GATLIN, WOODS & CARLSON
Attorneys at Law
a partnership including a professional association

The Mahan Station
1709-D Mahan Drive
Tallahassee, Florida 32308

B. KENNETH GATLIN, P.A.
THOMAS F. WOODS
JOHN D. CARLSON
WAYNE L. SCHIEFELBEIN

TELEPHONE (904) 877-7191
TELECOPIER (904) 877-9031

FILE COPY

February 12, 1996

HAND DELIVERY

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 951056-WS, Application for Increased Water and Wastewater Rates by Palm Coast Utility Corporation in Flagler County

Dear Ms. Bayo:

The Applicant, Palm Coast Utility Corporation provides the following response to Mr. Charles Hill's letter of January 16, 1996 regarding deficiencies in its minimum filing requirements filed December 27, 1995.

ITEM 1. In response to Item 1, the Applicant submits sixteen (16) copies of Minimum Filing Requirements (MFR) Volume I, Replacement Schedules A-1,page 1 of 1; A-2, page 1 of 1; B-1, page 1 of 1 and B-2, page 1 of 1. Each is dated 2/7/96 to distinguish them from the schedules originally filed 12/27/95.

Replacement Schedules A-1 & A-2 include four new columns. Columns (1), (2) and (3) headed Base Year, Per Books show the 13 Mo Avg Balance, 12/31/94, the Year End Balance, 12/31/94 and the Supporting Schedule Page No. for each rate base component. Column (6) shows the Adjustments from 12/31/94 Year End to 12/31/95 Year End. These columns had not been included in the December 27, 1995 filing because the Per Book balance information was already available, as the supporting schedule references in Column (4) indicate, and the adjustment information in Column (6) just summarizes information in existing schedules. Only the Non-Used & Useful Plant and Net Debit Deferred Taxes (Used) had to be calculated so that the "per books" base year rate base could be compared in a consistent manner with the projected year rate base.

Replacement Schedules B-1 & B-2 include one new column, Column (2), designated Unadjusted 1994 Base Year. This column had not been included in the December 27, 1995 filing because the "per book" information was already available in Section G - Interim of the MFR. Only one new column was added because net income, ~~per~~

DOCUMENT NUMBER-DATE
01627 FEB 12 96
FPSC-RECORDS/REPORTING

DOCUMENT NUMBER-DATE
01626 FEB 12 96
FPSC-RECORDS/REPORTING

books for the base period is same for an average or year end test year. Rate of return is shown for the 13 month average rate base.

Although we have provided replacement schedules, we believe the filing was not deficient because the "per book" base year information requested is available in other sections of the MFR.

ITEM 2. In response to Item 2, the Applicant submits sixteen (16) copies of MFR Volume I, additional Schedules B-5, page 14a of 14 & B-6, page 3a of 3. Each is dated 2/7/96.

These additional schedules summarize all departmental O&M expenses by primary account. These schedules were not provided in the December 27, 1995 filing because, consistent with every previous rate filing of this company, they were not provided or requested. This includes the last rate case filing, Docket No. 890277-WS, which was filed under existing Commission rules. Palm Coast Utility Corporation's O&M expenses have always been booked by primary account, by department and its rate applications have always presented these expenses by primary account, by department.

Although we have provided these additional schedules, we believe the filing is not deficient because the MFRs as submitted are consistent with previously accepted filings and provide the information requested in the instructions for Schedules B-5 & B-6 of the MFR; i.e., O&M expenses by primary account for each month. Nothing in the schedule instructions indicates that providing this information by department is not acceptable. The additional schedules provide no new or useful information.

ITEM 3. In response to Item 3, the Applicant submits sixteen (16) copies of MFR Volume I, additional Schedules B-7, page 1a of 2 [& B-8, page 1a of 2]. Each is dated 2/7/96.

These additional schedules provide a comparison of current test year and prior test year summarized raw, unadjusted O&M expenses by primary account. [Note: Only Schedule B-7, pertaining to water accounts, was requested in the deficiency letter. Although not mentioned, it was assumed that Schedule B-8, relating to wastewater accounts, was intended to be requested, also]. As PCUC is organized into functionally related departments, and as its expenses are budgeted and controlled on a departmental basis, the company has consistently analyzed its expenses and adjusted them for non-used and useful considerations on a departmental basis. Without consideration of these adjustments and without recognition

of the netting of interdepartmental charges, comparisons of the differences in expenses from one test period to the next is not useful. For those reasons, the December 27, 1995 MFR submittal included Schedules B-7 & B-8 presented only on a departmental basis. And for these reasons, we believe Schedules B-7 and B-8 are not deficient.

ITEM 4. In response to Item 4, the Applicant does not submit any replacement to the referenced Schedule B-9.

Schedule B-9 requires a listing of outside services , "by type of service." The schedule instructions state, "Specific detail is not necessary for charges which are less than 2% of the test year revenues for that system." The only service meeting that criteria is data processing, and for that service, the vendor was identified and the service described. The method of allocating charges for contractual services was detailed in Schedules B-12 and B-3-O&M.

Schedule B-9, as originally submitted, is not deficient.

ITEM 5. In response to Item 5, the Applicant does not submit any replacement to the referenced Schedule B-12.

The instructions for Schedule B-12 require "a schedule detailing expenses subject to allocation between systems (water,sewer, gas, etc.) showing allocation percentages, gross amounts allocated, and a detailed description of the method of allocation."

Schedule B-12, as originally submitted, clearly identifies the expenses which are subject to allocation (all of the expenses in the administrative departments), the method of allocation (based on the ratio of the unadjusted 1995 water and wastewater expenses, excluding administrative expenses) and specifies that the details of the allocation including the gross amounts and the amounts allocated can be found at Schedule B-3-O&M.

Schedule B-3-O&M shows the gross amounts and the amounts allocated, by department. This is consistent with previous filings accepted by the Commission. No where in the instructions is there a requirement that the allocations be detailed by primary account, as requested in the deficiency letter.

Schedule B-12, as originally submitted, is not deficient.

ITEM 6. In response to Item 6, the Applicant submits three (3) copies of MFR Volume III, additional Schedule titled SUMMARY OF INFORMATION PROVIDED IN COMPLIANCE WITH 25-30.436(4)(h), consisting of three pages. It is dated 2/7/96.

Information on costs charged or allocated by a parent or affiliate was submitted December 27, 1995 as the first section of Volume III of the MFRs, Additional Information Required by PSC Rules. The information was not provided in schedule format, however, it is incorrect to state that this information was not provided. The SUMMARY OF INFORMATION PROVIDED now being submitted summarizes information that we believe has generally been provided, in one form or another, in the original filing. We believe that the information originally provided was not deficient.

Very truly yours,

B. Kenneth Gatlin

BKG/met

FILE COPY

PALM COAST UTILITY CORPORATION

DOCKET NO. 951056-WS

NEW and REPLACEMENT SCHEDULES

MFR VOLUME I

Insert the following schedules in Volume I at the page numbered indicated:

Replacement Schedule A-1, page 1 of 1	MFR page 1
Replacement Schedule A-2, page 1 of 1	MFR page 2
Replacement Schedule B-1, page 1 of 1	MFR page 31
Replacement Schedule B-2, page 1 of 1	MFR page 32
New Schedule B-5, page 14a of 14	MFR page 56a
New Schedule B-6, page 3a of 3	MFR page 59a
New Schedule B-7, page 1a of 2	MFR page 60a
New Schedule B-8, page 1a of 2	MFR page 62a

DOCUMENT NUMBER-DATE
01626 FEB 12 95
FPSC-RECORDS/REPORTING

Schedule of Water Rate Base

Florida Public Service Commission

Company: Palm Coast Utility Corporation
Docket No.: 951056-WS
Schedule Year Ended: 12/31/95
Historic [X] or Projected [X] [6 mos. actual; 6 mos. projected]

Schedule: A-1
Page 1 of 1
Preparer: Seidman/PCUC
2/7/96

Explanation: Provide the calculation of average rate base for the test year showing all adjustments. All non-used and useful items should be reported as Plant Held for Future Use [Non-Used & Useful Plant, line 3].

Line No.	(1) Description	(2) Base Year, Per Books 13 Mo Avg Balance 12/31/94	(3) Base Year, Per Books Year End Balance 12/31/94	(4) Supporting Schedule Page No.	(5) Projected 13 Mo Avg Balance per 12/31/95	(6) Adjustments, from 12/31/94 to 12/31/95 col. (7)-(3) see Note d	(7) Projected Year End Balance 12/31/95	(8) Utility Adjustments	(9) Adj. Utility Projected Year End Balance	(10) Supporting Schedule
1	Plant in Service	57,908,009	61,679,978	p. 133, col.15 & 14, l. 42	62,245,032	1,825,541	63,505,519	(2,128,199)	61,377,320	A-5
2	Land & Land Rights	504,632	504,632	p. 133, col.15 & 14, l. 42	504,632	0	504,632	0	504,632	A-5
3	Less: Non-Used & Useful Plant	(10,612,624)	(14,475,777)	see Note a	(8,602,804)	5,873,224	(8,602,553)	0	(8,602,553)	A-7
4	CWIP	2,590,686	5,696,728	p. 151, col.15 & 14, l. 2; Note b	2,641,126	(1,704,518)	3,992,210	(3,992,210)	0	A-18
5	Less: Accm. Depreciation	(17,406,325)	(18,990,312)	p. 140, col.15 & 14, l. 42	(19,972,299)	(2,006,126)	(20,996,438)	1,074,065	(19,922,373)	A-9
6	Less: CIAC	(13,684,326)	(14,219,707)	p. 146, col.15 & 14, l. 7	(15,018,572)	(2,170,376)	(16,390,083)	0	(16,390,083)	A-12
7	Accm. Amort. CIAC	2,521,092	2,743,510	p. 149, col.15 & 14, l. 7	2,989,160	498,070	3,241,580	0	3,241,580	A-14
8	Acquisition Adj.									
9	Accm. Amort. Acq. Adj.									
10	Advances for Construction	(2,414,089)	(2,373,139)	13 mo, p.128 Y/E, p.27	(2,384,793)	(299,000)	(2,672,139)	2,672,139	0	A-16
11	Net Debit Deferred Taxes (Used)	704,934	714,732	see Note c	1,180,646	405,179	1,119,911	0	1,119,911	A-3DTAX
12	Working Capital	0	0		0	0	0	0	0	A-17
13	TOTAL RATE BASE	20,111,989	21,280,645		23,582,128	2,421,993	23,702,639	(2,374,205)	21,328,433	

Notes: a - Non-Used & Useful Plant is calculated by applying the 1995 non-used percentages shown on Schedules A-5, 6, 9, 10, 12 & 14 to the 1994 balances for the respective rate base components. For the base year, CWIP is a part of non-used plant.
b - Includes both water & wastewater CWIP.
c - The used net deferred taxes were calculated by applying the methodology in Schedule A-3-DTAX to the 1994 average and year end balances.
d - The adjustments from the base year 1994 to the projected year 1995 are detailed on a monthly basis in the respective supporting schedules.

Schedule of Sewer Rate Base

Florida Public Service Commission

Company: Palm Coast Utility Corporation
Docket No.: 951056-WS
Schedule Year Ended: 12/31/95
Historic [X] or Projected [X] [6 mos. actual; 6 mos. projected]

Schedule: A-2
Page 1 of 1
Preparer: Seidman/PCUC
2/7/96

Explanation: Provide the calculation of average rate base for the test year showing all adjustments. All non-used and useful items should be reported as Plant Held for Future Use [Non-Used & Useful Plant, line 3].

Line No.	(1) Description	(2) Base Year, Per Books 13 Mo Avg Balance 12/31/94	(3) Base Year, Per Books Year End Balance 12/31/94	(4) Supporting Schedule Page No.	(5) Projected 13 Mo Avg Balance per 12/31/95	(6) Adjustments from 12/31/94 Yr. End Bal. to 12/31/95 see Note d	(7) Projected Year End Balance 12/31/95	(8) Utility Adjustments	(9) Adj. Utility Projected Year End Balance	(10) Supporting Schedule
1	Plant in Service	48,768,273	49,036,129	p. 136, col.15 & 14, l. 40	52,880,457	7,213,162	56,249,291	2,128,199	58,377,490	A-6
2	Land & Land Rights	593,395	593,395	p. 136, col.15 & 14, l. 40	938,095	560,137	1,153,532	0	1,153,532	A-6
3	Less: Non-Used & Useful Plant	20,017,429	19,780,353	see Note a	19,153,039	(1,434,666)	18,345,687	426,872	18,772,560	A-7
4	CWIP			see Note b	0	0	0	0	0	A-18
5	Less: Accm. Depreciation	(15,986,664)	(16,502,338)	p. 143, col.15 & 14, l. 40	(17,270,072)	(1,604,896)	(18,107,234)	(986,635)	(19,093,869)	A-10
6	Less: CIAC	(58,223,140)	(59,061,260)	p. 146, col.15 & 14, l. 13	(59,894,927)	(1,984,483)	(61,045,743)	0	(61,045,743)	A-12
7	Accm. Amort. CIAC	14,171,559	14,937,309	p. 149, col.15 & 14, l. 13	15,711,804	1,574,066	16,511,375	0	16,511,375	A-14
8	Acquisition Adj.									
9	Accm. Amort. Acq. Adj.									
10	Advances for Construction	(635,191)	(633,073)	13 mo, p.129 Y/E, p.27	(660,342)	(357,000)	(990,073)	405,534	(584,539)	A-16
11	Net Debit Deferred Taxes (Used)	1,214,646	1,248,830		1,898,140	691,573	1,940,403	0	1,940,403	A-3DTAX
12	Working Capital	0	0		0	0	0	0	0	A-17
13	TOTAL RATE BASE	9,920,307	9,399,345		12,756,194	4,657,893	14,057,238	1,973,971	16,031,209	

Notes: a - Non-Used & Useful Plant is calculated by applying the 1995 non-used percentages shown on Schedules A-5, 6, 9, 10, 12 & 14 to the 1994 balances for the respective rate base components. For the base year, CWIP is a part of non-used plant.
b - All CWIP included in Water Rate Base.
c - The used net deferred taxes were calculated by applying the methodology in Schedule A-3-DTAX to the 1994 average and year end balances.
d - The adjustments from the base year 1994 to the projected year 1995 are detailed on a monthly basis in the respective supporting schedules.

Schedule of Water Net Operating Income

Florida Public Service Commission

Company: Palm Coast Utility Corporation
Schedule Year Ended: 12/31/95
Interim [ ] Final [X]
Historic [X] or Projected [X] [6 mos. actual; 6 mos. projected]

Schedule: B-1
Page _1 of 1_
Docket No.: 951056-WS
Preparer: Seidman/PCUC
2/7/96

Explanation: Provide the calculation of net operating income for the test year. If amortization (Line 4) is related to any amount other than an acquisition adjustment, submit an additional schedule showing a description and calculation of charge.

Line No.	(1) Description	(2) Unadjusted 1994 Base Year	(3) Unadjusted 1995 Test Year	(4) Utility Test Year Adjustments	(5) Utility Adjusted Test Year	(6) Requested Revenue Adjustment	(7) Requested Annual Revenues	(8) Supporting Schedule(s)
1	OPERATING REVENUES	5,007,702	5,384,699	107,322	5,492,021	1,479,626	6,971,647	B-3, 4
2	Operation & Maintenance	2,880,157	3,026,338	(259,706)	2,766,632	37,688	2,804,319	B-3, 5
3	Depreciation, net of CIAC Amort.	1,532,966	1,621,374	(437,104)	1,184,270		1,184,270	B-13
4	Amortization, CIAC Tax Gross-up	(69,805)	(82,781)	(5,469)	(88,250)		(88,250)	
5	Taxes Other Than Income	819,400	874,220	(247,482)	626,738	66,583	693,322	B-3, 15
6	Provision for Income Taxes	(152,769)	(289,553)	729,112	439,558	52,071	491,629	C-1, B-3
7	OPERATING EXPENSES	5,009,949	5,149,597	(220,649)	4,928,948	156,342	5,085,290	
8	NET OPERATING INCOME	(2,247)	235,102	327,971	563,072	1,323,285	1,886,357	
9	RATE BASE	20,111,989 *	23,702,639		21,328,433		21,328,433	
10	RATE OF RETURN	-0.01% *	0.99%		2.64%		8.84%	

* Rate of return for base year is based on 13 month average rate base.

Schedule of Sewer Net Operating Income

Florida Public Service Commission

Company: Palm Coast Utility Corporation
Schedule Year Ended: 12/31/95
Interim [ ] Final [X]
Historic [X] or Projected [X] [6 mos. actual; 6 mos. projected]

Schedule: B-2
Page 1 of 1
Docket No.: 951056-WS
Preparer: Seidman/PCUC
2/7/96

Explanation: Provide the calculation of net operating income for the test year. If amortization (Line 4) is related to any amount other than an acquisition adjustment, submit an additional schedule showing a description and calculation of charge.

Line No.	(1) Description	(2) Unadjusted 1994 Base Year	(3) Unadjusted 1995 Test Year	(4) Utility Test Year Adjustments	(5) Utility Adjusted Test Year	(6) Requested Revenue Adjustment	(7) Requested Annual Revenues	(8) Supporting Schedule(s)
1	OPERATING REVENUES	2,951,217	3,150,538	180,495	3,331,033	1,575,817	4,906,850	B-3, 4
2	Operation & Maintenance	2,272,232	2,049,154	(118,191)	1,930,963	37,688	1,968,651	B-3, 6
3	Depreciation, net of CIAC Amort.	51,868	35,244	728,836	764,080		764,080	B-14
4	Amortization, CIAC Tax Gross-up	(48,509)	(57,525)	(1,309)	(58,834)		(58,834)	
5	Taxes Other Than Income	283,302	258,285	116,413	374,698	70,912	445,610	B-3, 15
6	Provision for Income Taxes	110,791	131,947	(379,033)	(247,085)	616,575	369,490	C-1, B-3
7	OPERATING EXPENSES	2,669,684	2,417,106	346,717	2,763,822	725,175	3,488,997	
8	NET OPERATING INCOME	281,533	733,432	(166,222)	567,210	850,643	1,417,853	
9	RATE BASE	9,920,307 *	14,057,238		16,031,209		16,031,209	
10	RATE OF RETURN	2.84% *	5.22%		3.54%		8.84%	

Detail of Operation & Maintenance Expenses By Month – Water
Summation of All Water and Administrative Departments
Company: Palm Coast Utility Corporation
Docket No.: 951056-WS
Schedule Year Ended: 12/31/95
Historic [X] or Projected [X] [6 mos. actual; 6 mos. projected]

Explanation: Provide a schedule of operation and maintenance expenses by primary account for each month of the test year. If schedule has to be continued on 2nd page, reprint the account titles and numbers.

Florida Public Service Commission
Schedule: B-5
Page 14a of 14
Preparer: Seidman/PCUC
Recap Schedules: B-1
2/7/96

Line No.	(1) Account No. and Name	Total 1994	(2) Jan	(3) Feb	(4) Mar	(5) Apr	(6) May	(7) Jun	(8) Jul	(9) Aug	(10) Sep	(11) Oct	(12) Nov	(13) Dec	(14) Total 1995
			Actual						Projected						
1	408 Taxes & Permits	576,880	55,342	56,984	66,164	55,190	53,541	59,779	50,321	50,120	55,067	52,717	47,422	52,139	654,786
2	601 Salaries & Wages – Employees	1,580,737	144,785	103,514	127,211	126,068	124,111	152,212	118,454	119,228	148,690	119,729	119,729	149,906	1,553,637
3	603 Salaries & Wages – Officers, Etc.	409,816	28,128	(12,372)	34,159	28,494	28,702	40,663	28,259	28,259	34,116	28,259	28,259	34,116	329,042
4	604 Employee Pensions & Benefits	643,571	34,042	39,851	47,368	45,196	38,126	58,209	39,849	41,349	50,770	39,849	39,849	58,747	533,205
5	610 Purchased Water	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	615 Purchased Power	223,964	17,680	24,041	18,763	19,005	18,969	23,043	23,634	23,163	23,594	22,331	21,080	21,132	256,435
7	616 Fuel for Power Purchased	3,577	0	0	441	0	0	1,858	501	501	624	501	501	624	5,551
8	618 Chemicals	148,523	3,498	8,556	22,606	11,272	13,816	15,325	16,507	16,120	16,190	15,425	14,405	14,163	167,883
9	620 Materials & Supplies	462,946	17,500	50,771	45,250	49,635	52,085	115,233	27,860	27,860	37,146	27,860	37,860	47,146	536,206
10	631 Contractual Services – Engr.	(15,332)	0	0	0	0	520	847	847	847	1,056	847	847	1,056	6,867
11	632 Contractual Services – Acct.	39,000	3,234	3,234	6,032	4,234	4,234	5,032	4,035	4,035	5,030	4,035	4,035	5,394	52,564
12	633 Contractual Services – Legal	71,234	(4,044)	3,478	3,358	5,584	3,095	8,090	3,850	3,850	6,050	3,850	3,850	6,050	47,061
13	634 Contractual Services – Mgmt. Fees	19,789	4,665	4,704	4,571	8,228	6,063	5,711	5,695	5,681	5,687	5,658	5,604	5,602	67,869
14	635 Contractual Services – Other	391,349	17,482	53,694	49,846	57,227	26,269	39,775	33,826	33,826	52,007	33,826	33,826	55,012	486,616
15	636 Third Party Costs	0	0	0	0	0	23,247	11,521	0	0	0	0	0	0	34,768
16	641 Rental of Building/Real Prop.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	642 Rental of Equipment	101	0	0	0	0	0	97	231	231	288	231	231	288	1,597
18	650 Transportation Expenses	63,499	2,760	7,503	7,680	5,350	3,517	5,273	4,915	4,915	6,125	4,915	4,915	6,125	63,993
19	656 Insurance – Vehicle	23,885	1,201	1,201	(731)	556	556	556	1,141	1,141	1,421	1,141	1,141	1,421	10,745
20	657 Insurance – General Liability	3,751	699	699	1,657	364	305	305	832	832	1,037	832	832	1,037	9,431
21	658 Insurance – Workman's Comp.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	659 Insurance – Other	22,334	1,542	1,542	1,177	1,177	1,177	4,529	1,733	1,733	2,160	1,733	1,733	2,160	22,396
23	660 Advertising Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	666 Reg. Comm. Exp. – Rate Case Amort.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	667 Reg. Comm. Exp. – Other	4,072	339	339	339	339	339	339	417	417	417	417	417	417	4,536
26	670 Bad Debt Expense	(33,284)	1,155	1,155	1,440	1,155	1,155	1,440	1,155	1,155	1,440	1,155	1,155	1,440	15,000
27	675 Miscellaneous Expenses	159,990	16,582	17,737	16,983	14,079	18,282	4,584	8,150	8,150	28,833	14,050	8,150	31,142	186,722
28	690 Services (net)	(421,360)	(23,231)	(56,765)	(49,256)	(34,742)	(53,886)	(37,919)	(42,624)	(42,624)	(53,165)	(42,624)	(42,624)	(68,672)	(548,132)
29	Total per Books	4,379,042	323,359	309,866	405,058	398,411	364,223	516,502	329,588	330,789	424,583	336,737	333,217	426,445	4,498,778
30	Less Taxes, Permits & 3rd Pary Costs	(576,880)	(55,342)	(56,984)	(66,164)	(55,190)	(76,788)	(71,300)	(50,321)	(50,120)	(55,067)	(52,717)	(47,422)	(52,139)	(689,554)
31	TOTAL	3,802,162	268,017	252,882	338,894	343,221	287,435	445,202	279,267	280,669	369,516	284,020	285,795	374,306	3,809,224

NOTE: PCUC is organized into functionally related departments. Expenses are controlled and budgeted on a departmental basis. This schedule is a summation of the expenses of all water & administrative departments as detailed in the preceding 14 pages.

Detail of Operation & Maintenance Expenses By Month – Sewer
Summation of All Wastewater Departments
Company: Palm Coast Utility Corporation
Docket No.: 951056-WS
Schedule Year Ended: 12/31/95
Historic [X] or Projected [X] [6 mos. actual; 6 mos. projected]

Explanation: Provide a schedule of operation and maintenance expenses by primary account for each month of the test year. If schedule has to be continued on 2nd page, reprint the account titles and numbers.

Florida Public Service Commission

Schedule: B-6
Page 3a of 3
Preparer: Seidman/PCUC
Recap Schedules: B-2
2/7/96

Line No.	(1) Account No. and Name	Total 1994	(2) Jan	(3) Feb	(4) Mar	(5) Apr	(6) May	(7) Jun	(8) Jul	(9) Aug	(10) Sep	(11) Oct	(12) Nov	(13) Dec	(14) Total 1995
			Actual						Projected						
1	408 Taxes & Permits	51,540	4,896	4,142	4,485	3,240	3,401	4,883	3,308	3,330	5,674	3,363	3,363	4,200	48,285
2	701 Salaries & Wages – Employees	517,786	45,451	35,589	49,085	40,596	42,722	61,779	43,239	43,519	54,560	43,963	43,963	54,908	559,374
3	703 Salaries & Wages – Officers, Etc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	704 Employee Pensions & Benefits	235,080	11,369	11,082	15,273	15,215	12,211	18,576	14,871	14,871	17,421	14,871	14,871	17,960	178,591
5	710 Purchased Sewage Treatment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	711 Sludge Removal Expense	16,400	(850)	7,500	20,550	2,550	20,620	8,250	9,361	9,096	9,125	8,628	7,923	7,739	110,492
7	715 Purchased Power	153,591	11,268	13,027	13,863	12,818	12,552	15,800	15,270	14,838	14,885	14,075	12,925	12,625	163,946
8	716 Fuel for Power Purchased	0	0	0	0	0	0	0	0	0	500	0	0	500	1,000
9	718 Chemicals	36,395	1,070	1,594	4,377	1,832	2,944	2,990	3,134	3,092	3,287	3,019	2,909	3,070	33,318
10	720 Materials & Supplies	322,169	7,288	18,306	34,319	17,885	26,027	29,467	11,977	11,977	14,109	11,977	11,977	14,109	209,418
11	731 Contractual Services – Engr.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	732 Contractual Services – Acct.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	733 Contractual Services – Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	734 Contractual Services – Mgmt. Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	735 Contractual Services – Other	29,832	1,757	2,186	7,538	2,452	6,372	4,293	1,665	1,665	2,795	1,665	1,665	2,795	36,848
16	741 Rental of Building/Real Prop.	75,358	0	14,974	3,900	4,741	9,467	3,899	0	0	0	0	0	0	36,981
17	742 Rental of Equipment	0	0	0	1,445	0	0	0	0	0	0	0	0	0	1,445
18	750 Transportation Expenses	94,290	3,508	4,904	7,957	5,332	2,465	6,659	6,753	6,753	8,419	6,753	6,753	8,419	74,675
19	756 Insurance – Vehicle	7,833	662	662	(271)	351	351	351	693	693	864	693	693	864	6,606
20	757 Insurance – General Liability	1,164	222	222	(93)	117	117	117	254	254	317	254	254	317	2,352
21	758 Insurance – Workman's Comp.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	759 Insurance – Other	3,116	375	375	399	399	399	399	347	347	432	347	347	432	4,598
23	760 Advertising Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	766 Reg. Comm. Exp. – Rate Case Amort.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	767 Reg. Comm. Exp. – Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26	770 Bad Debt Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	775 Miscellaneous Expenses	5,599	5	1,715	0	41	589	545	0	0	2,750	0	0	2,750	8,395
28	790 Services (net)	(148,321)	(16,834)	(15,537)	(15,071)	(12,145)	(11,352)	(16,741)	(10,663)	(10,663)	(13,296)	(10,663)	(10,663)	(18,143)	(161,771)
29	Total per Books	1,401,832	70,187	100,741	147,756	95,424	128,885	141,267	100,209	99,772	121,842	98,945	96,980	112,545	1,314,553
30	Less Taxes & Permits	(51,540)	(4,896)	(4,142)	(4,485)	(3,240)	(3,401)	(4,883)	(3,308)	(3,330)	(5,674)	(3,363)	(3,363)	(4,200)	(48,285)
31	TOTAL	1,350,292	65,291	96,599	143,271	92,184	125,484	136,384	96,901	96,442	116,168	95,582	93,617	108,345	1,266,268

NOTE: PCUC is organized into functionally related departments. Expenses are controlled and budgeted on a departmental basis. This schedule is a summation of the expenses of all wastewater departments as detailed in the preceding 3 pages.

Operation & Maintenance Expense Comparison – Water
By Primary Account
Company: Palm Coast Utility Corporation
Docket No.: 951056–WS
Test Year Ended: 12/31/95

Florida Public Service Commission

Schedule: B–7
Page 1a of 2
Preparer: Seidman/PCUC
2/7/96

Explanation: Complete the following comparison of the applicant's current and prior test year O&M expenses before this Commission. Provide an explanation of all differences which are not attributable to the change in customer growth and the CPI–U. If the applicant has not had a previous rate case, use the year 5 years prior to the test year for comparison. Provide an additional schedule, if necessary, to explain differences.

Line No.	(1) Account No. and Name	(2) Prior TY 12/31/88	(3) Current TY 12/31/95	(4) $ Difference	(5) % Difference	(6) Explanation
		Raw, Unadjusted Amounts – See Note in Col. (6)				
1	601 Salaries & Wages – Employees	860,373	1,553,637	693,264	80.58%	
2	603 Salaries & Wages – Officers, Etc.	270,002	329,042	59,040	21.87%	NOTE: PCUC is organized into functionally related departments. Expenses are controlled and budgted on a departmental basis. Adjustments for used & useful are made by departments in this filing as they have been in previous filings. Comparisons of differences can only be useful if made by departments and including any adjustments.
3	604 Employee Pensions & Benefits	193,768	533,205	339,437	175.18%	
4	610 Purchased Water	0	0	0	0.00%	
5	615 Purchased Power	141,158	256,435	115,277	81.67%	
6	616 Fuel for Power Purchased	921	5,551	4,630	502.71%	
7	618 Chemicals	74,119	167,883	93,764	126.50%	
8	620 Materials & Supplies	140,030	536,206	396,176	282.92%	
9	631 Contractual Services – Engr.	0	6,867	6,867	----	
10	632 Contractual Services – Acct.	32,952	52,564	19,612	59.52%	
11	633 Contractual Services – Legal	20,619	47,061	26,442	128.24%	
12	634 Contractual Services – Mgmt. Fees	10,018	67,869	57,851	577.47%	
13	635 Contractual Services – Other	157,803	486,616	328,813	208.37%	
14	641 Rental of Building/Real Prop.	0	0	0	0.00%	See page 2 of schedule for explanation of differences, as adjusted and by department.
15	642 Rental of Equipment	1,073	1,597	524	48.84%	
16	650 Transportation Expenses	42,854	63,993	21,139	49.33%	
17	656 Insurance – Vehicle	919	10,745	9,826	1069.21%	
18	657 Insurance – General Liability	4,024	9,431	5,407	134.37%	
19	658 Insurance – Workman's Comp.	(1,572)	0	1,572	–100.00%	
20	659 Insurance – Other	8,359	22,396	14,037	167.93%	
21	660 Advertising Expense	0	0	0	0.00%	
22	666 Reg. Comm. Exp. – Rate Case Amort.	10,676	0	(10,676)	–100.00%	
23	667 Reg. Comm. Exp. – Other	0	4,536	4,536	----	
24	670 Bad Debt Expense	6,223	15,000	8,777	141.04%	
25	675 Miscellaneous Expenses	106,398	186,722	80,324	75.49%	
26	690 Services (net)	(401,928)	(548,132)	(146,204)	36.38%	
27	Total – Water Departments	1,678,789	3,809,224	2,130,435	126.90%	
28	Total Water ERCs	7,901	15,198	7,297	92.36%	
29	Consumer Price Index – U	118.3	154.5 *	36.2	30.60%	
30	Combined Index (Cust x CPI)				151.22%	

60a

Operation & Maintenance Expense Comparison – Sewer
By Primary Account
Company: Palm Coast Utility Corporation
Docket No.: 951056–WS
Test Year Ended: 12/31/95

Florida Public Service Commission

Schedule: B–8
Page 1a_ of 2
Preparer: Seidman/PCUC
2/7/96

Explanation: Complete the following comparison of the applicant's current and prior test year O&M expenses before this Commission. Provide an explanation of all differences which are not attributable to the change in customer growth and the CPI–U. If the applicant has not had a previous rate case, use the year 5 years prior to the test year for comparison. Provide an additional schedule, if necessary, to explain differences.

Line No.	(1) Account No. and Name	(2) Raw, Unadjusted Amounts – See Note in Col. (6) Prior TY 12/31/88	(3) Current TY 12/31/95	(4) $ Difference	(5) % Difference	(6) Explanation
1	701 Salaries & Wages – Employees	284,281	559,374	275,093	96.77%	
2	703 Salaries & Wages – Officers, Etc.	0	0	0	0.00%	NOTE: PCUC is organized into functionally related departments. Expenses are controlled and budgted on a departmental basis. Adjustments for used & useful are made by departments in this filing as they have been in previous filings. Comparisons of differences can only be useful if made by departments and including any adjustments.
3	704 Employee Pensions & Benefits	50,433	178,591	128,158	254.12%	
4	710 Purchased Sewage Treatment	0	0	0	0.00%	
5	711 Sludge Removal Expense	0	110,492	110,492	----	
6	715 Purchased Power	107,234	163,946	56,712	52.89%	
7	716 Fuel for Power Purchased	763	1,000	237	31.06%	
8	718 Chemicals	16,927	33,318	16,391	96.83%	
9	720 Materials & Supplies	60,453	209,418	148,965	246.41%	
10	731 Contractual Services – Engr.	0	0	0	0.00%	
11	732 Contractual Services – Acct.	0	0	0	0.00%	
12	733 Contractual Services – Legal	0	0	0	0.00%	
13	734 Contractual Services – Mgmt. Fees	0	0	0	0.00%	
14	735 Contractual Services – Other	11,210	36,848	25,638	228.71%	
15	741 Rental of Building/Real Prop.	0	36,981	36,981	----	See page 2 of schedule for explanation of differences, as adjusted and by department.
16	742 Rental of Equipment	0	1,445	1,445	----	
17	750 Transportation Expenses	45,388	74,675	29,287	64.53%	
18	756 Insurance – Vehicle	559	6,606	6,047	1081.75%	
19	757 Insurance – General Liability	1,238	2,352	1,114	89.98%	
20	758 Insurance – Workman's Comp.	(538)	0	538	–100.00%	
21	759 Insurance – Other	4,719	4,598	(121)	–2.56%	
22	760 Advertising Expense	0	0	0	0.00%	
23	766 Reg. Comm. Exp. – Rate Case Amort.	0	0	0	0.00%	
24	767 Reg. Comm. Exp. – Other	0	0	0	0.00%	
25	770 Bad Debt Expense	0	0	0	0.00%	
26	775 Miscellaneous Expenses	2,745	8,395	5,650	205.83%	
27	790 Services (net)	(81,281)	(161,771)	(80,490)	99.03%	
28	Total Wastewater Departments	504,131	1,266,268	403,251	79.99%	
29	Total Wastewater ERCs	6,920	12,832	5,912	85.43%	
30	Consumer Price Index – U	118.3	154.5	36.2	30.60%	
31	Combined Index (Cust x CPI)				142.18%	