3.85%	
2 SHORT-TERM DEBT	13,255,885	0	(13,035,370)	220,515	8.19%	6.62%	0.54%	
3 PREFERRED STOCK	0	0	0	0	0.00%	0.00%	0.00%	
4 COMMON EQUITY	73,349,304	0	(72,128,660)	1,220,644	45.31%	11.08%	5.02%	
5 CUSTOMER DEPOSITS	43,948	0	0	43,948	1.63%	6.00%	0.10%	
6 DEFERRED INCOME TAXES	2,788	0	0	2,788	0.10%	0.00%	0.00%	
7 DEFERRED ITC'S-ZERO COST	0	0	0	0	0.00%	0.00%	0.00%	
8 TOTAL CAPITAL	<u>\$159,128,848</u>	<u>\$0</u>	<u>(\$156,434,869)</u>	<u>\$2,693,979</u>	<u>100.00%</u>		<u>9.51%</u>	
PER COMMISSION 2001 - 13-MONTH AVERAGE								
9 LONG TERM DEBT	\$72,476,923	\$0	(\$71,974,735)	\$502,188	37.11%	8.73%	3.24%	
10 SHORT-TERM DEBT	13,255,885	0	(\$13,164,036)	91,849	6.79%	3.01%	0.20%	
11 PREFERRED STOCK	0	0	\$-0	0	0.00%	0.00%	0.00%	
12 COMMON EQUITY	73,349,304	0	(\$72,841,071)	508,233	37.55%	9.83%	3.69%	
13 CUSTOMER DEPOSITS	43,948	0	0	43,948	3.25%	6.00%	0.19%	
14 DEFERRED INCOME TAXES	2,788	136,668	0	139,456	10.30%	0.00%	0.00%	
15 DEFERRED ITC'S-ZERO COST	0	67,689	0	67,689	5.00%	0.00%	0.00%	
16 TOTAL CAPITAL	<u>\$159,128,848</u>	<u>\$204,357</u>	<u>(\$157,979,842)</u>	<u>\$1,353,363</u>	<u>100.00%</u>		<u>7.33%</u>	
					<u>LOW</u>	<u>HIGH</u>		
RETURN ON EQUITY					9.83%	11.83%		
OVERALL RATE OF RETURN					7.33%	8.08%		

UTILITIES, INC. OF FLORIDA: SEMINOLE COUNTY
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED 12/31/2001

SCHEDULE NO. 3-A
DOCKET 020071-WS

DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUST- MENTS	ADJUSTED TEST YEAR PER UTILITY	COMMISSION ADJUST- MENTS	COMMISSION ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	<u>\$386,850</u>	<u>\$252,972</u>	<u>\$639,822</u>	<u>(\$240,831)</u>	<u>\$398,991</u>	<u>\$202,023</u> 50.63%	<u>\$601,014</u>
OPERATING EXPENSES							
2 OPERATION & MAINTENANCE	\$431,066	\$0	\$431,066	(\$3,253)	\$427,813		\$427,813
3 DEPRECIATION	\$51,967	(\$24,250)	\$27,717	(\$955)	\$26,762		\$26,762
4 AMORTIZATION	(\$16,666)	\$0	(\$16,666)	\$0	(\$16,666)		(\$16,666)
5 TAXES OTHER THAN INCOME	\$24,276	\$12,673	\$36,949	(\$12,279)	\$24,670	\$9,091	\$33,761
6 INCOME TAXES	<u>(\$66,831)</u>	<u>\$103,419</u>	<u>\$36,588</u>	<u>(\$79,046)</u>	<u>(\$42,458)</u>	<u>\$72,600</u>	<u>\$30,142</u>
7 TOTAL OPERATING EXPENSES	<u>\$423,812</u>	<u>\$91,842</u>	<u>\$515,654</u>	<u>(\$95,533)</u>	<u>\$420,121</u>	<u>\$81,691</u>	<u>\$501,812</u>
8 OPERATING INCOME	<u>(\$36,962)</u>	<u>\$161,130</u>	<u>\$124,168</u>	<u>(\$145,298)</u>	<u>(\$21,130)</u>	<u>\$120,332</u>	<u>\$99,202</u>
9 RATE BASE	<u>\$1,442,071</u>		<u>\$1,442,071</u>		<u>\$1,353,363</u>		<u>\$1,353,363</u>
10 RATE OF RETURN	<u>(2.56%)</u>		<u>8.61%</u>		<u>(1.56%)</u>		<u>7.33%</u>

UTILITIES, INC. OF FLORIDA: SEMINOLE COUNTY ADJUSTMENTS TO OPERATING INCOME TEST YEAR ENDED 12/31/2001		SCHED. NO. 3-B DOCKET 020071-WS
EXPLANATION	WASTEWATER	
<u>OPERATING REVENUES</u>		
To remove requested final revenue increase	<u>(\$240,831)</u>	
<u>OPERATION & MAINTENANCE EXPENSE</u>		
To remove rate case amortization expense	<u>(\$3,253)</u>	
<u>DEPRECIATION EXPENSE-NET</u>		
To reflect adjustments from prior rate case	<u>(\$955)</u>	
<u>TAXES OTHER THAN INCOME</u>		
1 RAFs on revenue adjustments above	(\$10,837)	
2 To remove pro forma payroll tax	(1,290)	
3 To correct utility's adjustment	<u>(152)</u>	
Total	<u>(\$12,279)</u>	
<u>INCOME TAXES</u>		
To adjust to test year income tax expense	<u>(\$79,046)</u>	

UTILITIES, INC. OF FLORIDA: SEMINOLE CO. WASTEWATER BI-MONTHLY SERVICE RATES TEST YEAR ENDED 12/31/2001		SCHEDULE NO. 4-A DOCKET 020071-WS		
	Rates Prior to Filing	Utility Requested Interim	Utility Requested Final	Comm. Approved Interim
<u>Residential</u>				
Base Facility Charge:				
All Meter Sizes	\$16.83	\$28.61	\$38.71	\$25.44
Gallonge Charge - Per 1,000 gallons	\$2.36	\$3.67	\$5.51	\$3.57
Flat Rate (Unmetered)	49.66	84.42	114.22	\$75.06
<u>General Service</u>				
Base Facility Charge:				
Meter Size:				
5/8" x 3/4"	\$16.83	\$28.61	\$38.71	\$25.44
1"	\$42.06	\$71.50	\$96.74	\$63.57
1-1/2"	\$84.19	\$143.12	\$193.64	\$127.25
2"	\$134.70	\$228.99	\$309.81	\$203.60
3"	* \$269.38	\$0.00	\$0.00	\$407.17
4"	\$420.91	\$715.55	\$968.09	\$636.21
6"	* \$841.81	\$0.00	\$0.00	\$1,272.40
* The utility has approved rates, but currently no customers, for these meter sizes.				
Gallonge Charge, per 1,000 Gallons	\$2.81	\$4.38	\$5.51	\$4.25
<u>Typical Residential Bills</u>				
5/8" x 3/4" meter				
3,000 Gallons	\$23.91	\$39.62	\$55.24	\$36.15
5,000 Gallons	\$28.63	\$46.96	\$66.26	\$43.29
10,000 Gallons	\$40.43	\$65.31	\$93.81	\$61.14
(Wastewater Gallonge Cap - 20,000 Gallons Bi-Monthly)				