

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in water and wastewater rates in Pasco County by Labrador Utilities, Inc. | DOCKET NO. 080249-WS
ORDER NO. PSC-08-0751-PCO-WS
ISSUED: November 13, 2008

The following Commissioners participated in the disposition of this matter:

MATTHEW M. CARTER II, Chairman
LISA POLAK EDGAR
KATRINA J. McMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

ORDER SUSPENDING PROPOSED FINAL RATES
AND GRANTING INTERIM RATES SUBJECT TO REFUND

BY THE COMMISSION:

I. BACKGROUND

Labrador Utilities, Inc. (Labrador or Utility) is a Class B utility providing water and wastewater service to approximately 897 water and 892 wastewater customers in Pasco County. Water and wastewater rates were last established for this Utility in 2004.¹

On August 28, 2008, Labrador filed an Application for Increase in Water and Wastewater Rates at issue in the instant docket. The Utility had a few deficiencies in the Minimum Filing Requirements (MFRs). As of the time of our decision, those deficiencies remained outstanding. The Utility requested that the application be processed using the Proposed Agency Action (PAA) procedure and requested interim rates. The test year established for interim and final rates is the historical twelve-month period ended December 31, 2007.

Labrador requested interim rates designed to generate annual water revenues of \$254,390 and wastewater revenues of \$486,385. This represents a revenue increase on an annual basis of \$98,628 (63.32 percent) for water and \$123,936 (34.19 percent) for wastewater. The Utility requested final rates designed to generate annual water revenues of \$302,283 and wastewater revenues of \$543,677. This represents a revenue increase of \$146,521 (94.07 percent) for water and \$181,228 (50.00 percent) for wastewater.

The original 60-day statutory deadline for us to suspend the Utility's requested final rates was October 27, 2008. However, by letter dated September 8, 2008, the Utility agreed to extend the statutory time frame through October 28, 2008. This Order addresses the suspension of

¹ See Order No. PSC-04-1281-PAA-WS, issued December 28, 2004, in Docket No. 030443-WS, In re: Application for rate increase in Pasco County by Labrador Utilities, Inc.

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FPSC-COMMISSION CLERK

Labrador's requested final rates and the Utility's requested interim rates. We have jurisdiction pursuant to Sections 367.081 and 367.082, Florida Statutes (F.S.).

II. SUSPENSION OF RATES

Section 367.081(6), F.S., provides that we may, for good cause, withhold consent to the implementation of the requested rates by a vote to that effect within 60 days after the date the rate request is filed. Further, Section 367.081(8), F.S., permits the proposed rates to go into effect (secured and subject to refund) at the expiration of five months if: (1) we have not acted upon the requested rate increase; or (2) if our PAA action is protested by a party other than the Utility.

We have reviewed the filing and considered the information filed in support of the rate application and the proposed final rates. We find it is necessary to require further investigation of this information, including on-site investigations by our staff accountants and engineers. Based on the foregoing, we find it appropriate to suspend the Utility's proposed rate increase.

III. INTERIM RATES

Labrador 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, F.S., the achieved rate of return for interim purposes must be calculated by applying adjustments consistent with those used in the Utility's most recent rate proceeding and annualizing any rate changes. We have reviewed Labrador's interim request, as well as Order No. PSC-04-1281-PAA-WS, in which we last established rate base. Our adjustments are discussed below. We have also 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. The capital structure is Schedule No. 2, and the operating income schedules for water and wastewater, respectively, are labeled as Schedule Nos. 3-A and 3-B, with the operating income adjustments shown on No. 3-C.

A. Rate Base

Based on an analysis of the MFRs and Order No. PSC-04-1281-PAA-WS from the Utility's last rate proceeding, we find that one adjustment is necessary to Labrador's wastewater rate base.

The Utility did not include a used and useful adjustment in its proposed interim rate base based on its assumption that the water and wastewater systems are built out. However, pursuant to Section 367.082, F.S., the method used to calculate used and useful in Labrador's last rate case must be used for interim purposes. In Docket No. 030443-WS, a used and useful adjustment of 79.94 percent was made to the Utility's wastewater plant. Based on the methodology used in that case, we have calculated a used and useful adjustment for interim purposes. In the prior rate case, the used and useful calculation was based on the maximum month average daily flow (MMADF) plus a growth allowance, which was divided by the Utility's permitted capacity. The 2007 test year MMADF was 88,000 gallons per day (gpd). A

growth allowance of 348 gpd shall also be included. The permitted capacity of the wastewater treatment plant is 216,000 gpd based on MMADF. Therefore, we find that the wastewater treatment plant shall be considered 40.90 percent used and useful for interim purposes. It should be noted that the MMADF of the 2007 test year appears to be significantly less than the MMADF in the prior rate case (166,065 gpd). Our staff will be investigating this issue. The water treatment plant, distribution and collection systems, and reuse facilities shall be considered 100 percent used and useful, consistent with the prior rate case.

Based on a 40.90 percent used and useful for the Utility's wastewater plant, wastewater rate base shall be reduced by \$568,784. Accordingly, corresponding adjustments shall be made to decrease depreciation expense and property taxes by \$23,242, and \$6,198, respectively. Therefore, we find that Labrador's interim water rate base shall be \$517,913. The Utility's interim wastewater rate base shall be \$756,392.

B. Cost of Capital

In its interim request, Labrador requested an overall cost of capital of 7.89 percent. The effect of our non-used and useful plant adjustment is an eleven basis point reduction of the Utility's requested cost of capital. Based on the above, we find that the interim weighted average cost of capital is 7.78 percent.

C. Net Operating Income

As discussed above, we made adjustments to depreciation expense and property taxes related to non-used and useful plant. With those adjustments, we calculate that the appropriate test year operating loss, before any revenue increase, is \$17,971 for water and the appropriate operating income, before any revenue increase, is \$41,247 for wastewater.

D. Revenue Requirement

Based on the above adjustments, we calculate the revenue requirements to be \$253,624 for water and \$392,060 for wastewater. This represents interim increases in annual revenues of \$97,862 (or 62.83 percent) for water and \$29,611 (or 8.17 percent) for wastewater. This will allow the Utility the opportunity to recover its water and wastewater operating expenses and earn a 7.78 percent return on its water and wastewater rate bases.

E. Interim Rates

Based on the above, interim water and wastewater service rates for Labrador shall be designed to allow the Utility the opportunity to generate annual operating revenues of \$253,624 for water operations and \$392,060 for wastewater operations. Before removal of miscellaneous revenues, this would result in increases of \$97,862 or 62.83 percent for water and \$29,609 or 8.17 percent for wastewater. To determine the appropriate percentage increase to apply to the service rates, we remove miscellaneous service revenues from the test year revenues. The calculation is as follows:

	<u>Water</u>	<u>Wastewater</u>
1 Total Test Year Revenues	\$155,762	\$362,449
2 Less: Miscellaneous Revenues	<u>1,013</u>	<u>992</u>
3 Test Year Revenues from Service Rates	\$154,749	\$361,457
4 Revenue Increase	<u>\$97,862</u>	<u>\$29,611</u>
5 % Service Rate Increase (Line 4/Line 3)	<u>63.24%</u>	<u>8.19%</u>

The interim rate increase of 63.24 percent for water and 8.19 percent for wastewater shall be applied as an across-the-board increase to the service rates in effect as of December 31, 2007. The approved rates shall be effective for service rendered as of the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. The rates shall not be implemented until our staff verifies that the tariff sheets are consistent with our decision, the proposed customer notice is adequate, and the required security has been filed. The Utility shall provide proof of the date notice was given within 10 days after the date of notice.

The Utility's proposed interim and final rates, and our approved interim rates are shown on Schedule No. 4-A for water, and Schedule No. 4-B for wastewater.

IV. SECURITY FOR REFUND

Pursuant to Section 367.082, F.S., 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. As approved above, the total annual interim increase is \$127,471 for water and wastewater. In accordance with Rule 25-30.360, F.A.C., our staff has calculated the potential refund of revenues and interest collected under interim conditions to be \$75,165. This amount is based on an estimated seven months of revenue being collected from interim rates over the Utility's current authorized rates shown on Schedule Nos. 4A and 4B.

Labrador is a wholly-owned subsidiary of UI, which provides all investor capital to its subsidiaries. UI has requested a corporate undertaking to secure any interim increases granted in Docket Nos. 080247-SU, 080248-SU, and 080250-SU. We considered interim rates for those dockets at the October 28, 2008, Agenda Conference. The cumulative corporate undertaking amount for those dockets is \$271,879. At present, UI has a corporate undertaking for Miles Grant Water & Sewer Company (Miles Grant) and Lake Utility Services, Inc. (LUSI), for a combined corporate undertaking of \$528,209.² As such, our staff reviewed the financial statements of the parent company. As a result of our approval of interim rates in all of the above

² See Order Nos. PSC-08-0338-PCS-WS, issued May 27, 2008 in Docket No. 070695-WS, In re: Application for rate increases in water and wastewater in Martin County, by Miles Grant Water & Sewer Company; and PSC-08-0308-PCO-WS, issued May 12, 2008, in Docket No. 070693-WS, In re: Application for rate increase in water and wastewater in Lake County by Lake Utility Services, Inc.

dockets and the previously approved corporate undertaking amount for Miles Grant and LUSI, the total requested cumulative corporate undertaking amount is \$875,253, which includes \$75,165 subject to refund for this docket. UI's total guarantee shall be equal to the outstanding amount of \$528,209, plus the amount approved by us in this docket and Docket Nos. 080247-SU, 080248-SU, and 080250-SU.

The criteria for a corporate undertaking includes sufficient liquidity, ownership equity, profitability, and interest coverage to guarantee any potential refund. Our staff has reviewed UI's financial statements from 2005 to 2007 to determine the financial condition of the parent company. UI's relative level of liquidity has decreased compared to 2006. The Utility has also experienced a decline in its interest coverage ratio and relative level of net income over the three year review period. However, UI's equity ratio has increased to 44.48 percent in 2007 from 40 percent in 2006. In addition, net income has been on average three times greater than the requested interim undertaking amount. UI's financial performance has demonstrated adequate levels of both equity capitalization and profitability on an absolute basis to offset the decline in interest coverage and profitability on a relative basis. Based upon this analysis, we find that a cumulative corporate undertaking of \$875,253 is acceptable, contingent upon the receipt of the written guarantee of UI and written confirmation that UI does not have any outstanding guarantees on behalf of UI-owned utilities in other states.

Pursuant to Rule 25-30.360(6), F.A.C., 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 25-30.360, F.A.C.

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 final water and wastewater rates proposed by Labrador Utilities, Inc. are hereby suspended. It is further

ORDERED that the request for an interim rate increase for water and wastewater rates by Labrador Utilities, Inc., is hereby granted, subject to our modifications, 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 be effective for service rendered as of the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1)(a), F.A.C. It is further

ORDERED that the interim rates shall not be implemented until our staff verifies that the tariff sheets are consistent with our decision, the proposed customer notice is adequate, and the required security has been filed. It is further

ORDERED that Labrador Utilities, Inc. shall provide proof of the date notice was given within 10 days after the date of notice. It is further

ORDERED that Utilities, Inc., shall file a corporate undertaking on behalf of Labrador Utilities, Inc. to guarantee any potential refunds of revenues collected under interim conditions, as set forth in the body of this Order. It is further

ORDERED that approval of the interim rates is contingent upon receipt of the written guarantee of Utilities, Inc. and written confirmation of UI's continued attestation that it does not have any outstanding guarantees on behalf of UI-owned utilities in other states, and the guarantee be in the cumulative amount of \$875,253 subject to refund in this docket. It is further

ORDERED that, pursuant to Rule 25-30.360(6), F.A.C., the Utility shall provide a report by the 20th of each month indicating the monthly and total revenue collected subject to refund. 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, F.A.C. It is further

ORDERED that this docket shall remain open pending our final action on the Utility's requested rate increase.

By ORDER of the Florida Public Service Commission this 13th day of November, 2008.



ANN COLE
Commission Clerk

(S E A L)

RRJ

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 Office of Commission Clerk, 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.

Labrador Utilities, Inc. Schedule of Wastewater Rate Base Test Year Ended 12/31/07			Schedule No. 1-A Docket No. 080249-WS		
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Commission Adjust- ments	Commission Adjusted Test Year
Plant in Service	\$650,138	\$2,835	\$652,973	\$0	\$652,973
2 Land and Land Rights	123	198	321	0	321
3 Non-used and Useful Components	0	0	0	0	0
4 Construction Work In Progress	21,496	(21,496)	0	0	0
5 Accumulated Depreciation	(155,978)	2,099	(153,879)	0	(153,879)
6 CIAC	(342)	0	(342)	0	(342)
7 Amortization of CIAC	13	0	13	0	13
8 Acquisition Adjustments	(312,292)	312,292	0	0	0
9 Working Capital Allowance	<u>0</u>	<u>18,827</u>	<u>18,827</u>	<u>0</u>	<u>18,827</u>
10 Rate Base	<u>\$203,158</u>	<u>\$314,755</u>	<u>\$517,913</u>	<u>0</u>	<u>\$517,913</u>

Labrador Utilities, Inc. Schedule of Wastewater Rate Base Test Year Ended 12/31/07			Schedule No. 1-B Docket No. 080249-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	\$1,769,496	\$2,775	\$1,772,271	\$0	\$1,772,271
2 Land and Land Rights	120	193	313	0	313
3 Non-used and Useful Components	0	0	0	(568,784)	(568,784)
4 Construction Work In Progress	20,518	(20,518)	0	0	0
5 Accumulated Depreciation	(480,174)	2,055	(478,119)	0	(478,119)
6 CIAC	0	0	0	0	0
7 Amortization of CIAC	0	0	0	0	0
8 Acquisition Adjustments	0	0	0	0	0
9 Working Capital Allowance	<u>0</u>	<u>30,711</u>	<u>30,711</u>	<u>0</u>	<u>30,711</u>
10 Rate Base	<u>\$1,309,960</u>	<u>\$15,216</u>	<u>\$517,913</u>	<u>(\$568,784)</u>	<u>\$756,392</u>

Labrador Utilities, Inc.		Schedule No. 1-C	
Adjustments to Rate Base		Docket No. 080249-WS	
Test Year Ended 12/31/07			
Explanation		Water	Wastewater
<u>Non-used and Useful</u>			
To reflect net non-used and useful adjustment		<u>\$0</u>	<u>(\$568,784)</u>

Labrador Utilities, Inc. Capital Structure-Simple Average Test Year Ended 12/31/07						Schedule No. 2 Docket No. 080249-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	\$180,000,000	\$0	\$180,000,000	(\$179,015,001)	\$984,999	53.44%	6.65%	3.55%	
2 Short-term Debt	7,750,000	0	\$7,750,000	(7,707,590)	\$42,410	2.30%	2.44%	0.06%	
3 Preferred Stock	0	0	\$0	0	\$0	0.00%	0.00%	0.00%	
4 Common Equity	139,282,132	0	\$139,282,132	(138,519,950)	\$762,182	41.35%	10.35%	4.28%	
5 Customer Deposits	0	0	\$0	0	\$0	0.00%	6.00%	0.00%	
6 Deferred Income Taxes	<u>53,498</u>	<u>0</u>	<u>\$53,498</u>	<u>0</u>	<u>\$53,498</u>	<u>2.90%</u>	0.00%	<u>0.00%</u>	
10 Total Capital	<u>\$327,085,630</u>	<u>\$0</u>	<u>\$327,085,630</u>	<u>(\$325,242,541)</u>	<u>\$1,843,089</u>	<u>100.00%</u>		<u>7.89%</u>	
Per Commission									
11 Long-term Debt	\$180,000,000	\$0	\$180,000,000	(\$179,328,062)	\$671,938	52.73%	6.65%	3.51%	
12 Short-term Debt	7,750,000	0	\$7,750,000	(7,721,069)	28,931	2.27%	2.44%	0.06%	
13 Preferred Stock	0	0	\$0	0	0	0.00%	0.00%	0.00%	
14 Common Equity	139,282,132	0	\$139,282,132	(138,762,193)	519,939	40.80%	10.35%	4.22%	
15 Customer Deposits	0	0	\$0	0	0	0.00%	6.00%	0.00%	
16 Deferred Income Taxes	<u>53,498</u>	<u>0</u>	<u>\$53,498</u>	<u>0</u>	<u>53,498</u>	<u>4.20%</u>	0.00%	<u>0.00%</u>	
20 Total Capital	<u>\$327,085,630</u>	<u>\$0</u>	<u>\$327,085,630</u>	<u>(\$325,811,325)</u>	<u>\$1,274,305</u>	<u>100.00%</u>		<u>7.78%</u>	
						LOW	HIGH		
RETURN ON EQUITY						<u>9.35%</u>	<u>11.35%</u>		
OVERALL RATE OF RETURN						<u>7.38%</u>	<u>8.19%</u>		

Labrador Utilities, Inc. Statement of Water Operations Test Year Ended 12/31/07						Schedule No. 3-A Docket No. 080249-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>\$172,175</u>	<u>\$82,215</u>	<u>\$254,390</u>	<u>(\$98,628)</u>	<u>\$155,762</u>	<u>\$97,862</u> 62.83%	<u>\$253,624</u>
Operating Expenses							
2 Operation & Maintenance	\$165,660	(\$15,048)	\$150,612	\$0	\$150,612	\$0	\$150,612
3 Depreciation	20,973	3,725	24,698	0	24,698	\$0	24,698
4 Amortization	0	0	0	0	0	\$0	0
5 Taxes Other Than Income	61,555	(36,721)	24,834	(4,438)	20,396	4,404	24,800
6 Income Taxes	<u>(23,472)</u>	<u>36,849</u>	<u>13,377</u>	<u>(35,350)</u>	<u>(21,973)</u>	<u>35,168</u>	<u>13,196</u>
7 Total Operating Expense	<u>\$224,716</u>	<u>(\$11,195)</u>	<u>\$213,521</u>	<u>(\$39,788)</u>	<u>\$173,733</u>	<u>\$39,572</u>	<u>\$213,305</u>
8 Operating Income	<u>(\$52,541)</u>	<u>\$93,410</u>	<u>\$40,869</u>	<u>(\$58,840)</u>	<u>(\$17,971)</u>	<u>\$58,290</u>	<u>\$40,319</u>
9 Rate Base	<u>\$203,158</u>		<u>\$517,913</u>		<u>\$517,913</u>		<u>\$517,917</u>
10 Rate of Return	<u>(25.86%)</u>		<u>7.89%</u>		<u>(3.47%)</u>		<u>7.78%</u>

Labrador Utilities, Inc. Statement of Wastewater Operations Test Year Ended 12/31/07						Schedule No. 3-B Docket No. 080249-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>\$388,315</u>	<u>\$98,070</u>	<u>\$486,385</u>	<u>(\$123,936)</u>	<u>\$362,449</u>	<u>\$29,611</u> 8.17%	<u>\$392,060</u>
Operating Expenses							
2 Operation & Maintenance	\$222,952	\$22,734	\$245,686	\$0	\$245,686	\$0	\$245,686
3 Depreciation	50,966	3,647	54,613	(23,242)	31,371	\$0	31,371
4 Amortization	0	0	0	0	0	\$0	0
5 Taxes Other Than Income	0	47,289	47,289	(11,775)	35,514	1,332	36,846
6 Income Taxes	<u>0</u>	<u>34,228</u>	<u>34,228</u>	<u>(25,597)</u>	<u>8,631</u>	<u>10,641</u>	<u>19,272</u>
7 Total Operating Expense	<u>\$273,918</u>	<u>\$107,898</u>	<u>\$381,816</u>	<u>(\$60,614)</u>	<u>\$321,202</u>	<u>\$11,974</u>	<u>\$333,175</u>
8 Operating Income	<u>\$144,397</u>	<u>(\$9,828)</u>	<u>\$104,569</u>	<u>(\$63,322)</u>	<u>\$41,247</u>	<u>\$17,637</u>	<u>\$58,884</u>
9 Rate Base	<u>\$1,309,960</u>		<u>\$1,325,176</u>		<u>\$756,392</u>		<u>\$756,392</u>
10 Rate of Return	<u>8.73%</u>		<u>7.89%</u>		<u>5.45%</u>		<u>7.78%</u>

Labrador Utilities, Inc. Adjustment to Operating Statement Test Year Ended 12/31/07		Schedule 3-C Docket No. 080249-WS	
Explanation	Water	Wastewater	
<u>Operating Revenues</u>			
Remove requested final revenue increase.	<u>(\$98,628)</u>	<u>(\$123,936)</u>	
<u>Depreciation Expense - Net</u>			
To remove net depreciation on non-U&U adjustment.	<u>\$0</u>	<u>(\$23,242)</u>	
<u>Taxes Other Than Income</u>			
1 RAFs on revenue adjustments above	<u>(\$4,438)</u>	<u>(\$5,577)</u>	
2 To reflect reduction of property taxes for non-U&U Plant	<u>0</u>	<u>(6,198)</u>	
Total	<u>(\$4,438)</u>	<u>(\$11,775)</u>	

Labrador Utilities, Inc.		Schedule 4-A			
Water Monthly Service Rates		Docket No. 080249-WS			
Test Year Ended 12/31/07		Test Year	Utility	Utility	Commission
		Rates on	Requested	Requested	Approved
		12/31/07	Interim	Final	Interim
<u>Residential</u>					
All Meter Sizes:	\$6.55	\$10.72	\$12.75	\$10.69	
Gallonage Charge Per 1,000					
Gallons	\$3.27	\$5.35	\$6.36	\$5.34	
<u>General Service</u>					
Base Facility Charge by Meter Size:					
5/8" x 3/4"	\$6.55	\$10.72	\$12.75	\$10.69	
3/4"	\$9.82	\$16.07	\$19.11	\$16.03	
1"	\$16.37	\$26.80	\$31.86	\$26.72	
1-1/2"	\$32.75	\$53.62	\$63.75	\$53.46	
2"	\$52.39	\$85.77	\$101.99	\$85.52	
3"	\$104.78	\$171.55	\$203.98	\$171.04	
4"	\$163.71	\$268.04	\$318.71	\$267.24	
6"	\$327.42	\$536.08	\$637.42	\$534.48	
Gallonage Charge, per 1,000					
Gallons	\$3.27	\$5.35	\$6.36	\$5.34	
<u>Irrigation</u>					
Base Facility Charge by Meter Size:					
2"	\$52.39	\$85.77	\$101.99	\$85.52	
Gallonage Charge Per 1,000 gallons					
	\$3.27	\$5.35	\$6.36	\$5.34	
<u>Typical Residential Bills 5/8" x 3/4" Meter</u>					
3,000 Gallons	\$16.36	\$26.77	\$31.83	\$26.71	
5,000 Gallons	\$22.90	\$37.47	\$44.55	\$37.39	
10,000 Gallons	\$39.25	\$64.22	\$76.35	\$64.09	

Labrador Utilities, Inc.		Schedule 4-B			
Wastewater Monthly Service Rates		Docket No. 080249-WS			
Test Year Ended 12/31/07		Test Year	Utility	Utility	Commission
		Rates on	Requested	Requested	Approved
		12/31/07	Interim	Final	Interim
<u>Residential</u>					
All Meter Sizes:	\$12.56	\$16.86	\$18.85	\$13.59	
Gallage Charge Per 1,000					
Gallons	\$9.71	\$13.03	\$14.57	\$10.51	
<u>General Service</u>					
Base Facility Charge by Meter Size:					
5/8" x 3/4"	\$12.56	\$16.86	\$18.85	\$13.59	
3/4"	\$18.84	\$25.29	\$28.28	\$20.38	
1"	\$31.40	\$42.16	\$47.14	\$33.97	
1-1/2"	\$62.81	\$84.34	\$94.29	\$67.96	
2"	\$100.49	\$134.93	\$150.86	\$108.72	
3"	\$200.98	\$269.87	\$301.73	\$217.44	
4"	\$314.03	\$421.67	\$471.45	\$339.76	
6"	\$628.06	\$843.35	\$942.90	\$679.51	
Gallage Charge, per 1,000					
Gallons	\$11.64	\$15.63	\$17.40	\$12.59	
<u>Typical Residential Bills 5/8" x 3/4" Meter</u>					
3,000 Gallons	\$41.69	\$55.95	\$62.56	\$45.12	
5,000 Gallons	\$61.11	\$82.01	\$91.70	\$66.14	
10,000 Gallons	\$70.82	\$95.04	\$106.27	\$76.65	
(Wastewater Gallage Cap – 6,000 Gallons)					