

FLORIDA PUBLIC SERVICE COMMISSION
Capital Circle Office Center • 2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

M E M O R A N D U M

March 7, 1996

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF WATER & WASTEWATER (MONIZ, STARLING, WASHINGTON) *SKM*
DIVISION OF LEGAL SERVICES (JAEGER) *JAS* *PL* *(circled)*

RE: DOCKET NO. 951056-WS - PALM COAST UTILITY CORPORATION -
APPLICATION FOR RATE INCREASE
COUNTY: FLAGLER

AGENDA: MARCH 19, 1996 - REGULAR AGENDA - DECISION ON INTERIM
RATE - PARTICIPATION IS LIMITED TO COMMISSIONERS AND
STAFF

CRITICAL DATES: 60-DAY SUSPENSION DATE: APRIL 12, 1996

SPECIAL INSTRUCTIONS: S:\PSC\WAW\WP\951056WS.RCM

DOCUMENT NUMBER-DATE

02839 MAR-7 1996

FPSC-RECORDS/REPORTING

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CASE BACKGROUND

Palm Coast Utility Corporation (Palm Coast) is a utility, which provides water and wastewater service to the public in Flagler County. According to the St. Johns River Water Management District (SJRWMD), Palm Coast is located in a critical use area. During the twelve months ending December 31, 1994 (the historical test year), the utility recorded operating revenues of \$5,007,702 for water service and \$2,951,217 for wastewater service. During the same period, the reported income amounts were \$(2,247) and \$281,533 for the respective water and wastewater systems.

On December 27, 1995, the utility filed an application for increased rates pursuant to Chapters 367.081 and 367.082 (1993). The utility satisfied the Minimum Filing Requirements (MFRs) on February 12, 1996 for a rate increase, and that date was designated as the official filing date pursuant to Section 367.083, Florida Statutes.

The utility's requested test year for interim purposes is the historical period ending December 31, 1994. Its requested test period for final rates is the projected year ending December 31, 1995. For interim, the utility requested total revenue of \$5,515,503 and \$3,432,636 for water and wastewater, respectively. This represents revenue increases of \$457,694 (8.30%) for water and \$442,999 (12.9%) for wastewater, designed to produce a rate of return of 7.70%. For final purposes, the utility has requested total revenue of \$6,971,647 for water and \$4,906,850 for wastewater. These revenues reflect revenue increases of \$1,479,626 (21.22%) for water and \$1,575,817 (32%) for wastewater. The utility's final revenues are based on the utility's requested overall rate of return of 8.84%.

The utility contends that the necessity for a rate increase arises from the fact that as adjusted for the test year ending December 31, 1995, it will have a rate of return of only 2.64% on a rate base of \$21,328,433 for its water operations and a rate of return of only 3.54% on a rate base of \$16,031,209 for its wastewater operations.

The utility has not requested that this case be processed pursuant to the proposed agency action as provided in Section 367.081(8), Florida Statutes. The case has been set for hearing in Flagler County on July 1 and 2, 1996.

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DISCUSSION OF ISSUES

ISSUE 1: Should the utility's proposed rates be suspended?

RECOMMENDATION: Yes. PCUC's proposed water and wastewater rates should be suspended. (MONIZ)

STAFF ANALYSIS: Section 367.081(6), Florida Statutes, provides that the rate schedules proposed by the utility shall become effective within sixty (60) days after filing unless the Commission votes to withhold consent to implementation of the requested rates. Further, the above referenced statute permits the proposed rates to go into effect, under bond, eight (8) months after filing unless final action has been taken by the Commission.

Staff has reviewed the filing and has considered the proposed rates, the revenues thereby generated, and the information filed in support of the rate application. We believe it is reasonable and necessary to require further amplification and explanation regarding this data, and to require production of additional and/or corroborative data. This further examination by staff will include on-site investigations by staff accountants, engineers and rate analysts. Based on the above, staff recommends that the utility's requested interim rate increase be suspended.

ISSUE 2: Should an interim revenue increase be approved?

RECOMMENDATION: Yes. On an interim basis, the utility should be authorized to collect annual water and wastewater revenues as indicated below: (MONIZ)

	<u>Revenues</u>	<u>\$ Increase</u>	<u>% Increase</u>
Water	\$5,260,912	\$457,694	5.06%
Wastewater	\$3,339,462	\$388,245	13.16%

STAFF ANALYSIS: PCUC requested interim rates designed to generate annual revenues of \$5,515,503 for water and \$3,432,636 for wastewater. The utility's requested revenues result in an increase of \$457,694 (8.30%) and \$442,999 (14.82%) for water and wastewater, respectively. The requested test year for interim is the historical test year ended December 31, 1994. The utility filed rate base, cost of capital, and operating statements to support its requested water and wastewater rate increases.

Staff has attached accounting schedules to illustrate our recommended rate base, capital structure, and test year operating income amounts. The rate base schedules and adjustments are numbered 1-A, 1-B, and 1-C. The capital structure schedule is numbered 2. Schedules Nos. 3-A and 3-B are the operating statements for water and wastewater, respectively, and Schedule No. 3-C is the schedule of adjustments to the operating statements. The adjustments recommended by staff are discussed below.

Rate Base

PCUC reflected its interim working capital allowance based on the formula method. This was the method employed by the Commission for the last rate case for this utility. Section 367.082, states that in calculating the interim revenue requirement, adjustments should be made consistent with those made in the last rate proceeding. As such, it is appropriate to calculate the working capital allowance using the formula approach. However, the utility's calculation of working capital did not reflect one-eighth of its operation and maintenance (O&M) expenses. Hence, staff has corrected the utility's calculation and recommends that the working capital allowance be increased by \$8,279 and decreased by \$30,424 for water and wastewater, respectively. Based on this, the working capital amount should be \$314,124 for water and \$237,797 for wastewater. Applying these adjustments to working capital, staff recommends an interim rate base of \$14,368,802 for water and \$7,434,564 for wastewater.

Cost of Capital

In its MFRs, PCUC used a historical 13-month average capital structure and made no specific adjustments. The utility then made pro rata adjustments to reconcile the capital structure to rate base. The utility used a cost rate of 5.02% and 6.92% for long and short term debt, respectively. In accordance with the interim statute, PCUC used (11.13%) the lower end of the range of the last authorized return on equity, established in its last rate proceeding (Order No. 22843, issued April 23, 1990), to calculate its return on equity. Investment tax credits and accumulated deferred income taxes were included at zero cost, which is consistent with the treatment utilized in PCUC's last rate proceeding. Based on the above, no adjustments are necessary to the utility's overall cost of capital of 7.70%.

Net Operating Income

Based on Staff's review of PCUC's operating statements, we believe only two adjustments are necessary. Section 367.082(5) (b) (1), Florida Statutes, states that the achieved rate of return is calculated by annualizing any rate changes occurring during the interim test period. For the purposes of this application, the utility used the historic interim test year ended December 31, 1994. PCUC received a price index increase on October 10, 1995. In its application, the utility annualized its revenues related to this price index. Because the index was implemented after the interim test year, staff removed the annualized revenues which were adjusted for the index. Staff has reduced test year revenues by \$50,107 and \$38,420 for water and wastewater, respectively.

The second adjustment relates to the test year amount of income taxes. Staff's calculated amount of income taxes is much lower than the amount calculated by the utility. We were unable to determine the reason for this, since the utility did not provide interim schedules explaining its calculation. Staff had no other alternative except to use the limited tax information provided by the utility. Based on the above adjustments and the utility's filing, test year operating income, before any revenue increase, is (\$957,994) for water and \$344,769 for wastewater. This represents an achieved rate of return of 7.70% for both water and wastewater.

Revenue Requirement

Based upon recovery of actual operating expenses for the year ended December 31, 1994 and a 7.70% overall rate of return, staff recommends approval of \$5,260,912 in annual water revenues and \$3,339,462 in annual wastewater revenues. This represents an

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annual increase of \$253,210 (or 5.06%) for water and \$388,245 (or 13.16%) for wastewater.

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ISSUE 3: What are the appropriate interim water and wastewater rates?

RECOMMENDATION: The interim rates for Palm Coast Utility Corporation should be designed to allow the utility the opportunity to generate annual operating revenues of \$5,260,912 for its water system and \$3,339,462 for its wastewater system. The approved rates will be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to 25-30.475(1), Florida Administrative Code, provided the customers have received notice. The rates may not be implemented until proper notice has been received by the customers. The utility should provide proof of the date notice was given within 10 days after the date of notice. (WASHINGTON)

STAFF ANALYSIS: Palm Coast Utility Corporation was granted an index rate increase effective for service rendered on or after November, 1995. This rate increase was not taken into consideration for interim purposes since it occurred outside of the historical test year. Revenues for interim purposes were annualized based on rates in effect during the test year ending December 31, 1994.

Staff recommends that interim rates for Palm Coast Utility Corporation be designed to allow the utility the opportunity to generate additional annual operating revenues of \$253,210 for its water operations and \$388,245 for its wastewater operations. This results in an increase of 5.28% in existing water rates and 13.23% in existing wastewater rates, when applied as an across the board increase to total revenues, excluding miscellaneous service charges. These increases were applied to the rates in effect as of December 31, 1994, the end of the test year. To do otherwise would allow the utility to collect revenues higher than previously approved.

The interim rates should be implemented for service rendered on or after the stamped approval date on the tariff sheets provided customers have received notice. The revised tariff sheets will be approved upon staff's verification that the tariffs are consistent with the Commission's decision, that the proposed notice to the customers of the approved increase is adequate and the required security discussed under Issue 4 has been filed. The utility should provide proof of the date notice was given within 10 days after the date of notice.

Palm Coast Utility Corporation's current, requested interim and requested final rates, and staff's recommended interim rates are shown on Schedule Nos. 4-A and 4-B.

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ISSUE 4: What is the appropriate security to guarantee the interim increase?

RECOMMENDATION: The utility should be required to file a corporate undertaking, bond, letter of credit or escrow agreement in the amount of \$530,000 to guarantee any potential refunds of water and wastewater revenues collected under interim conditions. Pursuant to Rule 25-30.360(6), Florida Administrative Code, the utility should provide a report by the 20th of each month indicating the monthly and total revenue collected subject to refund.
(WASHINGTON)

STAFF ANALYSIS: Pursuant to Section 367.082, Florida Statutes, the excess of interim rates over the previously authorized rates shall be collected under guarantee subject to refund with interest. The amount of a potential refund in this case has been calculated to be \$530,000.

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

The utility should deposit the funds to be escrowed, \$58,889 into the escrow account each month. If a refund to the customers is required, all interest earned by the escrow account should be distributed to the customers. If a refund to the customers is not required, the interest earned by the escrow account should revert to the utility.

If the security provided is a corporate undertaking, bond, or a letter of credit, said instrument should be in the amount of \$530,000. If the utility chooses a bond as security, the bond should state that it will be released or should terminate upon subsequent order of the Commission addressing overearnings or requiring a refund. If the utility chooses to provide a letter of

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credit as security, the letter of credit should state that it is irrevocable for the period it is in effect and that it will be in effect until a final Commission order is rendered addressing overearnings or requiring a refund.

Irrespective of the type of security provided, the utility should keep an accurate and detailed account of all monies it receives. Pursuant to Rule 25-30.360(6), Florida Administrative Code, the utility shall provide a report by the 20th of each month indicating the monthly and total revenue collected subject to refund. Should a refund be required, the refund should be with interest and undertaken in accordance with Rule 25-30.360, Florida Administrative Code.

In no instance should maintenance and administrative costs associated with any refund be borne by the customers. The costs are the responsibility of, and should be borne by, the utility.

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PALM COAST UTILITY CORPORATION SCHEDULE OF WATER RATE BASE HISTORICAL TEST YEAR ENDED 12/31/94			SCHEDULE NO. 1-A DOCKET NO. 951056-WS		
COMPONENT	TEST YEAR PER UTILITY 1994	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR
1 UTILITY PLANT IN SERVICE	\$ 57,908,009	(1,773,897)\$	56,134,112	0	56,134,112
2 LAND & LAND RIGHTS	504,632	0	504,632	0	504,632
3 NON-USED & USEFUL COMPONENTS	(14,986,337)	(106,058)	(15,092,395)	0	(15,092,395)
4 CWIP	0	0	0	0	0
5 ACCUMULATED DEPRECIATION	(17,406,325)	827,992	(16,578,333)	0	(16,578,333)
6 CIAC	(13,684,326)	(1,224,768)	(14,909,094)	0	(14,909,094)
7 AMORTIZATION OF CIAC	2,521,092	225,430	2,746,522	0	2,746,522
8 PREPAID INCOME TAXES	0	3,526,181	3,526,181	0	3,526,181
9 TAX IMPACT CHARGES (NET)	0	(2,276,947)	(2,276,947)	0	(2,276,947)
10 ADVANCES FOR CONSTRUCTION	(2,414,089)	2,414,089	0	0	0
11 WORKING CAPITAL ALLOWANCE	0	305,845	305,845	8,279	314,124
12 OTHER	0	0	0	0	0
RATE BASE	\$ 12,442,656	1,917,867 \$	14,360,523	8,279	14,368,802

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PALM COAST UTILITY CORPORATION SCHEDULE OF WASTEWATER RATE BASE HISTORICAL TEST YEAR ENDED 12/31/94			SCHEDULE NO. 1-B DOCKET NO. 951056-WS		
COMPONENT	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ TEST YEAR
1 UTILITY PLANT IN SERVICE	\$ 48,768,273	1,773,897 \$	50,542,170	0	50,542,170
2 LAND & LAND RIGHTS	593,395	0	593,395	0	593,395
3 NON-USED & USEFUL COMPONENTS	16,738,401	106,058	16,844,459	0	16,844,459
4 CWIP	0	0	0	0	0
5 ACCUMULATED DEPRECIATION	(15,986,664)	(827,992)	(16,814,656)	0	(16,814,656)
6 CIAC	(58,223,140)	(2,174,804)	(60,397,944)	0	(60,397,944)
7 AMORTIZATION OF CIAC	14,171,559	609,844	14,781,403	0	14,781,403
8 PREPAID INCOME TAXES	0	3,230,226	3,230,226	0	3,230,226
9 TAX IMPACT CHARGES (NET)	0	(1,582,286)	(1,582,286)	0	(1,582,286)
10 ADVANCES FOR CONSTRUCTION	(635,191)	635,191	0	0	0
11 WORKING CAPITAL ALLOWANCE	0	268,221	268,221	(30,424)	237,797
12 OTHER	0	0	0	0	0
RATE BASE	\$ 5,426,633	2,038,355 \$	7,464,988	(30,424)	7,434,564

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PALM COAST UTILITY CORPORATION
ADJUSTMENTS TO RATE BASE
HISTORICAL TEST YEAR ENDED 12/31/94

SCHEDULE NO. 1-C
DOCKET NO. 951056-WS

EXPLANATION	WATER	WASTEWATER
(1) <u>WORKING CAPITAL</u> To reflect correction to Formula Method	\$ <u>8,279</u>	\$ <u>(30,424)</u>

**PALM COAST UTILITY CORPORATION
CAPITAL STRUCTURE
HISTORICAL TEST YEAR ENDED 12/31/94**

**SCHEDULE NO. 2
DOCKET NO. 951056-WS**

DESCRIPTION	TOTAL CAPITAL	SPECIFIC ADJUSTMENTS (EXPLAIN)	PRO RATA ADJUSTMENTS	CAPITAL RECONCILED TO RATE BASE	RATIO	COST RATE	WEIGHTED COST
PER UTILITY 1994							
1 LONG TERM DEBT	13,307,692	0	(5,478,035)\$	7,829,657	35.87%	5.02%	1.80%
2 SHORT-TERM DEBT	442,308	0	(182,074)	260,234	1.19%	6.92%	0.08%
3 PREFERRED STOCK	0	0	0	0	0.00%	0.00%	0.00%
4 COMMON EQUITY	19,165,793	0	(7,889,488)	11,276,305	51.67%	11.13%	5.75%
5 CUSTOMER DEPOSITS	415,651	0	(171,100)	244,551	1.12%	6.00%	0.07%
6 DEFERRED INCOME TAXES	1,348,969	0	(555,295)	793,674	3.64%	0.00%	0.00%
7 DEFERRED ITC'S-ZERO COST	2,415,360	0	(994,269)	1,421,091	6.51%	0.00%	0.00%
8 OTHER	0	0	0	0	0.00%	0.00%	0.00%
9 TOTAL CAPITAL	<u>37,095,773</u>	<u>0</u>	<u>(15,270,261)\$</u>	<u>21,825,512</u>	<u>100.00%</u>		<u>7.70%</u>
PER STAFF 1994							
10 LONG TERM DEBT	13,307,692	0	(5,485,980)\$	7,821,712	35.87%	5.02%	1.80%
11 SHORT-TERM DEBT	442,308	0	(182,338)	259,970	1.19%	6.92%	0.08%
12 PREFERRED STOCK	0	0	0	0	0.00%	0.00%	0.00%
13 COMMON EQUITY	19,165,793	0	(7,900,930)	11,264,863	51.67%	11.13%	5.75%
14 CUSTOMER DEPOSITS	415,651	0	(171,348)	244,303	1.12%	6.00%	0.07%
15 DEFERRED INCOME TAXES	1,348,969	0	(556,101)	792,868	3.64%	0.00%	0.00%
15 DEFERRED ITC'S-ZERO COST	2,415,360	0	(995,711)	1,419,649	6.51%	0.00%	0.00%
16 OTHER	0	0	0	0	0.00%	0.00%	0.00%
17 TOTAL CAPITAL	<u>37,095,773</u>	<u>0</u>	<u>(15,292,408)\$</u>	<u>21,803,365</u>	<u>100.00%</u>		<u>7.70%</u>
RANGE OF REASONABLENESS					LOW	HIGH	
RETURN ON EQUITY					<u>11.13%</u>	<u>13.13%</u>	
OVERALL RATE OF RETURN					<u>7.70%</u>	<u>8.73%</u>	

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PALM COAST UTILITY CORPORATION STATEMENT OF WATER OPERATIONS HISTORICAL TEST YEAR ENDED 12/31/94			SCHEDULE NO. 3-A DOCKET NO. 951056-WS				
DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 5,007,702	\$ 507,801	\$ 5,515,503	(507,801)	5,007,702	253,210	5,260,912
OPERATING EXPENSES:						5.06%	
2 OPERATION AND MAINTENANCE	\$ 2,880,157	\$(367,169)	\$ 2,512,988	0	\$ 2,512,988		2,512,988
3 DEPRECIATION	1,532,966	(557,690)	975,276	0	975,276		975,276
4 AMORTIZATION	(69,805)	0	(69,805)	0	(69,805)		(69,805)
5 TAXES OTHER THAN INCOME	819,400	(232,622)	586,778	(22,851)	563,927	11,394	575,321
6 INCOME TAXES	(152,769)	540,796	388,027	(320,705)	67,322	93,268	160,590
7 TOTAL OPERATING EXPENSES	\$ 5,009,949	\$(616,685)	\$ 4,393,264	(343,556)	4,049,708	104,663	4,154,370
8 OPERATING INCOME	\$ (2,247)	\$ 1,124,486	\$ 1,122,239	(164,245)	957,994	148,547	1,106,541
9 RATE BASE	\$ 12,442,656		\$ 14,360,523		14,368,802		14,368,802
RATE OF RETURN	-0.02%		7.81%		6.67%		7.70%

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PALM COAST UTILITY CORPORATION STATEMENT OF WASTEWATER OPERATIONS HISTORICAL TEST YEAR ENDED 12/31/94			SCHEDULE NO. 3-B DOCKET NO. 951056-WS				
DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	STAFF ADJUSTMENTS	STAFF ADJ. TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 2,951,217	\$ 481,419	\$ 3,432,636	(481,419)	2,951,217	388,245	3,339,462
OPERATING EXPENSES						13.16%	
2 OPERATION AND MAINTENANCE	\$ 2,272,232	\$(369,859)	\$ 1,902,373	0	\$ 1,902,373		1,902,373
3 DEPRECIATION	51,868	412,933	464,801	0	464,801		464,801
4 AMORTIZATION	(48,509)	0	(48,509)	0	(48,509)		(48,509)
5 TAXES OTHER THAN INCOME	283,302	78,992	362,294	(21,664)	340,630	17,471	358,101
6 INCOME TAXES	110,791	82,341	193,132	(245,980)	(52,848)	143,007	90,160
7 TOTAL OPERATING EXPENSES	\$ 2,669,684	\$ 204,407	\$ 2,874,091	(267,643)	2,606,448	160,478	2,766,926
8 OPERATING INCOME	\$ 281,533	\$ 277,012	\$ 558,545	(213,776)	344,769	227,766	572,536
9 RATE BASE	\$ 5,426,633		\$ 7,464,988		7,434,564		7,434,564
RATE OF RETURN	5.19%		7.48%		4.64%		7.70%

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**PALM COAST UTILITY CORPORATION
 ADJUSTMENTS TO OPERATING STATEMENTS
 HISTORICAL TEST YEAR ENDED 12/31/94**

**SCHEDULE NO. 3-C
 DOCKET NO. 951056-WS**

EXPLANATION	WATER	WASTEWATER
(1) OPERATING REVENUES	\$	\$
1) Adjustment to remove requested revenue increase	(457,694)	(442,999)
2) Adjustment to reflect revenues at test year rates	(50,107)	(38,420)
	<u>\$ (507,801)</u>	<u>\$ (481,419)</u>
(2) TAXES OTHER THAN INCOME		
Adjustment to remove RAF's related to revenue increase	<u>\$ (22,851)</u>	<u>\$ (21,664)</u>
(3) INCOME TAXES		
To reflect test year provision for Income Taxes	<u>\$ (320,705)</u>	<u>\$ (245,980)</u>
(4) OPERATING REVENUES		
To reflect recommended revenue increase.	<u>\$ 253,210</u>	<u>\$ 388,245</u>
(5) TAXES OTHER THAN INCOME		
Adjustment for increase in RAF's related to revenue increase	<u>\$ 11,394</u>	<u>\$ 17,471</u>
(5) INCOME TAXES		
Adjustment to reflect increased income	<u>\$ 93,268</u>	<u>\$ 143,007</u>

PALM COAST UTILITY CORPORATION

SCHEDULE OF WATER RATES

Residential, General Service and Multi-Family

<u>Meter Size</u>	<u>Utility Test Year Rates Pre-Indx</u>	<u>Utility Present Rates</u>	<u>Utility Proposed Interim Rates</u>	<u>Utility Proposed Final Rates</u>	<u>Staff Recommended Interim Rates</u>
5/8" x 3/4"	\$ 10.44	\$ 10.55	\$ 11.50	\$ 15.36	\$ 10.99
1"	26.08	26.34	28.72	38.39	27.46
1 1/2"	52.16	52.69	57.46	76.79	54.91
2"	83.45	84.29	91.92	122.86	87.86
3"	166.89	168.58	183.84	245.71	175.70
4"	260.78	263.41	287.25	383.93	274.55
6"	521.54	526.81	574.49	767.84	549.08
Gallonage Charge per 1,000 gallons	\$ 3.56	\$ 3.60	\$ 3.93	\$ 4.52	\$ 3.75
6" (Hammock Dunes Bulk Rate)	\$ 193.83	\$ 195.79	\$ 213.51	\$ 285.64	\$ 204.06
Gallonage Charge/MG	\$ 1.00	\$ 1.01	\$ 1.10	\$ 1.26	\$ 1.05

Irrigation Service
(All Classes)

<u>Meter Size</u>	<u>Utility Test Year Rates Pre-Indx</u>	<u>Utility Present Rates</u>	<u>Utility Proposed Interim Rates</u>	<u>Utility Proposed Final Rates</u>	<u>Staff Recommended Interim Rates</u>
5/8" x 3/4"	\$ 5.22	\$ 5.27	\$ 5.75	\$ 7.68	\$ 5.50
1"	26.08	26.34	28.72	38.39	27.46
1 1/2"	52.16	52.69	57.46	76.79	54.91
2"	83.45	84.29	91.92	122.86	87.86
3"	166.89	168.58	183.84	245.71	175.70
4"	260.78	263.41	287.25	383.93	274.55
6"	521.54	526.81	574.49	767.84	549.08
Gallonage Charge per 1,000 gallons	\$ 3.56	\$ 3.60	\$ 3.93	\$ 4.52	\$ 3.75

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Private Fire Protection

<u>Meter Size</u>	<u>Utility Test Year Rates Pre-Indx</u>	<u>Utility Present Rates</u>	<u>Utility Proposed Interim Rates</u>	<u>Utility Proposed Final Rates</u>	<u>Staff Recommended Interim Rates</u>
4"	\$ 86.91	\$ 87.89	\$ 95.73	\$ 31.97	\$ 91.50
6"	173.84	175.60	191.49	63.87	183.02
8"	278.14	280.95	306.38	102.18	292.83
10"	399.79	403.83	440.38	146.88	420.90
12"	747.39	754.94	823.26	274.58	786.85
<u>Public Fire Hydrants</u>					
(Annual Charge)	\$ 100.00	\$100.00	\$ 100.00	\$ 0.00	\$ 100.00

DOCKET NO. 951056-WS
 DATE: MARCH 7, 1996

Schedule No. 4-B

PALM COAST UTILITY CORPORATION

SCHEDULE OF WASTEWATER RATES

Residential

<u>Meter Size</u>	<u>Utility Test Year Rates Pre-Indx</u>	<u>Utility Present Rates</u>	<u>Utility Proposed Interim Rates</u>	<u>Utility Proposed Final Rates</u>	<u>Staff Recommended Interim Rates</u>
All Sizes	\$ 10.95	\$ 11.10	\$ 12.75	\$ 13.46	\$ 12.40
Gallonge Charge (MAX. 8,000 mg)	\$ 2.89	\$ 2.93	\$ 3.36	\$ 4.66	\$ 3.27
Minimum Bill	\$ 10.95	\$ 11.10	\$ 12.75	\$ 13.46	\$ 12.40
Maximum Bill	\$ 34.07	\$ 34.54	\$ 39.63	\$ 50.74	\$ 38.56

General Service and Multi-Family

<u>Meter Size</u>	<u>Utility Test Year Rates Pre-Indx</u>	<u>Utility Present Rates</u>	<u>Utility Proposed Interim Rates</u>	<u>Utility Proposed Final Rates</u>	<u>Staff Recommended Interim Rates</u>
5/8" x 3/4"	\$ 10.95	\$ 11.10	\$ 12.75	\$ 13.46	\$ 12.40
1"	27.36	27.72	31.83	33.65	30.98
1 1/2"	54.71	55.44	63.66	67.31	61.95
2"	87.53	88.69	101.83	107.69	99.11
3"	175.06	177.39	203.68	215.38	198.22
4"	273.54	277.18	318.26	336.53	309.73
6"	547.07	554.35	636.50	673.05	619.45
Gallonge Charge (No Max.)	\$ 3.47	\$ 3.52	\$ 4.04	\$ 5.60	\$ 3.93
<u>Effluent Reuse Service</u>					
Gallonge Charge/MG	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.67	\$ 0.00