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June 5, 1996

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

RE: Docket No. 951056-WS Application by Palm Coast Utility Corporation for rate increase

Dear Ms. Bayo:

Enclosed for filing on behalf of the Office of Public Counsel are an original and 15 copies of revised Exhibits TLB-2 and TLB-3 attached to Ted L. Biddy's prefiled direct testimony. Also enclosed is an original and 15 copies of revised page 11 to Ted L. Biddy's prefiled direct testimony.

In Exhibit TLB-2 Mr. Biddy changed the capacity unit on lines 11 and 12 without changing the associated numbers. On line 46 the total number of lots was reduced and on line 53 Mr. Biddy adds a used and useful adjustment for water service lines.

In Exhibit TLB-3 Mr. Biddy adds a used and useful adjustment for sewer services on line 44 and provides a used and useful adjustment to PEP main on line 52. Associated with this change in Exhibit TLB-3 also see attached revised page 11 of his prefiled testimony. Copies of the revised Exhibits and revised page 11 of Mr. Biddy's testimony will be mailed to all parties of record this same day.

WCK _____
WEA 3 _____
JFP _____
JAF _____
JMU _____
JTR _____
JAG _____
JEG Edmond _____
JIN 31 org _____
JPC _____
JOP _____
JEC 1 _____
JAS _____
JTH _____

DOCUMENT NUMBER-DATE

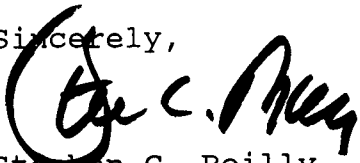
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FPSC-RECORDS/REPORTING

Ms. Blanca S. Bayo
June 5, 1996
Page Two

Please acknowledge receipt of the foregoing by stamping the enclosed extra copy of this letter. Thank you for your assistance.

Sincerely,



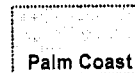
Stephen C. Reilly
Associate Public Counsel

SCR/bgm
Enclosures

cc: w/encl.: Scott Edmonds, Esq.
B. Kenneth Gatlin, Esq.
Richard Melson, Esq.
Jim Martin
Manuel D. Rivera

OPC USED AND USEFUL CALCULATIONS
Water Treatment Plant - Schedule F-5 (W)

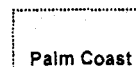
Line Docket No. 951056-WS
No. Schedule F-3
Company: Palm Coast Utility Corporation
Schedule Year Ended: 12/31/95
Historic [x]; Projected [x]



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1	1994 MAX DAY FOR YEAR (GPD)	4,890,000
2	1994 AVG MAX 5 DAYS IN MAX MONTH ¹ (GPD)	4,346,000
3	1994 ANNUAL AVG DAILY FLOW (GPD)	3,466,123
4	FIRE STORAGE ACCEPTED (GAL.)	600,000
5	FIRE FLOW PROVISION (GPM)	2,000
6	Unaccounted for Water Level (%)	4.68%
7	Unaccounted for Water Allowed (%)	4.68%
8		
9	<u>SOURCE OF SUPPLY AND PUMPING:</u>	
10	Supply Wells:	
11	Total Capacity (gpd)	10,719,360
12	Reliable Capacity (gpd)	7,768,600
13	OPC Calculated Used & Useful (%)	44.62%
14	PCUC Requested U & U (%)	81.90%
15		
16	Land & Land Rights:	
17	OPC Calculated Used & Useful (%)	44.62%
18	PCUC Requested U & U (%)	100.00%
19		
20	<u>WATER TREATMENT PLANT:</u>	
21	Water Treatment Equipment:	
22	Total Capacity (gpd)	8,000,000
23	Capacity less 10% plant use (gpd)	7,200,000
24	OPC Calculated Used & Useful (%)	54.33%
25	PCUC Requested U & U (%)	95.20%
26		
27	Land & Land Rights:	
28	OPC Calculated Used & Useful (%)	54.33%
29	PCUC Requested U & U (%)	100.00%
30		
31	<u>TRANSMISSION AND DISTRIBUTION:</u>	
32	Finished Water Storage:	
33	Total Capacity (gal.)	4,150,000
34	Less Retention Capacity (gal.)	4,150,000
35	OPC Calculated Used & Useful (%)	56.22%
36	PCUC Requested U & U (%)	100.00%
37		
38	Land & Land Rights:	
39	OPC Calculated Used & Useful (%)	56.22%
40	PCUC Requested U & U (%)	100.00%
41		
42	USED AND USEFUL CALCULATIONS	
	Water Transmission & Distribution System	
43	Schedule F-7(W)	
44	<u>WATER TRANSMISSION AND DISTRIBUTION SYSTEM:</u>	
45	Connected Lots in 1995 (Total water bills/12)	11,409
46	Total Number of Lots ² (Exh. JFG-1, Tables E-1)	46,438
47	OPC Calculated Used & Useful (%)	24.57%
48	PCUC Requested U & U (%)	65.90%
49		
50	<u>SERVICE LINES:</u>	
51	Connected Lots in 1995 (Total water bills/12)	11,409
52	Total Number of Services ² (Exh. JFG-1, Tables F)	15,172
53	OPC Calculated Used & Useful (%)	75.20%
54	PCUC Requested U & U (%)	89.60%
55		
56	Notes:	
57	1. PCUC claimed 1994 experienced higher demands.	
58	2. This number may be revised pending further discoveries.	

OPC USED AND USEFUL CALCULATIONS



Line **Wastewater Treatment Plant**
No. **Schedule F-6 (S)**

Docket No. 951056-WS
Company: Palm Coast Utility Corporation
Schedule Year Ended: 12/31/95
Historic [x]; Projected [x]

1	PERMITTED PLANT CAPACITY, ANNUAL ADF (GPD)	4,000,000
2	EFFLUENT DISPOSAL CAPACITY, ANNUAL ADF (GPD)	4,200,000
3	MAXIMUM 3-MONTH DEMAND (GPD),(Exh. JFG-1, Table N-1)	2,089,080
4	Less Excess Inflow/Infiltration (GPD)	2,089,080
5	EXCESS Inflow/Infiltration (%)	0.0%
6	EXCESS INFLOW/INFILTRATION (GPD)	0

7

8 TREATMENT PLANT AND EFFLUENT DISPOSAL:

9	Treatment Plant:	
10	OPC Calculated Used & Useful (%)	52.23%
11	PCUC Requested U & U (%)	87.20%
12	Land & Land Rights:	
13	OPC Calculated Used & Useful (%)	52.23%
14	PCUC Requested U & U (%)	100.00%
15	Effluent Disposal/Reuse Facilities:	
16	OPC Calculated Used & Useful (%)	49.74%
17	PCUC Requested U & U (%)	87.20%
18	Land & Land Rights:	
19	OPC Calculated Used & Useful (%)	49.74%
20	PCUC Requested U & U (%)	100.00%

21

22 USED AND USEFUL CALCULATIONS

Wastewater Collection System

23 **Schedule F-7(S) (Exh. JFG-1, Table L)**

24 COLLECTION SYSTEM (Gravity and Force Mains):

25	Connected Lots in 1995 (Sch. E-2, Pg. 2 of 4, Bills/12)	10,206
26	Total Number of Lots (Exh. JFG-1, Tables J & L)	46,438
27	OPC Calculated Used & Useful (%)	21.98%
28	PCUC Requested U & U (%)	59.00%

29

30 COLLECTION SYSTEM PUMPING PLANT:

31	OPC Calculated Used & Useful (%)	21.98%
32	PCUC Requested U & U (%)	57.10%
33	Land & Land Rights:	
34	OPC Calculated Used & Useful (%)	21.98%
35	PCUC Requested U & U (%)	100.00%

36

37 SEWER SERVICES:

38	Connected Lots in 1995 (Sch. E-2, Pg. 2 of 4, Bills/12)	10,206
39	1995 Average ERC (Exh. JFG-1, Table L)	12,435
40	Connected Lots in 1995/Average ERC of 1995	82.07%
41	Average ERC less PEP and Multi-Family (Exh. JFG-1, Table L)	10,358
42	Connected Lots less PEP and Multi-Family ¹ (10,385x82.07%)	8,501
43	Total Number of Services (Exh. JFG-1, Tables J & L)	25,062
44	OPC Calculated Used & Useful (%)	33.92%
45	PCUC Requested U & U (%)	46.30%

46

47 PEP MAIN:

48	1995 Average ERC (Exh. JFG-1, Table J)	1,281
49	Connected Lots in 1995/Average ERC of 1995	82.07%
50	Connected Lots Served by PEP ¹ (1,281x82.07%)	1,051
51	Total Lots Served by PEP (Exh. JFG-1, Table J)	21,376
52	OPC Calculated Used & Useful (%)	4.92%
53	PCUC Requested U & U (%)	6.70%

54 **Note:**

55 1. This number may be revised pending further discoveries.

1 Q. DO YOU HAVE ANY COMMENTS REGARDING THE USED AND
2 USEFUL PERCENTAGES REQUESTED BY PCUC FOR THE
3 WASTEWATER COLLECTION SYSTEM?

4 A. The lot count method should also be used to determine the used and useful
5 percentage for the wastewater collection system. This method should be used
6 because the overall collection system is designed for existing and future customers.
7 Lot count provides an equal share for all customers, so that existing customers will
8 not subsidize future customers. ~~It is inappropriate and unnecessary to break down~~
9 ~~the collection system used and useful into gravity main, pretreatment effluent~~
10 ~~pumping (PEP) main, PEP tanks, force main, and service lines as PCUC has~~
11 ~~proposed.~~

12 Q. SHOULD GALLONS OF WASTEWATER TREATED EXCLUDE EXCESS
13 INFLOW AND INFILTRATION IN ENGINEERING SCHEDULE F-2(S)?

14 A. Yes. For used and useful analysis, the amount of wastewater treated should not
15 include any excessive inflow and infiltration. Engineering Schedules F-2(S) filed
16 by PCUC did not show the inflow and infiltration condition of its wastewater
17 collection system. The inflow/infiltration information should be presented to show
18 the conditions of collection system. It is inappropriate to add an inflow and
19 infiltration allowance in the used and useful calculation for wastewater systems.

20 Many guideline criteria are available and can be used for infiltration
21 allowance on gravity sewers. In the *Recommended Standards for Wastewater*