

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 120209-WS
ORDER NO. PSC-13-0332-PCO-WS
ISSUED: July 22, 2013

The following Commissioners participated in the disposition of this matter:

RONALD A. BRISÉ, Chairman
LISA POLAK EDGAR
ART GRAHAM
EDUARDO E. BALBIS
JULIE I. BROWN

ORDER SUSPENDING PROPOSED RATE INCREASE, GRANTING INTERIM RATES
AND HOLDING WATER REVENUES SUBJECT TO REFUND WITH INTEREST

BY THE COMMISSION:

I. Background

Utilities, Inc. of Florida (UIF or Utility) is a Class A utility providing water and wastewater service to 22 systems in the following counties: Marion, Orange, Pasco, Pinellas, and Seminole. UIF is a wholly-owned subsidiary of Utilities, Inc. (UI). The Utility's last rate case was in 2009.¹

By letter dated July 31, 2012, UIF requested test year approval in order to file an application for general rate relief for all of its counties. The Utility requested that the application be processed using the Proposed Agency Action (PAA) procedure and requested interim rates.

UIF's requested test year for final and interim purposes is the historical year ended December 31, 2011. On March 29, 2013, the Utility filed minimum filing requirements (MFRs) to justify its requested rate increase. By letter dated April 26, 2013, UIF was notified that the MFRs were deficient. UIF corrected the deficiencies through information submitted on May 29, 2013.

In its MFRs, the Utility requested the following annual interim revenue increases for Orange, Pasco, Pinellas, and Seminole Counties. UIF did not request rate relief for its Marion County water and wastewater systems.

¹ See Order No. PSC-10-0585-PAA-WS, issued September 22, 2010, in Docket No. 090462-WS, In re: Application for rate increase in Marion, Orange, Pasco, Pinellas, and Seminole Counties by Utilities, Inc. of Florida.

County	Water Revenue Increase	% Increase	Wastewater Revenue Increase	% Increase
Orange	\$30,765	26.55%	N/A	N/A
Pasco ²	\$174,950	19.36%	N/A	N/A
Pinellas	\$18,966	18.06%	N/A	N/A
Seminole	\$109,237	12.50%	\$112,353	13.75%
TOTAL	\$333,918	16.70%	\$112,353	13.75%

The original 60-day statutory deadline for this Commission to suspend the Utility's requested final rates was May 28, 2013. UIF initially waived the 60-day statutory deadline through June 18, 2013. UIF also agreed to extend the statutory time frame by which this Commission is required to address the Utility's interim rate request through June 25, 2013. This Order addresses the suspension of UIF'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 Water and Wastewater 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 the PAA action is protested by a party other than the Utility.

We have reviewed the filing and have considered the information filed in support of the rate application and the proposed final rates. We found further investigation of this information, including on-site investigations by Commission staff accountants and engineers is warranted. To date, Commission staff has initiated an audit of UIF's books and records, as well as an audit of UI, the Utility's parent, to examine allocated investment and operating expenses. Both of these audits are tentatively due on July 12, 2013. In addition, Commission staff sent its first data request on June 13, 2013. The Utility's response to this data request is due on July 15, 2013. Further, we find additional requests will be necessary to process this case. Based on the foregoing, we find that the Utility's proposed final water and wastewater rates shall be suspended.

III. Rates Subject to Refund With Interest

UIF filed rate base, cost of capital, and operating statements to support its requested interim 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 reviewed UIF's interim request, as well as Order PSC-10-0585-PAA-WS, that addressed the Utility's most recent rate proceeding. Our adjustments are discussed below. The attached

² UIF did not request interim rates for Pasco County wastewater, but is asking for a final revenue increase.

accounting schedules for each county to illustrate the rate base, capital structure, and test year operating income amounts. The rate base schedules are labeled as Schedule Nos. 1-A and 1-B, for water and wastewater, respectively, with the adjustments shown on Schedule No. 1-C. The capital structure schedule is labeled 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

In its filing, the Utility used the balance sheet approach to calculate interim working capital, which is appropriate for a Class A utility. The calculated total company working capital was \$466,605, and it was allocated to each of UIF’s systems based on Equivalent Residential Connections (ERCs) as of December 31, 2011.

The Utility included \$254,427 in its working capital calculation for deferred rate case expense. In UIF’s last rate case, we approved total rate case expense of \$303,552.³ Consistent with the Utility’s last rate case and our practice, one-half of the total rate case expense shall be included in working capital.⁴ As with the last rate case, we find that one-half of the prior Commission-approved rate case expense, or \$151,776, is the appropriate amount of deferred rate case expense to be included in working capital for interim purposes. As such, deferred rate case expense shall be reduced by \$102,651 (\$151,776 - \$254,427). This \$102,651 reduction results in a working capital allowance of \$363,954. The following table shows the working capital allowance by county and by water or wastewater service as filed by the Utility and as adjusted by us.

Table 1

County	As Filed	Commission Adjustment	Commission Adjusted
Marion – Water	\$26,413	(\$5,813)	\$20,600
Marion – Wastewater	3,815	(831)	2,984
Orange – Water	14,944	(3,297)	11,647
Pasco - Water	144,331	(31,760)	112,571
Pasco – Wastewater	56,921	(12,519)	44,402
Pinellas – Water	21,533	(4,753)	16,780
Seminole – Water	129,788	(28,536)	101,252
Seminole – Wastewater	<u>68,861</u>	<u>(15,141)</u>	<u>53,720</u>
TOTAL	<u>\$466,605</u>	<u>(\$102,651)</u>	<u>\$363,954</u>

³ See Order No. PSC-10-0585-PAA-WS. p. 30.

⁴ See Order No. PSC-10-0585-PAA-WS. p. 19.

The Utility did not include used and useful (U&U) adjustments in its MFRs for any of its water or wastewater systems. We agree with the Utility that, consistent with the last rate case, the water and wastewater plants and lines are 100 percent U&U because none of the systems are oversized and the service areas are substantially built out.⁵

Cost of Capital

In its interim request, the Utility used a return on equity (ROE) of 9.69 percent, which is the minimum of the range of its last authorized ROE from Order No. PSC-10-0585-PAA-WS.⁶ Based on a 9.69 percent ROE and our adjustments to rate base discussed earlier, We find the appropriate interim weighted average cost of capital for each county as shown in Table 2.

Even though the Utility did not request interim rates for Pasco County wastewater, in order to remain consistent with adjustments made in the Utility's last rate case, we calculated Pasco County's wastewater rate base to establish an accurate weighted average cost of capital in the instant docket. The resulting cost of capital for Pasco County is also reflected in Table 2.

Table 2

County	Requested Weighted Average Cost of Capital	Approved Weighted Average Cost of Capital
Orange	7.03%	7.02%
Pasco	6.94%	7.23%
Pinellas	6.95%	6.93%
Seminole	7.33%	7.32%

Net Operating Income

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 adjustments made in the Utility's most recent rate proceeding and annualizing any rate changes.

To attain the appropriate amount of interim test year operating revenues, we first removed the requested interim revenue increases from the Utility's requested revenues. In addition, the interim revenues for the Seminole County wastewater system included an adjustment to annualize revenues for a rate change which was effective January 16, 2012. Based on the effective date, the Utility's proposed adjustments for annualizing wastewater revenues are outside the interim test year. As such, we find that this adjustment shall be removed from the interim net operating income calculation to reflect the appropriate revenues as of December 31, 2011.

⁵ See Order No. PSC-10-0585-PAA-WS, p. 14.

⁶ See Order No. PSC-10-0585-PAA-WS, p. 20.

Based on our review, several adjustments to operation and maintenance (O&M) expenses and taxes other than income (TOTI) are necessary for interim purposes as well. Our adjustments to net operating income are summarized in each county's Schedule No. 3-C.

First, we have reduced the salaries expense to reflect the benchmark adjustment for customer growth and inflation. These adjustments are consistent with the treatment in the Utility's last rate case.

Second, we have adjusted employee pensions and benefits expense to reflect the test year ratio of pensions and benefits to salaries and applied it to the previously mentioned salary adjustment in order to determine the corresponding adjustments for pensions and benefits expense. These adjustments are consistent with the treatment in the Utility's last rate case.

Third, we have adjusted bad debt expense to reflect the 3-year average for bad debt expense consistent with the treatment in the Utility's last rate case.

Fourth, in the Utility's last rate proceeding, we approved annual amortization of rate case expense for UIF's water and wastewater systems. The Utility included annual amortization of rate case expense in its MFRs as well. We find that for interim purposes, O&M expenses shall be adjusted by the difference between the Commission-approved annual amortization amount and the test year annual amortization, including non-pro forma adjustments.

Fifth, in the Utility's last rate case, we determined that the Ravenna Park system in Seminole County had excessive infiltration and inflow (I&I) in the amount of 40.79 percent.⁷ In its MFRs, the Utility calculated excessive I&I at 33.02 percent for Ravenna Park in this docket. Following the same methodology used in the last rate case, we shall apply the updated I&I percentage from the MFRs to the actual purchased wastewater treatment expense for 2011. The resulting adjustment is a \$58,233 ($\$176,357 \times 33.02$ percent) reduction in wastewater expense for Ravenna Park (Seminole County).

Finally, we made a corresponding adjustment to reduce the TOTI account to reflect the revenue adjustments cited above. We also made a corresponding adjustment to reflect payroll taxes consistent with the salary adjustments described above.

Revenue Requirement

Based on the above adjustments, the revenue requirements are reflected in the following table. With the exception of Pinellas County water, these approved revenue increases will allow the Utility the opportunity to recover its water and/or wastewater operating expenses and earn at the minimum of the last previously authorized return on equity (ROE) range for its respective water and/or wastewater systems.

⁷ See Order No. PSC-10-0585-PAA-WS, p. 16.

Table 3

County	Adjusted Test Year	Revenue Increase	Revenue Requirement	% Increase
Orange – Water	\$115,858	\$17,111	\$132,969	14.77%
Pasco – Water	\$903,759	\$46,325	\$950,084	5.13%
Seminole – Water	\$874,012	\$42,687	\$916,699	4.88%
Seminole – Wastewater	\$806,130	\$23,389	\$829,519	2.90%

After making the adjustments discussed previously, we calculated a revenue decrease of \$1,922, or 1.83 percent, for Pinellas County water based on its minimum authorized ROE. The authorized range of the overall rate of return for Pinellas County is 6.51 to 7.35 percent. Pinellas County water is currently operating within that range. As a result, no interim revenue decrease is warranted. As such, the current water rates for Pinellas County shall remain in effect.

IV. Interim Water and Wastewater Rates

We find that interim service rates for UIF shall be designed to allow the Utility the opportunity to generate additional annual operating revenues as shown below. The test year revenues were adjusted to annualize the rate in effect at the end of the test year. To determine the appropriate increase to apply to the service rates, miscellaneous revenues shall be removed from the adjusted test year revenues. The calculations are as follows:

Table 4

County	Adjusted Test Year Revenues	Miscellaneous Revenues	Revenues – Miscellaneous Revenue	Revenue Increase	% Rate Increase
Orange - Water	\$115,858	\$3,218	\$112,640	\$17,111	15.19%
Pasco - Water	\$903,759	\$12,445	\$891,314	\$46,325	5.20%
Seminole - Water	\$874,012	\$18,690	\$855,322	\$42,687	4.99%
Seminole - Wastewater	\$806,130	\$2,475	\$803,655	\$23,389	2.91%

The percentage increases described in Table 4 shall be applied as an across-the-board increase to the service rates in effect as of December 31, 2011, in each respective county. No interim increase shall be applied to the Pasco County wastewater system or Pinellas County water system. The Utility did not request interim rates for its wastewater system in Pasco County. Also, as discussed previously, we are not ordering any changes to the revenue for the water system in Pinellas County for interim purposes.

The rates, as shown on Schedule Nos. 4-A and 4-B, 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. The Utility shall file revised tariff sheets and a proposed customer notice

to reflect the Commission-approved rates. In addition, the approved rates shall not be implemented until the required security has been filed, Commission staff has approved the proposed customer notice, and the notice has been received by the customers. The Utility shall provide proof of the date notice was given within 10 days of the date of the notice.

V. Appropriate Security to Guarantee the Interim Decrease

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. UIF has requested annual interim revenue increases of \$333,918 for water and \$112,353 for wastewater for systems in the counties referenced in this docket. In accordance with Rule 25-30.360, F.A.C., we have calculated the potential refund of revenues and interest collected under interim conditions to be \$75,569 for water and wastewater combined. This amount is based on an estimated seven months of revenue being collected from authorized interim rates over the Utility's current authorized rates shown on Schedules Nos. 4-A and 4-B.

The criteria for a corporate undertaking include sufficient liquidity, ownership equity, profitability, and interest coverage to guarantee any potential refund. We reviewed UI's 2010, 2011 and 2012 financial statements to determine if the Company can support a corporate undertaking on behalf of its subsidiary. UI reported both an insufficient working capital amount and an inadequate current ratio in 2012. However, in all other time periods, the Company achieved sufficient liquidity and interest coverage ratios. In addition, UI reported adequate ownership equity over the three-year review period. UI's profitability in 2012 increased from \$8,032,000 to \$13,840,000 by virtue of a one-time net gain on the disposition of utility systems in the amount of \$11,546,000. The amount of the one-time gain is atypical of the amounts UI reported in prior-year financial statements and there is no indication a gain of that magnitude will occur in future years.

We find that UI has adequate resources to support a corporate undertaking in the amount requested. Based on this analysis, we find that a corporate undertaking of \$75,569 is acceptable contingent upon receipt of the written guarantee of UI and written confirmation that the cumulative outstanding guarantees on behalf of UI-owned utilities in other states will not exceed \$1.2 million (inclusive of all Florida utilities).

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. These 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 proposed water and wastewater rates of Utilities, Inc. of Florida are suspended. It is further

ORDERED that \$75,549 of annual water revenues shall be collected subject to refund with interest. It is further

ORDERED that a cumulative corporate undertaking of \$75,569 is acceptable contingent upon receipt of the written guarantee of the parent company, Utilities, Inc., and written confirmation that the cumulative outstanding guarantees on behalf of UI-owned utilities in other states will not exceed \$1.2 million (inclusive of all Florida utilities). It is further

ORDERED that Utilities, Inc. shall file a corporate undertaking of which includes the entire amount of \$75,569 subject to refund in this docket, on behalf of its subsidiary, Utilities, Inc. of Florida, to guarantee any potential refunds of revenues collected under interim conditions. It is further

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

ORDERED that this docket shall remain open pending our decision on the requested rate increase.

By ORDER of the Florida Public Service Commission this 22nd day of July, 2013.



ANN COLE
Commission Clerk
Florida Public Service Commission
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Tallahassee, Florida 32399
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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 10 days pursuant to Rule 25-22.0376, 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 25-22.0376, 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.

Utilities, Inc. of Florida - Orange County Schedule of Water Rate Base Test Year Ended 12/31/11				Schedule No. 1-A Docket No. 120209-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	\$433,577	(\$22,559)	\$411,018	\$0	\$411,018
2 Land and Land Rights	106	0	106	0	106
3 Non-used and Useful Components	0	0	0	0	0
4 Accumulated Depreciation	(220,690)	33,739	(186,951)	0	(186,951)
5 CIAC	46,479	(42,081)	4,398	0	4,398
6 Amortization of CIAC	22,171	(12,146)	10,025	0	10,025
7 Net Debit Deferred Income Taxes	0	0	0	0	0
8 Advances for Construction	0	0	0	0	0
9 Working Capital Allowance	0	14,944	14,944	(3,297)	11,647
10 Other	<u>1</u>	<u>(1)</u>	<u>0</u>	<u>0</u>	<u>0</u>
11 Rate Base	<u>\$281,644</u>	<u>(\$28,104)</u>	<u>\$253,540</u>	<u>(\$3,297)</u>	<u>\$250,243</u>

Utilities, Inc. of Florida - Orange County		Schedule No. 1-C
Adjustments to Rate Base		Docket No. 120209-WS
Test Year Ended 12/31/11		
Explanation		Water
<u>Working Capital</u>		
Reflect appropriate working capital allowance.		<u>(\$3,297)</u>

Utilities, Inc. of Florida - Orange County							Schedule No. 2		
Capital Structure 13-Month Average							Docket No. 120209-WS		
Test Year Ended 12/31/11									
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	(\$179,891,335)	\$108,665	42.86%	6.65%	2.85%	
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	179,029,269	0	179,029,269	(178,921,211)	108,058	42.62%	9.69%	4.13%	
5 Customer Deposits	2,281	0	2,281	0	2,281	0.90%	6.00%	0.05%	
6 Tax Credits-Zero Cost	2,955	0	2,955	0	2,955	1.17%	0.00%	0.00%	
7 Deferred Income Taxes	<u>31,581</u>	<u>0</u>	<u>31,581</u>	<u>0</u>	<u>31,581</u>	<u>12.46%</u>	0.00%	<u>0.00%</u>	
8 Total Capital	<u>\$359,066,086</u>	<u>\$0</u>	<u>\$359,066,086</u>	<u>(\$358,812,546)</u>	<u>\$253,540</u>	<u>100.00%</u>		<u>7.03%</u>	
Per Commission									
9 Long-term Debt	\$180,000,000	\$0	\$180,000,000	(\$179,892,999)	\$107,001	42.76%	6.65%	2.84%	
10 Short-term Debt	0	0	0	0	0	0.00%	0.00%	0.00%	
11 Preferred Stock	0	0	0	0	0	0.00%	0.00%	0.00%	
12 Common Equity	179,029,269	0	179,029,269	(178,922,845)	106,424	42.53%	9.69%	4.12%	
13 Customer Deposits	2,281	0	2,281	0	2,281	0.91%	6.00%	0.05%	
14 Tax Credits-Zero Cost	2,955	0	2,955	0	2,955	1.18%	0.00%	0.00%	
15 Deferred Income Taxes	<u>31,581</u>	<u>0</u>	<u>31,581</u>	<u>0</u>	<u>31,581</u>	<u>12.62%</u>	0.00%	<u>0.00%</u>	
16 Total Capital	<u>\$359,066,086</u>	<u>\$0</u>	<u>\$359,066,086</u>	<u>(\$358,815,843)</u>	<u>\$250,243</u>	<u>100.00%</u>		<u>7.02%</u>	
						LOW	HIGH		
RETURN ON EQUITY						<u>8.69%</u>	<u>10.69%</u>		
OVERALL RATE OF RETURN						<u>6.59%</u>	<u>7.44%</u>		

Utilities, Inc. of Florida - Orange County						Schedule No. 3-A	
Statement of Water Operations						Docket No. 120209-WS	
Test Year Ended 12/31/11							
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>\$115,683</u>	<u>\$30,940</u>	<u>\$146,623</u>	<u>(\$30,765)</u>	<u>\$115,858</u>	<u>\$17,111</u> 14.77%	<u>\$132,969</u>
Operating Expenses							
2 Operation & Maintenance	\$89,748	\$3,132	\$92,880	(\$11,970)	\$80,910		\$80,910
3 Depreciation	23,397	(5,385)	18,012	0	18,012		18,012
4 Amortization	0	2,015	2,015	0	2,015		2,015
5 Taxes Other Than Income	5,683	3,882	9,565	(2,090)	7,475	770	8,245
6 Income Taxes	<u>18</u>	<u>6,299</u>	<u>6,317</u>	<u>(6,244)</u>	<u>73</u>	<u>6,149</u>	<u>6,222</u>
7 Total Operating Expense	<u>118,846</u>	<u>9,943</u>	<u>128,789</u>	<u>(20,304)</u>	<u>108,485</u>	<u>6,919</u>	<u>115,404</u>
8 Operating Income	<u>(\$3,163)</u>	<u>\$20,997</u>	<u>\$17,834</u>	<u>(\$10,461)</u>	<u>\$7,373</u>	<u>\$10,192</u>	<u>\$17,565</u>
9 Rate Base	<u>\$281,644</u>		<u>\$253,540</u>		<u>\$250,243</u>		<u>\$250,243</u>
10 Rate of Return	<u>-1.12%</u>		<u>7.03%</u>		<u>2.95%</u>		<u>7.02%</u>

Utilities, Inc. of Florida - Orange County Adjustment to Operating Income Test Year Ended 12/31/11		Schedule No. 3-C Docket No. 120209-WS
Explanation		Water
<u>Operating Revenues</u>		
Remove requested interim revenue increase.		<u>(\$30,765)</u>
<u>Operation and Maintenance Expense</u>		
1 Reflect appropriate interim salaries.		(\$9,220)
2 Reflect appropriate interim pensions & benefits.		(2,210)
3 Reflect appropriate interim bad debt expense.		(477)
4 Reflect appropriate interim rate case expense.		<u>(63)</u>
Total		<u>(\$11,970)</u>
<u>Taxes Other Than Income</u>		
1 RAFs on revenue adjustments above.		(\$1,384)
2 Reflect appropriate interim payroll taxes.		<u>(705)</u>
Total		<u>(\$2,090)</u>

Utilities, Inc. of Florida – Orange County Water Monthly Service Rates Test Year Ended 12/31/2011		Schedule No. 4-A Docket No. 120209-WS		
	Rates at 12/31/2011	Utility Requested Interim	Utility Requested Final	Commission Ordered Interim
<u>Residential, General and Multi-Residential Service</u>				
<u>Base Facility Charge by Meter Size:</u>				
5/8"X3/4"	\$8.03	\$10.22	\$10.86	\$9.25
1"	\$20.10	\$25.59	\$27.18	\$23.15
1-1/2"	\$40.19	\$51.17	\$54.34	\$46.29
2"	\$64.31	\$81.87	\$86.95	\$74.08
3"	\$128.61	\$163.74	\$173.88	\$148.15
4"	\$200.96	\$255.85	\$271.70	\$231.49
6"	\$401.91	\$511.68	\$543.38	\$462.96
<u>Residential Service Gallonage Chg.</u>				
0 - 6,000 gallons	\$3.27	\$4.16	\$4.42	\$3.77
6,001 - 8,000 gallons	\$3.46	\$4.40	\$4.68	\$3.99
8,001 - 16,000 gallons	\$4.33	\$5.51	\$5.85	\$4.99
Over 16,000 gallons	\$5.18	\$6.59	\$7.00	\$5.97
<u>General and Multi-Residential Gallonage Chg.</u>				
Per 1,000 Gallons	\$3.55	\$4.52	\$4.80	\$4.09
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u>				
3,000 Gallons	\$17.84	\$22.70	\$24.12	\$20.56
5,000 Gallons	\$24.38	\$31.02	\$32.96	\$28.10
10,000 Gallons	\$43.23	\$55.00	\$58.44	\$49.83

Utilities, Inc. of Florida - Pasco County Schedule of Water Rate Base Test Year Ended 12/31/11				Schedule No. 1-A Docket No. 120209-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	\$4,778,638	(\$52,267)	\$4,726,371	\$0	\$4,726,371
2 Land and Land Rights	2,899	10,754	13,653	0	13,653
3 Non-used and Useful Components	0	0	0	0	0
4 Accumulated Depreciation	(1,424,772)	4,383	(1,420,389)	0	(1,420,389)
5 CIAC	(595,036)	(12,627)	(607,663)	0	(607,663)
6 Amortization of CIAC	434,351	(130,489)	303,862	0	303,862
7 Net Debit Deferred Income Taxes	0	0	0	0	0
8 Advances for Construction	0	0	0	0	0
9 Working Capital Allowance	0	<u>144,331</u>	<u>144,331</u>	<u>(31,760)</u>	<u>112,571</u>
10 Rate Base	<u>\$3,196,080</u>	<u>(\$35,915)</u>	<u>\$3,160,165</u>	<u>(\$31,760)</u>	<u>\$3,128,405</u>

Utilities, Inc. of Florida - Pasco County Adjustments to Rate Base Test Year Ended 12/31/11	Schedule No. 1-C Docket No. 120209-WS
Explanation	Water
<u>Working Capital</u> Reflect appropriate working capital allowance.	<u>(\$31,760)</u>

Utilities, Inc. of Florida - Pasco County							Schedule No. 2		
Capital Structure 13-Month Average							Docket No. 120209-WS		
Test Year Ended 12/31/11									
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	(\$178,664,111)	\$1,335,889	42.27%	6.65%	2.81%	
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	179,029,269	0	179,029,269	(177,700,840)	1,328,429	42.04%	9.69%	4.07%	
5 Customer Deposits	30,739	0	30,739	0	30,739	0.97%	6.00%	0.06%	
6 Tax Credits-Zero Cost	39,802	0	39,802	0	39,802	1.26%	0.00%	0.00%	
7 Deferred Income Taxes	<u>425,306</u>	<u>0</u>	<u>425,306</u>	<u>0</u>	<u>425,306</u>	<u>13.46%</u>	0.00%	<u>0.00%</u>	
8 Total Capital	<u>\$359,525,116</u>	<u>\$0</u>	<u>\$359,525,116</u>	<u>(\$356,364,951)</u>	<u>\$3,160,165</u>	<u>100.00%</u>		<u>6.94%</u>	
Per Commission									
9 Long-term Debt	\$180,000,000	\$0	\$180,000,000	(\$178,168,028)	\$1,831,972	44.14%	6.65%	2.94%	
10 Short-term Debt	0	0	\$0	\$0	0	0.00%	0.00%	0.00%	
11 Preferred Stock	0	0	\$0	\$0	0	0.00%	0.00%	0.00%	
12 Common Equity	179,029,269	0	179,029,269	(177,207,177)	1,822,092	43.91%	9.69%	4.25%	
13 Customer Deposits	30,739	0	30,739	\$0	30,739	0.74%	6.00%	0.04%	
14 Tax Credits-Zero Cost	39,802	0	39,802	\$0	39,802	0.96%	0.00%	0.00%	
15 Deferred Income Taxes	<u>425,306</u>	<u>0</u>	<u>425,306</u>	<u>\$0</u>	<u>425,306</u>	<u>10.25%</u>	0.00%	<u>0.00%</u>	
16 Total Capital	<u>\$359,525,116</u>	<u>\$0</u>	<u>\$359,525,116</u>	<u>(\$355,375,205)</u>	<u>\$4,149,911</u>	<u>100.00%</u>		<u>7.23%</u>	
						<u>LOW</u>	<u>HIGH</u>		
RETURN ON EQUITY						<u>8.69%</u>	<u>10.69%</u>		
OVERALL RATE OF RETURN						<u>6.80%</u>	<u>7.67%</u>		

Utilities, Inc. of Florida - Pasco County						Schedule No. 3-A	
Statement of Water Operations						Docket No. 120209-WS	
Test Year Ended 12/31/11							
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>\$833,526</u>	<u>\$245,183</u>	<u>\$1,078,709</u>	<u>(\$174,950)</u>	<u>\$903,759</u>	<u>\$46,325</u> 5.13%	<u>\$950,084</u>
Operating Expenses							
2 Operation & Maintenance	659,410	(147,145)	512,265	(124,044)	\$388,221		\$388,221
3 Depreciation	182,883	(27,529)	155,354	0	155,354		155,354
4 Taxes Other Than Income	153,181	(39,160)	114,021	(16,230)	97,791	2,085	99,876
5 Income Taxes	<u>170</u>	<u>77,494</u>	<u>77,664</u>	<u>(14,008)</u>	<u>63,656</u>	<u>16,648</u>	<u>80,304</u>
6 Total Operating Expense	<u>995,644</u>	<u>(136,340)</u>	<u>859,304</u>	<u>(154,281)</u>	<u>705,023</u>	<u>18,732</u>	<u>723,755</u>
7 Operating Income	<u>(\$162,118)</u>	<u>\$381,523</u>	<u>\$219,405</u>	<u>(\$20,669)</u>	<u>\$198,736</u>	<u>\$27,593</u>	<u>\$226,329</u>
8 Rate Base	<u>\$3,196,080</u>		<u>\$3,160,165</u>		<u>\$3,128,405</u>		<u>\$3,128,405</u>
9 Rate of Return	<u>-5.07%</u>		<u>6.94%</u>		<u>6.35%</u>		<u>7.23%</u>

Utilities, Inc. of Florida - Pasco County Adjustment to Operating Income Test Year Ended 12/31/11		Schedule No. 3-C Docket No. 120209-WS
Explanation	Water	
<u>Operating Revenues</u>		
Remove requested interim revenue increase.		<u>(\$174,950)</u>
<u>Operation and Maintenance Expense</u>		
1 Reflect appropriate interim salaries.		(\$109,239)
2 Reflect appropriate interim pensions & benefits.		(22,141)
3 Reflect appropriate interim bad debt expense.		7,942
4 Reflect appropriate interim rate case expense.		<u>(605)</u>
Total		<u>(\$124,044)</u>
<u>Taxes Other Than Income</u>		
1 RAFs on revenue adjustments above.		(\$7,873)
2 Reflect appropriate interim payroll taxes.		<u>(8,357)</u>
Total		<u>(\$16,230)</u>

Utilities, Inc. of Florida – Pasco County Water Monthly Service Rates Test Year Ended 12/31/2011		Schedule No. 4-A Docket No. 120209-WS		
	Rates at 12/31/2011	Utility Requested Interim	Utility Requested Final	Commission Ordered Interim
<u>Residential, General and Multi-Residential Service</u>				
<u>Base Facility Charge by Meter Size:</u>				
5/8"X3/4"	\$12.35	\$14.77	\$16.89	\$12.99
1"	\$18.54	\$22.18	\$25.36	\$19.50
1-1/2"	\$30.89	\$36.95	\$42.25	\$32.50
2"	\$61.76	\$73.88	\$84.48	\$64.97
3"	\$98.82	\$118.22	\$135.17	\$103.96
4"	\$197.63	\$236.42	\$270.32	\$207.91
6"	\$308.80	\$369.41	\$422.38	\$324.86
8"	\$617.61	\$738.84	\$844.77	\$649.73
<u>Residential Service Gallonage Chg.</u>				
0 - 3,000 gallons	\$3.71	\$4.44	\$5.07	\$3.90
Over 3,000 gallons	\$4.02	\$4.81	\$5.50	\$4.23
<u>General and Multi-Residential Service Gallonage Chg.</u>				
Per 1,000 Gallons	\$3.78	\$4.52	\$5.17	\$3.98
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u>				
3,000 Gallons	\$23.48	\$28.09	\$32.10	\$24.69
5,000 Gallons	\$31.52	\$37.71	\$43.10	\$33.15
10,000 Gallons	\$51.62	\$61.76	\$70.60	\$54.30

Utilities, Inc. of Florida - Pinellas County Schedule of Water Rate Base Test Year Ended 12/31/11				Schedule No. 1-A Docket No. 120209-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	\$528,337	\$17,622	\$545,959	\$0	\$545,959
2 Land and Land Rights	6,258	0	6,258	0	6,258
3 Non-used and Useful Components	0	0	0	0	\$0
4 Accumulated Depreciation	(160,642)	11,188	(149,454)	0	(149,454)
5 CIAC	(138,847)	0	(138,847)	0	(138,847)
6 Amortization of CIAC	82,734	(28,977)	53,757	0	53,757
7 Net Debit Deferred Income Taxes	0	0	0	0	0
8 Advances for Construction	0	0	0	0	0
9 Working Capital Allowance	0	21,533	21,533	(4,753)	\$16,780
10 Rate Base	<u>\$317,840</u>	<u>\$21,366</u>	<u>\$339,206</u>	<u>(\$4,753)</u>	<u>\$334,453</u>

Utilities, Inc. of Florida - Pinellas County		Schedule No. 1-C
Adjustments to Rate Base		Docket No. 120209-WS
Test Year Ended 12/31/11		
Explanation		Water
<u>Working Capital</u>		
Reflect appropriate working capital allowance.		<u>(\$4,753)</u>

Utilities, Inc. of Florida - Pinellas County						Schedule No. 2		
Capital Structure 13-Month Average						Docket No. 120209-WS		
Test Year Ended 12/31/11								
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	(\$179,856,521)	\$143,479	42.30%	6.65%	2.81%
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	179,029,269	0	179,029,269	(178,886,591)	142,678	42.06%	9.69%	4.08%
5 Customer Deposits	3,288	0	3,288	0	3,288	0.97%	6.00%	0.06%
6 Tax Credits-Zero Cost	4,258	0	4,258	0	4,258	1.26%	0.00%	0.00%
7 Deferred Income Taxes	<u>45,503</u>	<u>0</u>	<u>45,503</u>	<u>0</u>	<u>45,503</u>	<u>13.41%</u>	0.00%	<u>0.00%</u>
8 Total Capital	<u>\$359,082,318</u>	<u>\$0</u>	<u>\$359,082,318</u>	<u>(\$358,743,112)</u>	<u>\$339,206</u>	<u>100.00%</u>		<u>6.95%</u>
Per Commission								
9 Long-term Debt	\$180,000,000	\$0	\$180,000,000	(\$179,858,918)	\$141,082	42.18%	6.65%	2.81%
10 Short-term Debt	0	0	0	0	0	0.00%	0.00%	0.00%
11 Preferred Stock	0	0	0	0	0	0.00%	0.00%	0.00%
12 Common Equity	179,029,269	0	179,029,269	(178,888,948)	140,321	41.96%	9.69%	4.07%
13 Customer Deposits	3,288	0	3,288	0	3,288	0.98%	6.00%	0.06%
14 Tax Credits-Zero Cost	4,258	0	4,258	0	4,258	1.27%	0.00%	0.00%
15 Deferred Income Taxes	<u>45,503</u>	<u>0</u>	<u>45,503</u>	<u>0</u>	<u>45,503</u>	<u>13.61%</u>	0.00%	<u>0.00%</u>
16 Total Capital	<u>\$359,082,318</u>	<u>\$0</u>	<u>\$359,082,318</u>	<u>(\$358,747,865)</u>	<u>\$334,453</u>	<u>100.00%</u>		<u>6.93%</u>
						LOW	HIGH	
RETURN ON EQUITY						<u>8.69%</u>	<u>10.69%</u>	
OVERALL RATE OF RETURN						<u>6.51%</u>	<u>7.35%</u>	

Utilities, Inc. of Florida - Pinellas County						Schedule No. 3-A	
Statement of Water Operations						Docket No. 120209-WS	
Test Year Ended 12/31/11							
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>\$95,795</u>	<u>\$28,173</u>	<u>\$123,968</u>	<u>(\$18,966)</u>	<u>\$105,002</u>	<u>(\$1,922)</u> -1.83%	<u>\$103,080</u>
Operating Expenses							
2 ●peration & Maintenance	63,729	2,671	66,400	(18,242)	48,158		48,158
3 Depreciation	18,945	(3,388)	15,557	0	15,557		15,557
4 Amortization	0	0	0	0	0		0
5 Taxes Other Than Income	3,273	6,832	10,105	(2,033)	8,072	(87)	7,985
6 Income Taxes	<u>25</u>	<u>8,317</u>	<u>8,342</u>	<u>552</u>	<u>8,894</u>	<u>(691)</u>	<u>8,204</u>
7 Total Operating Expense	<u>85,972</u>	<u>14,432</u>	<u>100,404</u>	<u>(19,723)</u>	<u>80,681</u>	<u>(777)</u>	<u>79,903</u>
8 Operating Income	<u>\$9,823</u>	<u>\$13,741</u>	<u>\$23,564</u>	<u>\$757</u>	<u>\$24,321</u>	<u>(\$1,145)</u>	<u>\$23,176</u>
9 Rate Base	<u>\$317,840</u>		<u>\$339,206</u>		<u>\$334,453</u>		<u>\$334,453</u>
10 Rate of Return	<u>3.09%</u>		<u>6.95%</u>		<u>7.27%</u>		<u>6.93%</u>

Utilities, Inc. of Florida - Pinellas County Adjustment to Operating Income Test Year Ended 12/31/11		Schedule No. 3-C Docket No. 120209-WS
Explanation	Water	
<u>Operating Revenues</u>		
Remove requested interim revenue increase.		<u>(\$18,966)</u>
<u>Operation and Maintenance Expense</u>		
1 Reflect appropriate interim salaries.		(\$15,425)
2 Reflect appropriate interim pensions & benefits.		(3,263)
3 Reflect appropriate interim bad debt expense.		535
4 Reflect appropriate interim rate case expense.		<u>(90)</u>
Total		<u>(\$18,242)</u>
<u>Taxes Other Than Income</u>		
1 RAFs on revenue adjustments above.		(\$853)
2 Reflect appropriate interim payroll taxes.		<u>(1,180)</u>
Total		<u>(\$2,033)</u>

Utilities, Inc. of Florida - Seminole County Schedule of Water Rate Base Test Year Ended 12/31/11				Schedule No. 1-A Docket No. 120209-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	\$3,708,270	\$728,898	\$4,437,168	\$0	\$4,437,168
2 Land and Land Rights	(1,714)	17,929	16,215	0	16,215
3 Non-used and Useful Components	0	0	0	0	0
4 Accumulated Depreciation	(384,499)	(1,240,275)	(1,624,774)	0	(1,624,774)
5 CIAC	(1,214,604)	3,587	(1,211,017)	0	(1,211,017)
6 Amortization of CIAC	863,089	(62,848)	800,241	0	800,241
7 Net Debit Deferred Income Taxes	0	0	0	0	0
8 Advances for Construction	0	0	0	0	0
9 Working Capital Allowance	0	129,788	129,788	(28,536)	101,252
10 Rate Base	<u>\$2,970,542</u>	<u>(\$422,921)</u>	<u>\$2,547,621</u>	<u>(\$28,536)</u>	<u>\$2,519,085</u>

Utilities, Inc. of Florida - Seminole County Schedule of Wastewater Rate Base Test Year Ended 12/31/11				Schedule No. 1-B Docket No. 120209-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	\$1,613,859	\$1,551,826	\$3,165,685	\$0	\$3,165,685
2 Land and Land Rights	180,351	(161,339)	19,012	0	19,012
3 Non-used and Useful Components	0	0	0	0	0
4 Accumulated Depreciation	(37,627)	(959,045)	(996,672)	0	(996,672)
5 CIAC	(1,042,129)	304,984	(737,145)	0	(737,145)
6 Amortization of CIAC	556,978	(48,986)	507,992	0	507,992
7 CWIP	10	(10)	0	0	0
8 Advances for Construction	0	0	0	0	0
9 Working Capital Allowance	<u>0</u>	<u>68,861</u>	<u>68,861</u>	<u>(15,141)</u>	<u>53,720</u>
10 Rate Base	<u>\$1,271,442</u>	<u>\$756,291</u>	<u>\$2,027,733</u>	<u>(\$15,141)</u>	<u>\$2,012,592</u>

Utilities, Inc. of Florida - Seminole County	Schedule No. 1-C	
Adjustments to Rate Base	Docket No. 120209-WS	
Test Year Ended 12/31/11		
Explanation	Water	Wastewater
Reflect appropriate working capital allowance.	<u>(\$28,536)</u>	<u>(\$15,141)</u>

Utilities, Inc. of Florida - Seminole County Capital Structure 13-Month Average Test Year Ended 12/31/11							Schedule No. 2 Docket No. 120209-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	(\$177,951,319)	\$2,048,681	44.78%	6.65%	2.98%	
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	179,029,269	0	179,029,269	(176,992,028)	2,037,241	44.53%	9.69%	4.31%	
5 Customer Deposits	30,341	0	30,341	0	30,341	0.66%	6.00%	0.04%	
6 Tax Credits-Zero Cost	39,287	0	39,287	0	39,287	0.86%	0.00%	0.00%	
7 Deferred Income Taxes	419,804	0	419,804	0	419,804	9.18%	0.00%	0.00%	
8 Total Capital	<u>\$359,518,701</u>	<u>\$0</u>	<u>\$359,518,701</u>	<u>(\$354,943,347)</u>	<u>\$4,575,354</u>	<u>100.00%</u>		<u>7.33%</u>	
Per Commission									
9 Long-term Debt	\$180,000,000	\$0	\$180,000,000	(\$177,973,413)	\$2,026,587	44.72%	6.65%	2.97%	
10 Short-term Debt	0	0	0	0	0	0.00%	0.00%	0.00%	
11 Preferred Stock	0	0	0	0	0	0.00%	0.00%	0.00%	
12 Common Equity	179,029,269	0	179,029,269	(177,013,611)	2,015,658	44.48%	9.69%	4.31%	
13 Customer Deposits	30,341	0	30,341	0	30,341	0.67%	6.00%	0.04%	
14 Tax Credits-Zero Cost	39,287	0	39,287	0	39,287	0.87%	0.00%	0.00%	
15 Deferred Income Taxes	419,804	0	419,804	0	419,804	9.26%	0.00%	0.00%	
16 Total Capital	<u>\$359,518,701</u>	<u>\$0</u>	<u>\$359,518,701</u>	<u>(\$354,987,024)</u>	<u>\$4,531,677</u>	<u>100.00%</u>		<u>7.32%</u>	
						LOW	HIGH		
RETURN ON EQUITY						<u>8.69%</u>	<u>10.69%</u>		
OVERALL RATE OF RETURN						<u>6.88%</u>	<u>7.77%</u>		

Utilities, Inc. of Florida - Seminole County						Schedule No. 3-A	
Statement of Water Operations						Docket No. 120209-WS	
Test Year Ended 12/31/11							
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>\$989,369</u>	<u>(\$6,120)</u>	<u>\$983,249</u>	<u>(\$109,237)</u>	<u>\$874,012</u>	<u>\$42,687</u> 4.88%	<u>\$916,699</u>
Operating Expenses							
2 Operation & Maintenance	780,041	(307,525)	472,516	(56,173)	416,343		416,343
3 Depreciation	148,603	(1,507)	147,096	0	147,096		147,096
4 Taxes Other Than Income	180,766	(70,239)	110,527	(9,195)	101,332	1,921	103,253
5 Income Taxes	<u>(23,913)</u>	<u>90,232</u>	<u>66,319</u>	<u>(16,153)</u>	<u>50,166</u>	<u>15,340</u>	<u>65,506</u>
6 Total Operating Expense	<u>1,085,497</u>	<u>(289,039)</u>	<u>796,458</u>	<u>(81,521)</u>	<u>714,937</u>	<u>17,261</u>	<u>732,198</u>
7 Operating Income	<u>(\$96,128)</u>	<u>\$282,919</u>	<u>\$186,791</u>	<u>(\$27,716)</u>	<u>\$159,075</u>	<u>\$25,426</u>	<u>\$184,501</u>
8 Rate Base	<u>\$2,970,542</u>		<u>\$2,547,621</u>		<u>\$2,519,085</u>		<u>\$2,519,085</u>
9 Rate of Return	<u>-3.24%</u>		<u>7.33%</u>		<u>6.31%</u>		<u>7.32%</u>

Utilities, Inc. of Florida - Seminole County						Schedule No. 3-B	
Statement of Wastewater Operations						Docket No. 120209-WS	
Test Year Ended 12/31/11							
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>\$863,881</u>	<u>\$65,480</u>	<u>\$929,361</u>	<u>(\$123,231)</u>	<u>\$806,130</u>	<u>\$23,389</u> 2.90%	<u>\$829,519</u>
Operating Expenses							
2 Operation & Maintenance	394,656	175,202	569,858	(91,432)	478,426		478,426
3 Depreciation	73,644	10,840	84,484	0	84,484		84,484
4 Taxes Other Than Income	0	73,559	73,559	(7,743)	65,816	1,053	66,869
5 Income Taxes	<u>(12,688)</u>	<u>65,472</u>	<u>52,784</u>	<u>(8,854)</u>	<u>43,930</u>	<u>8,405</u>	<u>52,335</u>
6 Total Operating Expense	<u>455,612</u>	<u>325,073</u>	<u>780,685</u>	<u>(108,028)</u>	<u>672,657</u>	<u>9,458</u>	<u>682,114</u>
7 Operating Income	<u>\$408,269</u>	<u>(\$259,593)</u>	<u>\$148,676</u>	<u>(\$15,203)</u>	<u>\$133,473</u>	<u>\$13,931</u>	<u>\$147,405</u>
8 Rate Base	<u>\$1,271,442</u>		<u>\$2,027,733</u>		<u>\$2,012,592</u>		<u>\$2,012,592</u>
9 Rate of Return	<u>32.11%</u>		<u>7.33%</u>		<u>6.63%</u>		<u>7.32%</u>

Utilities, Inc. of Florida - Seminole County Adjustment to Operating Income Test Year Ended 12/31/11		Schedule No. 3-C Docket No. 120209-WS	
Explanation	Water	Wastewater	
<u>Operating Revenues</u>			
1 Remove requested interim revenue increase.	(\$109,237)	(\$112,353)	
2 Remove adjustment to annualize revenues.	0	(10,878)	
Total	<u>(\$109,237)</u>	<u>(\$123,231)</u>	
<u>Operation and Maintenance Expense</u>			
1 Reflect appropriate interim salaries.	(\$55,943)	(\$28,721)	
2 Reflect appropriate interim pension & benefits.	(15,201)	(7,804)	
3 Reflect appropriate interim bad debt expense.	14,426	3,037	
4 Reflect appropriate interim rate case expense.	545	289	
5 To adjust purchased wastewater for excess I & I.	0	(58,233)	
Total	<u>(\$56,173)</u>	<u>(\$91,432)</u>	
<u>Taxes Other Than Income</u>			
1 RAFs on revenue adjustments above.	(\$4,916)	(\$5,545)	
2 Reflect appropriate interim payroll taxes.	(4,280)	(2,197)	
Total	<u>(\$9,195)</u>	<u>(\$7,743)</u>	

Utilities, Inc. of Florida – Seminole County Water Monthly Service Rates Test Year Ended 12/31/2011			Schedule No. 4-A Docket No. 120209-WS		
	Rates at 12/31/2011 (1)	Current Rates (2)	Utility Requested Interim	Utility Requested Final	Commission Approved Interim
<u>Residential, General and Multi-Residential Service</u>					
<u>Base Facility Charge by Meter Size:</u>					
5/8" X 3/4"	\$7.23	\$7.23	\$8.15	\$9.72	\$7.59
1"	\$18.08	\$18.08	\$20.39	\$24.30	\$18.98
1-1/2"	\$36.16	\$36.17	\$40.79	\$48.61	\$37.96
2"	\$57.85	\$57.86	\$65.25	\$77.75	\$60.74
3"	\$115.70	\$115.72	\$130.50	\$155.50	\$121.47
4"	\$180.79	\$180.83	\$203.92	\$243.00	\$189.81
6"	\$361.57	\$361.64	\$407.83	\$485.97	\$379.61
<u>Residential Service Gallonage Chg.</u>					
0 - 6,000 gallons	\$2.77	\$2.77	\$3.12	\$3.72	\$2.91
6,001 - 8,000 gallons	\$3.12	\$3.12	\$3.52	\$4.19	\$3.28
8,001 - 16,000 gallons	\$5.37	\$5.37	\$6.06	\$7.22	\$5.64
Over 16,000 gallons	\$6.92	\$6.92	\$7.80	\$9.30	\$7.27
<u>General and Multi-Residential Service Gallonage Chg.</u>					
Per 1,000 Gallons	\$3.50	\$3.50	\$3.95	\$4.70	\$3.67
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u>					
3,000 Gallons	\$15.54	\$15.54	\$17.51	\$20.88	\$16.32
5,000 Gallons	\$21.08	\$21.08	\$23.75	\$28.32	\$22.14
10,000 Gallons	\$40.83	\$40.83	\$46.03	\$54.86	\$42.89
(1) The interim rate increase was applied to the rates at 12/31/2011.					
(2) The current rates became effective 1/16/12 as a result of pass-through rate adjustment.					

Utilities, Inc. of Florida – Seminole County Wastewater Monthly Service Rates Test Year Ended 12/31/2011			Schedule No. 4-B Docket No. 120209-WS		
	Rates at 12/31/2011 (1)	Current Rates (2)	Utility Requested Interim	Utility Requested Final	Commission Approved Interim
<u>Residential</u>					
Base Facility Charge - All Meter Sizes	\$12.48	\$12.63	\$14.38	\$15.95	\$12.84
Flat Rate (Unmetered)	\$42.27	\$42.79	\$48.71	\$54.04	\$43.50
<u>Gallonge Charge</u>					
Per 1,000 Gallons (10,000 gallon cap)	\$6.97	\$7.06	\$8.04	\$8.92	\$7.17
<u>General Service</u>					
<u>Base Facility Charge by Meter Size:</u>					
5/8"X3/4"	\$12.48	\$12.63	\$14.38	\$15.95	\$12.84
1"	\$31.21	\$31.60	\$35.97	\$39.91	\$32.12
1-1/2"	\$62.40	\$63.17	\$71.91	\$79.78	\$64.22
2"	\$99.84	\$101.08	\$115.07	\$127.65	\$102.75
3"	\$199.68	\$202.16	\$230.14	\$255.31	\$205.49
4"	\$312.00	\$315.87	\$359.59	\$398.91	\$321.08
6"	\$624.00	\$631.74	\$719.17	\$797.82	\$642.16
<u>General Service Gallonge Chg.</u>					
Per 1,000 Gallons	\$8.36	\$8.46	\$9.63	\$10.68	\$8.60
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u>					
3,000 Gallons	\$33.39	\$33.81	\$38.50	\$42.71	\$34.35
5,000 Gallons	\$47.33	\$47.93	\$54.58	\$60.55	\$48.69
10,000 Gallons	\$82.18	\$83.23	\$94.78	\$105.15	\$84.54
(1) The interim rate increase was applied to the rates at 12/31/2011.					
(2) The current rates became effective 1/16/12 as a result of pass-through rate adjustment.					