

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Application for increase in water and
wastewater rates in Polk County by Gold Coast
Utility Corp.

DOCKET NO. 060246-WS
ORDER NO. PSC-06-0925-PCO-WS
ISSUED: November 6, 2006

The following Commissioners participated in the disposition of this matter:

LISA POLAK EDGAR, Chairman
J. TERRY DEASON
ISILIO ARRIAGA
MATTHEW M. CARTER II
KATRINA J. TEW

ORDER SUSPENDING PROPOSED FINAL RATES AND
APPROVING INTERIM RATES

BY THE COMMISSION:

Gold Coast Utility Corp. (Gold Coast) is a Class B utility providing water and wastewater service to approximately 131 residential and 32 general service water and wastewater customers in Polk County. The Commission recently approved the transfer of the utility's assets from Lake Wales.¹ Pursuant to Section 367.071, Florida Statutes, the Commission may set rate base in transfer dockets. Although rate base is typically set in transfer proceedings, no audit was performed in that docket as a cost savings measure for this Commission because Gold Coast had planned to file the instant rate case. Rate base was last set for this utility in 1998 at \$68,638 and \$241,248 for water and wastewater, respectively.²

On August 18, 2006, the utility filed its application for approval of final and interim rate increases in this docket and requested that the Commission process the case under the Proposed Agency Action (PAA) procedure. After review of the Minimum Filing Requirements (MFRs), staff determined that the MFRs contained a few deficiencies that will require revisions by the utility. These revisions will not be received until after the statutory 60-day timeframe to suspend the requested interim rate increase; therefore the official filing date has not been established.

¹ See, Order No. PSC-06-0331-PAA-WS, issued July 7, 2006, in Docket No. 050902-WS, In re: Application to transfer assets and Certificates Nos. 590-W and 508-S from Lake Haven Utility Associates, Ltd., d/b/a Lake Wales Utility Company to Gold Coast Utility Corp. Consummating Order No. PSC-06-0415-CO-WS, issued May 18, 2006, made Order No. PSC-06-0331-PAA-WS final and effective.

² Order No. PSC-99-1742-PAA-WS, issued September 7, 1999, in Docket No. 981258-WS, In re: Investigation of water and wastewater rates of Lake Haven Utility Association, Ltd. d/b/a Lake Wales Utility Co., Ltd. in Polk County for possible overearnings.

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FPSC-COMMISSION CLERK

Gold Coast has requested the following increases:

Increase	Water Revenues	Revenue Increase	Percentage Increase	Wastewater Revenues	Revenue Increase	Percentage Increase
Interim	\$152,671	\$12,286	8.75%	\$311,691	\$96,963	45.16%
Final	\$366,262	\$225,877	160.89%	\$584,229	\$369,501	172.07%

The 60-day statutory deadline for the Commission to suspend the utility's requested final rates was originally October 17, 2006. However, by letter dated August 24, 2006, the utility agreed to extend the statutory timeframe by which the Commission is required to address Gold Coast's interim rate request. We have jurisdiction pursuant to Sections 367.081 and 367.082, Florida Statutes.

SUSPENSION OF RATES

Section 367.081(6), Florida Statutes, provides that the rates proposed by the utility shall become effective within sixty days after filing unless we vote to withhold consent of implementation of the requested rates. Further, Section 367.081(8), Florida Statutes, permits the proposed rates to go into effect (secured and subject to refund) at the expiration of five months following the official filing date if we have not acted upon the requested rate increase or if the PAA action is protested by a party other than the utility.

We have reviewed the filing and considered the proposed rates, the revenues thereby generated, and the information filed in support of the rate application. We find that it is necessary to require further explanation and justification of the data, and to require production of additional and/or supporting data. This further examination will include on-site investigations by staff accountants and engineers, as well as, a customer meeting. Based on the foregoing, we find that it is appropriate to suspend the utility's proposed rate increase.

INTERIM REVENUES

On an interim basis, the utility is authorized to collect annual water and wastewater revenues as indicated below:

	Test Year Revenues	\$ Increase	Revenue Requirement	% Increase
Water	\$140,385	\$12,286	\$152,671	8.75%
Wastewater	\$214,728	\$96,963	\$311,691	45.16%

In its MFRs, Gold Coast requested interim rates designed to generate annual revenues of \$152,671 and \$311,691 for water and wastewater, respectively. This represents a water revenue increase of \$12,286, or 8.75%, and a wastewater revenue increase of \$96,963, or 45.16%. The

utility has filed rate base, cost of capital, and operating statements to support its requested 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 made 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 rate base. The adjustments are discussed below. We have attached accounting schedules to illustrate the approved rate base, capital structure, and test year operating income amounts. The rate base schedules are labeled as Schedule Nos. 1-A and 1-B, with adjustments shown on Schedule No. 1-C. The capital structure schedule is Schedule No. 2. The operating income schedules for water and wastewater, respectively, are labeled as Schedule Nos. 3-A and 3-B, with the adjustments shown on Schedule No. 3-C.

RATE BASE

The utility has filed simple average water and wastewater rate bases for the calendar year ended December 31, 2005. Based on our review of the MFRs and Order No. PSC-06-0331-PAA-WS, we believe that one adjustment is necessary to the utility's water and wastewater rate bases.

Working Capital

On MFR Schedules A-1(a) and A-2(a), Gold Coast reflected interim working capital allowances of \$18,605 and \$33,304 for water and wastewater, respectively. Pursuant to Rule 25-30.433(2), Florida Administrative Code, our staff used the formula approach (1/8 of operation and maintenance (O&M) expenses) to calculate working capital. Based on our staff's calculation, the utility's working capital allowances are overstated and should be decreased by \$1,273 for water and wastewater. As such, working capital should be \$17,332 for water and \$32,031 for wastewater.

Based on the above adjustments, we find that Gold Coast's interim rate bases shall be \$45,764 for water and \$120,968 for wastewater.

COST OF CAPITAL

In its MFRs, Gold Coast used a simple average capital structure, which consisted of Long-Term Debt and Common Equity. However, the Rate of Return on Equity (ROE) for Gold Coast authorized by Order No. PSC-01-2094-FOF-SU should not be used because the ROE does not survive a transfer.³ As previously mentioned, Order No. PSC-06-0331-PAA-WS authorized the transfer of assets to Gold Coast Utility Corp. Therefore, the current leverage formula should be used to determine the ROE for Gold Coast and the minimum of the range should be used.

³ See PSC-01-2094-FOF-SU, issued October 22, 2001, in Docket No. 011190-SU, In re: Investigation of possible overearnings by Tierra Verde Utilities, Inc. in Pinellas County, p. 3.

Using the current approved leverage formula,⁴ the return on equity is 11.55% with a range of 10.55% to 12.55%. Using the 10.55% minimum of the range, we find that an interim weighted average cost of capital of 7.41% is appropriate.

NET OPERATING INCOME

Pursuant to Section 367.082(5)(b)1., Florida Statutes, only those adjustments consistent with the most recent individual rate proceeding of the utility may be made. The adjustments may be annualized if necessary. We note that there was no rate change during the test year. Based on our review, no revenue or O&M expense adjustments are necessary.

However, on MFR Schedule B-15, the utility included \$6,265 for water and \$9,714 for wastewater regulatory assessment fees (RAFs) on historical per books revenues of \$140,385 for water and \$214,728 for wastewater. Using the .045 RAF rate, pursuant to Section 367.145, Florida Statutes, and Rule 25-30.120, Florida Administrative Code, we calculated RAFs of \$6,317 for water and \$9,663 for wastewater. As such, the utility's historical per book RAFs are understated for water and overstated for wastewater. Thus, we find that RAFs shall be increased by \$52 for water and decreased by \$51 for wastewater.

Based on the adjustments discussed above, we find that the appropriate test year operating loss, before any revenue increase, is \$3,963 for water and \$48,866 for wastewater, respectively.

REVENUE REQUIREMENT

Based on the above, our adjustments lend themselves to revenue requirements higher than that requested by the utility. In such circumstances, it has been our practice to limit the revenue requirement to the level requested.⁵ Also, the interim revenue requirement is based on amounts that will be trued-up in the determination of final rates. For these reasons, we find that the interim revenue requirements of \$152,671 for water and \$311,691 for wastewater, which are the interim revenue amounts required by the utility, are appropriate. This represents an interim increase in annual revenues of \$12,286 or 8.75% for water and \$96,963 or 45.16% for wastewater. This will allow the utility the opportunity to recover its operating expenses and earn a 7.33% and 7.35% returns on its respective water and wastewater rate bases.

INTERIM RATES

We find it appropriate to design interim rates for Gold Coast to allow the utility the opportunity to generate annual operating revenues of \$152,671 for water and \$311,691 for

⁴ The current leverage formula was established by Order No. PSC-06-0476-PAA-WS, issued June 5, 2006, in Docket No. 060006-WS, In Re: Water and Wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.; consummated by Order No. PSC-06-0554-CO-WS, issued June 27, 2006.

⁵ See Order No. PSC-06-0675-PCO-SU, issued August 7, 2006, in Docket No. 060255-SU, In re: Application for increase in wastewater rates in Pinellas County by Tierra Verde Utilities, Inc.

wastewater operations. This reflects an increase of \$12,286 or 8.75% for water and \$96,963 or 45.16% for wastewater, before removal of miscellaneous revenues. According to MFR Schedule B-4, the utility does not reflect any test year miscellaneous service charge revenues. Therefore, we find that interim rate increases of 8.75% for water and 45.16% for wastewater, respectively, shall be applied as an across the board increase to the service rates in effect as of December 31, 2005.

Gold Coast incorrectly applied an increase of approximately 9.00% to its present water residential and general service base facility charges to calculate its requested interim base facility charges. The utility also applied an increase of approximately 8.74% to its present residential and general service gallonage charges to calculate its requested interim gallonage charges. As previously stated, an across the board increase of 8.75% to the utility's present base facility and gallonage charges is appropriate. As such, the utility overstated its requested interim water base facility charges and understated its requested water interim gallonage charge.

Gold Coast incorrectly applied an across the board increase of 45% to calculate its requested wastewater interim rates. An across the board increase of 45.16% to its present wastewater rates is appropriate. As such, the utility understated its requested wastewater interim rates.

The approved interim rates shall be effective for service rendered as of the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), Florida Administrative Code. The interim rates shall not be implemented until our staff verifies that the tariff sheets are consistent with our decision, that the proposed customer notice is adequate, and that the required security discussed below has been filed. The utility shall provide proof of the date notice was given within 10 days after the date of notice.

The utility's test year, proposed interim and final wastewater rates, and Commission approved interim wastewater rates are shown on Schedules Nos. 4-A and 4-B.

SECURITY

Pursuant to Section 367.082, Florida Statutes, revenues collected under interim rates shall be placed under bond, escrow, letter of credit, or corporate undertaking subject to refund with interest at a rate ordered by this Commission. The total annual interim increase is \$109,249, or \$12,286 for the water system and \$96,963 for the wastewater system. In accordance with Rule 25-30.360, Florida Administrative Code, we have calculated the potential refunds of water and wastewater revenues and interest collected under interim conditions to be \$64,725. This amount is based on an estimated six months of revenue collected from the approved interim rates over the previously authorized rates shown on Schedules Nos. 4-A and 4-B.

We have reviewed the financial data of the utility. The criteria for a corporate undertaking includes sufficient liquidity, ownership equity, profitability, and interest coverage to guarantee any potential refund. The 2004 and 2005 annual reports of Gold Coast were used to determine the financial condition of the utility. Gold Coast has inadequate liquidity,

profitability, ownership equity, and interest coverage. Based upon this analysis, we believe that Gold Coast cannot support a corporate undertaking in the amount of \$64,725. Therefore, we require the utility to provide a letter of credit, bond, or escrow agreement to guarantee the funds collected subject to refund. This brief financial analysis is appropriate only 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.

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

The utility shall deposit 8.75% of water and 45.16% of wastewater revenues into the escrow account each month for possible refund. The escrow agreement shall also state the following: that if a refund to the customers is required, all interest earned on the escrow account shall be distributed to the customers; and, if a refund to the customers is not required, the interest earned on the escrow account shall revert to the utility.

If the security provided is a surety bond or a letter of credit, said instrument shall be in the amount of \$64,725. If the utility chooses a surety bond as security, the surety bond shall state that it will be released or shall terminate only upon subsequent order of the Commission. If the utility chooses to provide a letter of credit as security, the letter of credit shall state that it is irrevocable for the period it is in effect and that it will be in effect until a final Commission order is rendered releasing the funds to the utility or requiring a refund.

Regardless of the type of security provided, the utility shall keep an accurate and detailed account of all monies it receives. Pursuant to Rule 25-30.360(6), Florida Administrative Code, the utility shall provide a report by the 20th day 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 25-30.340, 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 water and wastewater rates proposed by Gold Coast Utility Corp. are hereby suspended. It is further

ORDERED that the request for an interim rate increase for water and wastewater rates by Gold Coast Utility Corp. is hereby granted as set forth in the body of this Order. 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 as of the stamped approval date on the tariff sheets. It is further

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

ORDERED that Gold Coast Utility Corp. shall provide proof that notice has been provided within 10 days after the notice was given. It is further

ORDERED that Gold Coast Utility Corp. shall open an escrow account, file a surety bond or letter of credit to guarantee any potential refund of revenues collected under interim rates. It is further

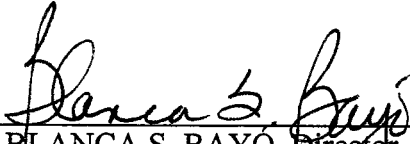
ORDERED that if the security provided in an escrow account, the Gold Coast Utility Corp. shall deposit 8.75% of water and 45.16% of wastewater revenues into the escrow account each month. It is further

ORDERED that if the security provided is a surety bond or letter of credit, said instrument shall be in the amount of \$64,725. It is further

ORDERED that during the time the interim rates are in effect, Gold Coast Utility Corp. shall file a report by the 20th 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 this docket shall remain open pending the Commission's final action on the utility's requested rate increase.

By ORDER of the Florida Public Service Commission this 6th day of November, 2006.



BLANCA S. BAYO, 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.

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.

Gold Coast Utility Corp. Schedule of Water Rate Base Test Year Ended 12/31/05			Schedule No. 1-A Docket No. 060246-WS		
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Commission Adjust- ments	Commission Adjusted Test Year
1 Plant in Service	\$477,805	\$1,241	\$479,046	\$0	\$479,046
2 Land and Land Rights	\$14,473	\$0	14,473	0	14,473
3 Accumulated Depreciation	-\$444,378	\$6,695	-437,683	0	-437,683
4 CIAC	-\$237,190	\$0	-237,190	0	-237,190
5 Amortization of CIAC	\$208,596	\$1,190	209,786	0	209,786
6 Working Capital Allowance	\$18,605	\$0	18,605	-1,273	17,332
8 Rate Base	<u>\$37,911</u>	<u>\$9,126</u>	<u>\$47,037</u>	<u>-\$1,273</u>	<u>\$45,764</u>

Gold Coast Utility Corp. Schedule of Wastewater Rate Base Test Year Ended 12/31/05			Schedule No. 1-B Docket No. 060246-WS		
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Commission Adjust- ments	Commission Adjusted Test Year
1 Plant in Service	\$704,804	\$0	\$704,804	\$0	\$704,804
2 Land and Land Rights	\$34,247	\$0	34,247	0	34,247
3 Accumulated Depreciation	\$634,755	\$12,557	-647,312	0	-647,312
4 CIAC	\$189,368	\$0	-189,368	0	-189,368
5 Amortization of CIAC	\$183,661	\$2,905	186,566	0	186,566
6 Working Capital Allowance	\$33,304	\$0	33,304	-1,273	32,031
7 Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
8 Rate Base	<u>\$131,893</u>	<u>-\$9,652</u>	<u>\$122,241</u>	<u>-\$1,273</u>	<u>\$120,968</u>

Gold Coast Utility Corp. Adjustments to Rate Base Test Year Ended 12/31/05	Schedule No. 1-C Docket No. 060246-WS	
Explanation	Water	Wastewater
<u>Working Capital</u>	<u>(\$1,273)</u>	<u>(\$1,273)</u>

Gold Coast Utility Corp. Capital Structure-Simple Average Test Year Ended 12/31/05						Schedule No. 2 Docket No. 060246-WS		
Description	Total Capital	Specific Adjustments	Subtotal Adjusted Capital	Prorata Adjustments	Capital Reconciled to Rate Base	Ratio	Cost Rate	Weighted Cost
Per Utility								
1 Long-term Debt	\$294,414	\$0	\$294,414	-\$133,651	\$160,763	94.97%	7.24%	6.88%
2 Short-term Debt	0	0	\$0	0	\$0	0.00%	0.00%	0.00%
3 Preferred Stock	0	0	\$0	0	\$0	0.00%	0.00%	0.00%
4 Common Equity	15,599	0	\$15,599	-7,084	\$8,515	5.03%	7.93%	0.40%
5 Customer Deposits	0	0	\$0	0	\$0	0.00%	6.00%	0.00%
6 Deferred Income Taxes	0	0	\$0	0	\$0	0.00%	0.00%	0.00%
10 Total Capital	<u>\$310,013</u>	<u>\$0</u>	<u>\$310,013</u>	<u>-\$140,735</u>	<u>\$169,278</u>	<u>100.00%</u>		<u>7.27%</u>
Per Commission								
11 Long-term Debt	\$294,414	\$0	\$294,414	-\$136,071	\$158,343	94.97%	7.24%	6.88%
12 Short-term Debt	0	0	\$0	\$0	0	0.00%	0.00%	0.00%
13 Preferred Stock	0	0	\$0	\$0	0	0.00%	0.00%	0.00%
14 Common Equity	15,599	0	\$15,599	-\$7,209	8,390	5.03%	10.55%	0.53%
15 Customer Deposits	0	0	\$0	\$0	0	0.00%	6.00%	0.00%
16 Deferred Income Taxes	0	0	\$0	\$0	0	0.00%	0.00%	0.00%
20 Total Capital	<u>\$310,013</u>	<u>\$0</u>	<u>\$310,013</u>	<u>-\$143,281</u>	<u>\$166,732</u>	<u>100.00%</u>		<u>7.41%</u>
						LOW	HIGH	
RETURN ON EQUITY						<u>10.55%</u>	<u>12.55%</u>	
OVERALL RATE OF								
RETURN						<u>7.41%</u>	<u>7.51%</u>	

Gold Coast Utility Corp. Statement of Water Operations Test Year Ended 12/31/05		Schedule No. 3-A Docket No. 060246-WS					
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>\$140,385</u>	<u>\$12,286</u>	<u>\$152,671</u>	<u>\$12,286</u>	<u>\$140,385</u>	<u>\$12,286</u> 8.75%	<u>\$152,671</u>
Operating Expenses Operation &							
2 Maintenance	\$148,840	-\$10,181	138,659	0	138,659		138,659
3 Depreciation	-4,968	0	-4,968	0	-4,968		-4,968
4 Amortization	0	0	0	0	0		0
5 Taxes Other Than Income	14,842	605	15,447	-501	14,946	553	15,499
6 Income Taxes	<u>0</u>	<u>113</u>	<u>113</u>	<u>-4,402</u>	<u>-4,289</u>	<u>4,415</u>	<u>126</u>
7 Total Operating Expense	<u>158,714</u>	<u>-9,463</u>	<u>149,251</u>	<u>-4,903</u>	<u>144,348</u>	<u>4,968</u>	<u>149,316</u>
8 Operating Income	<u>-\$18,329</u>	<u>\$21,749</u>	<u>\$3,420</u>	<u>-\$7,383</u>	<u>-\$3,963</u>	<u>\$7,318</u>	<u>\$3,355</u>
9 Rate Base	<u>\$37,911</u>		<u>\$47,037</u>		<u>\$45,764</u>		<u>\$45,764</u>
10 Rate of Return	<u>-48.35%</u>		<u>7.27%</u>		<u>-8.66%</u>		<u>7.33%</u>

Gold Coast Utility Corp. Statement of Wastewater Operations Test Year Ended 12/31/05						Schedule No. 3-B Docket No. 060246-WS	
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>\$214,728</u>	<u>\$96,963</u>	<u>\$311,691</u>	<u>\$96,963</u>	<u>\$214,728</u>	<u>\$96,963</u> 45.16%	<u>\$311,691</u>
2 Operating Expenses Operation & Maintenance	\$266,428	-\$10,181	\$256,247	\$0	\$256,247		\$256,247
3 Depreciation	17,752	0	17,752	0	17,752		17,752
4 Amortization	0	0	0	0	0		0
5 Taxes Other Than Income	24,198	4,312	28,510	-4,415	24,095	4,363	28,459
6 Income Taxes	<u>0</u>	<u>295</u>	<u>295</u>	<u>-34,796</u>	<u>-34,501</u>	<u>34,845</u>	<u>345</u>
7 Total Operating Expense	<u>308,378</u>	<u>-5,574</u>	<u>302,804</u>	<u>-39,210</u>	<u>263,594</u>	<u>39,209</u>	<u>302,802</u>
8 Operating Income	<u>-\$93,650</u>	<u>\$102,537</u>	<u>\$8,887</u>	<u>\$57,753</u>	<u>-\$48,866</u>	<u>\$57,754</u>	<u>\$8,889</u>
9 Rate Base	<u>\$131,893</u>		<u>\$122,241</u>		<u>\$120,968</u>		<u>\$120,968</u>
10 Rate of Return	<u>-71.00%</u>		<u>7.27%</u>		<u>-40.40%</u>		<u>7.35%</u>

Gold Coast Utility Corp. Adjustments to Operating Income Test Year Ended 12/31/05		Schedule 3-C Docket No. 060246-WS	
Explanation	Water	Wastewater	
<u>Operating Revenues</u>			
Remove requested interim revenue increase	<u>(\$12,286)</u>	<u>(\$96,963)</u>	
<u>Taxes Other Than Income</u>			
1 RAFs on revenue adjustments above	(\$553)	(\$4,363)	
2 To reflect the appropriate historical test year RAFS	<u>\$52</u>	<u>(\$51)</u>	
Total	<u>(\$501)</u>	<u>(\$4,415)</u>	

Gold Coast Utility Corp. Water Monthly Service Rates Test Year Ended 12/31/05		Schedule No. 4-A Docket No. 060246-WS		
	Rates Prior to Filing	Utility Requested Interim	Utility Requested Final	Commission Approved Interim
<u>Residential</u>				
Base Facility Charge all Meter Sizes:	\$7.19	\$7.84	\$20.46	\$7.82
Gallonge Charge, per 1,000 Gallons	\$1.03	\$1.12	\$3.19	\$1.12
<u>General Service</u>				
Base Facility Charge By Meter Size:				
5/8" x 3/4"	\$18.46	\$20.12	\$0.00	\$20.08
1"	\$46.15	\$50.30	\$51.15	\$50.19
1-1/2"	\$92.28	\$100.59	\$102.30	\$100.36
2"	\$147.64	\$160.93	\$163.68	\$160.56
3"	\$295.20	\$321.77	\$327.36	\$321.03
4"	\$0.00	\$0.00	\$511.50	\$0.00
6"	\$0.00	\$0.00	\$1,023.00	\$0.00
8"	\$0.00	\$0.00	\$0.00	\$0.00
Gallonge Charge, per 1,000 Gallons	\$1.03	\$1.12	\$3.19	\$1.12
<u>Typical Residential Bills 5/8" x 3/4" Meter</u>				
3,000 Gallons	\$21.55	\$23.48	\$9.57	\$23.44
5,000 Gallons	\$23.61	\$25.72	\$15.95	\$25.68
10,000 Gallons	\$28.76	\$31.32	\$31.90	\$31.28

Gold Coast Utility Corp. Wastewater Monthly Service Rates Test Year Ended 12/31/05	SCHEDULE NO. 4-B Docket No. 060246-WS			
	Rates Prior to Filing	Utility Requested Interim	Utility Requested Final	Commission Approved Interim
<u>Residential</u>				
Base Facility Charge All Meter Sizes:	\$12.62	\$18.30	\$37.08	\$18.32
Gallonge Charge - Per 1,000 gallons (10,000 gallon cap)	\$0.00	\$0.00	\$3.74	\$0.00
<u>General Service</u>				
Base Facility Charge by Meter Size:				
5/8" x 3/4"	\$24.24	\$35.15	\$37.08	\$35.19
1"	\$60.63	\$87.91	\$92.70	\$88.01
1-1/2"	\$121.24	\$175.80	\$185.40	\$175.99
2"	\$193.98	\$281.27	\$296.64	\$281.57
3"	\$387.98	\$562.57	\$556.20	\$563.18
4"	\$0.00	\$0.00	\$927.00	\$0.00
6"	\$0.00	\$0.00	\$1,854.00	\$0.00
8"	\$0.00	\$0.00	\$0.00	\$0.00
Gallonge Charge, per 1,000 Gallons	\$1.60	\$2.32	\$4.39	\$2.32
<u>Typical Residential Bills 5/8" x 3/4" Meter</u>				
3,000 Gallons	\$12.62	\$18.30	\$48.30	\$18.32
5,000 Gallons	\$12.62	\$18.30	\$48.30	\$18.32
10,000 Gallons (Wastewater Gallonge Cap - 10,000 Gallons)	\$12.62	\$18.30	\$48.30	\$18.32