

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for Transfer) DOCKET NO. 960235-WS
of Certificates Nos. 404-W and)
341-S in Orange County from Econ)
Utilities Corporation to)
Wedgefield Utilities, Inc.)

In Re: Application for) DOCKET NO. 960283-WS
Amendment of Certificates Nos.) ORDER NO. PSC-96-1241-FOF-WS
404-W and 341-S in Orange County) ISSUED: October 7, 1996
by Wedgefield Utilities, Inc.)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER APPROVING TRANSFER AND GRANTING
AMENDMENT OF CERTIFICATES TO INCLUDE ADDITIONAL TERRITORY

AND

NOTICE OF PROPOSED AGENCY ACTION
ORDER ESTABLISHING RATE BASE FOR PURPOSES
OF THE TRANSFER

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein regarding the establishment of rate base for purposes of the transfer is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

Background

On February 27, 1996, Wedgefield Utilities, Inc. (Wedgefield) filed an application with this Commission for the transfer of Certificates Nos. 404-W and 341-S from Econ Utilities Corporation

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

(Econ) to Wedgefield. Wedgefield, which was incorporated on January 23, 1996, as a Florida corporation, is a wholly-owned subsidiary of Utilities, Inc. Econ is a Class B utility providing service in Orange County to approximately 725 customers.

An interim closing of the transfer occurred on February 8, 1996, at which time operating records and ownership documents were exchanged. The final closing is scheduled to take place within ten days of this Commission's approval of the transfer. Wedgefield has provided interim management of the utility system pending approval of the transfer.

On March 5, 1996, Wedgefield filed an application for amendment of Certificates Nos. 404-W and 341-S to include additional territory in Orange County. Wedgefield has requested to add three parcels consisting of a shopping center, the Bancroft Boulevard area and a community to be known as the Commons. Wedgefield is already serving the shopping center and the Bancroft Boulevard area. The Commons is a planned community of 400 single-family homes.

Econ has been serving the shopping center and homes in the Bancroft Boulevard area for about fifteen years. According to the application, those areas were inadvertently omitted when the utility filed the legal description for its initial service area. Because Econ has been providing service to the area without Commission approval, it is in apparent violation of Section 367.045, Florida Statutes. The violation will be addressed later in this Order.

Transfer Application

The transfer application is in compliance with Section 367.071, Florida Statutes, and other pertinent statutes and administrative rules, except for the requirement to provide proof of ownership of the land upon which the utility's facilities are located, as required by Rule 25-30.037(1)(o), Florida Administrative Code. Wedgefield shall file a recorded warranty deed showing ownership of the land upon which the utility facilities are located within 60 days of the date of this Order.

The application included a filing fee in the amount of \$3,000, in accordance with the requirements of Rule 25-30.020, Florida Administrative Code. In addition, Wedgefield provided proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code, including notice to the customers of the system being transferred. No objections to the application have been received and the time for filing such has

expired. The territory served by Econ is shown on Attachment A of this Order, which by reference is incorporated herein.

As stated previously, Wedgefield is a wholly-owned subsidiary of Utilities, Inc., which was formed in 1965. Currently, Utilities, Inc. provides water and wastewater service to about 150,000 customers in thirteen states, including Florida. Through its subsidiaries, Utilities, Inc. provides water and/or wastewater service to approximately 30,000 customers in Florida. Utilities, Inc. focuses on ownership and operation of small systems, and provides centralized management, accounting and financial assistance to small utilities that were commonly built by development companies. Because Wedgefield will have the benefit of Utilities, Inc.'s extensive operating experience and financial resources, we believe that it has the technical and financial ability to assure continued service to the customers of Econ.

According to the Department of Environmental Protection (DEP), there are no outstanding notices of violation against Econ. However, in its application, Wedgefield stated that an engineering study of the water and wastewater systems conducted in 1995 indicated that several improvements would be needed to maintain regulatory compliance and adequate service. Based on preliminary engineering estimates, Wedgefield has budgeted about \$160,000 for a new well and water softener, and \$249,000 to improve the wastewater system's percolation, equalization and irrigation systems.

Based on the foregoing, we find that the transfer of Certificates Nos. 404-W and 341-S from Econ to Wedgefield is in the public interest and it is approved. Wedgefield shall file a copy of a recorded warranty deed as proof that it owns the land upon which the utility's facilities are located within 60 days of the date of this Order. Econ was unable to locate the original certificates; therefore, replacement certificates reflecting the change in ownership will be prepared and issued to Wedgefield.

Rate Base

According to Wedgefield's transfer application, the proposed net book value of the combined water and wastewater systems was \$2,930,836, as of December 31, 1994. This amount matches the rate base balance proposed by the Commission's audit staff in 1995. The Commission staff recommended adjustments to the rate bases for the water and wastewater systems including removal of unauthorized AFUDC (allowance-for-funds-used-during-construction); reclassification of expenses that should have been charged to plant-in-service or construction-work-in-progress; adjustments to

reflect adoption of guideline depreciation rates and amortization charges; and various adjustments required by prior Commission decisions.

Econ's books and records were also audited during an undocketed investigation to determine whether it was overearning. The investigation disclosed that Econ was actually incurring operating losses.

Econ's rate base was last formally established by this Commission in Docket No. 840368-WS. According to Order No. 15459, issued on December 18, 1985, in that docket, Econ's rate base as of June 30, 1984 was \$236,777 for the water system and \$422,507 for the wastewater system. Substantial used and useful reductions were required in that docket.

Econ's records were audited by the Commission Staff in the instant docket to determine rate base (net book value) as of December 31, 1995. Using the audited balances for the calendar year ended December 31, 1994, which were subsequently adopted by Econ, rate base was found to be \$1,462,487 for the water system and \$1,382,904 for the wastewater system as of December 31, 1995. These rate base calculations do not include used and useful reductions. Because Econ adopted all of the adjustments proposed in the overearnings investigation, and amended its records accordingly, there are no further audit adjustments in this docket.

Therefore, we find Econ's rate base for the water and wastewater systems to be \$1,462,487 and \$1,382,904, respectively. Our calculations of rate base for the water and wastewater systems are shown on attached Schedules Nos. 1 and 2, respectively.

The rate base calculations are used purely to establish the net book value of the property being transferred. These calculations do not include the normal ratemaking adjustment of working capital calculations and used and useful adjustments.

Acquisition Adjustment

An acquisition adjustment results when the purchase price differs from the original cost calculation. In this proceeding, the original construction cost, \$2,845,391, exceeds the initial purchase price, \$545,000, and the future payment. The future payment involves the payment by Wedgefield of every other service availability charge from proposed development of the Commons to Econ.

According to the purchase agreement, 50 percent of expected proceeds from service availability charges for the Commons will be given to Econ as additional payment for purchased assets. The transfer should not, however, diminish the amount of contributions-in-aid-of-construction (CIAC) that the utility should record for ratemaking purposes. Because development of the Commons seems probable, our calculation of the anticipated acquisition adjustment includes a provision for projected CIAC equal to 50 percent of the payments from the Commons community. Based upon the utility's plant capacity charges of \$750 for water and \$2,250 for wastewater, the added payment totals \$600,000. Therefore, the acquisition adjustment resulting from the transfer is \$1,700,391.

The purchase agreement also provides for increasing the purchase price to include any current and/or accrued customer accounts receivable balances and reducing the price for all assumed liabilities. A review of the interim closing statement indicates that the opposing debits and credits are not material and are nearly offsetting. The assumed credits include customer deposits of \$18,030. For the purpose of defining the approximate acquisition adjustment balance, the slight difference between the current assets and assumed liabilities is disregarded.

Although there is a substantial difference between the original construction cost and the purchase price, used and useful adjustments have not been made. In the past, the calculation of rate base has included substantial used and useful reductions. In Docket No. 840368-WS, Econ's reported investment for its combined water and wastewater systems was \$3,103,373, but the approved rate base amount was \$659,280, due in large measure to used and useful reductions. Also, in Docket No. 871208-WS, a case that was ultimately settled by a stipulation, the rate base requested by Econ was \$745,593 for its water and wastewater systems. Rate base in that proceeding was found to be \$564,340. Both amounts included substantial used and useful reductions.

In the absence of extraordinary circumstances, it has been Commission policy that the purchase of a utility at a premium or discount shall not affect the rate base calculation. Considering the likely impact of used and useful adjustments for this utility, the circumstances in this instance do not appear to be extraordinary. Therefore, no acquisition adjustment is included in the rate base calculation.

Rates and Charges - Transfer

The utility's approved rates and charges became effective January 13, 1995, pursuant to a price index rate adjustment. Rule 25-9.044(1), Florida Administrative Code, requires the new owner of a utility to adopt and use the rates, classifications and regulations of the former owner unless authorized to change by this Commission. Wedgefield has not requested a change in the rates and charges and we see no reason to change them at this time. Wedgefield shall continue to charge the rates and charges approved in Econ's tariff until authorized to change by this Commission in a subsequent proceeding. Wedgefield has filed a tariff reflecting the change in ownership. The tariff shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets.

Application for Amendment

As stated previously, on March 5, 1996, Wedgefield filed an application for amendment of Certificates Nos. 404-W and 341-S to include additional territory in Orange County. Except as discussed herein, the application is in compliance with Section 367.045, Florida Statutes, and other pertinent statutes and administrative rules. In particular, the application contains a filing fee in the amount of \$2,000, in accordance with Rule 25-30.020, Florida Administrative Code.

As discussed previously, Wedgefield has not provided evidence that it owns the land upon which the utility's facilities are located as required by Rule 25-30.036(1)(d), Florida Administrative Code. This Order requires that Wedgefield file a copy of a recorded warranty deed showing proof of ownership of the land upon which the utility's facilities are located within 60 days.

Wedgefield has provided adequate service territory and system maps, as required by Rule 25-30.036(1)(e), (f) and (I), Florida Administrative Code. However, the description of the territory that Wedgefield has requested to serve, which was provided with the application, contained discrepancies. Therefore, Wedgefield shall provide a corrected description of the territory it has requested to add to its service area within 30 days of the date of this Order.

Wedgefield has provided proof of compliance with the noticing provisions of Rule 25-30.030, Florida Administrative Code, including notice to the customers in the proposed territory. No objections to the application have been received and the time for filing such has expired.

The territory which Wedgefield has requested to serve includes three parcels of land: a shopping center, the Bancroft Boulevard area, and a proposed community known as the Commons. Econ has been providing service to customers in the shopping center and the Bancroft Boulevard area for about fifteen years. The territory was inadvertently omitted from its service area when the original certificates were granted. The Commons is currently undeveloped, but about 400 single-family homes are tentatively planned for the area.

From information provided with the application, it appears that Wedgefield has the financial and technical ability to provide service to the additional territory. The utility has been providing service to a portion of the requested territory for about fifteen years. There are no other utilities in the area who could provide service to the additional territory. Based on the foregoing, we find that it is in the public interest to grant Wedgefield's request to amend Certificates Nos. 404-W and 341-S to include the additional territory in Orange County. Wedgefield shall file a corrected description of the additional territory within 30 days of the date of this Order. As stated previously, Wedgefield has been unable to locate the original certificates. Accordingly, replacement certificates will be issued reflecting the additional territory. Wedgefield has filed revised tariff sheets reflecting the amendment.

Show Cause

As stated previously, Econ is in apparent violation of Section 367.045, Florida Statutes, which states, in part, that "[a] utility may not delete or extend its service outside the area described in its certificate of authorization until it has obtained an amended certificate of authorization from the commission" Econ has been providing water and wastewater service to a shopping center and the Bancroft Boulevard area for approximately 15 years without approval of the Commission. Such action is "willful" in the sense intended by Section 367.161, Florida Statutes. Section 367.161, Florida Statutes, authorizes the Commission to assess a penalty of not more than \$5,000 for each offense, if a utility is found to have knowingly refused to comply with, or to have willfully violated any provision of Chapter 367, Florida Statutes. In Order No. 24306, issued April 1, 1991, in Docket No. 890216-TL, titled In Re: Investigation into the Proper Application of Rule 25-14.003, Florida Administrative Code, Relating to Tax Savings Refund for 1988 and 1989 for GTE Florida, Inc., the Commission, having found that the company had not intended to violate the rule, nevertheless found it appropriate to order it to show cause why it should not be fined, stating that "[i]n our view, 'willful' implies an intent to

do an act, and this is distinct from an intent to violate a statute or rule." Id. at 6.

Econ's failure to obtain Commission approval prior to extending its service area appears to be due to an oversight. When the utility was first certificated, the description of the service area submitted with its application and approved by this Commission inadvertently omitted an area within which lines had been installed and service provided for some time. It should also be noted that revenues from the area in question have been included in two subsequent rate cases. The area includes a shopping center and a strip of lots on the west side of Bancroft Boulevard. The omission was discovered during negotiations for the sale of the utility to Wedgefield.

Although Econ failed to obtain prior approval to serve the shopping center and the area along Bancroft Boulevard, we do not believe that the violation of Section 367.045, Florida Statutes, rises in these circumstances to the level of warranting initiation of show cause proceedings. An application for an amendment of the utility's service area was filed immediately upon discovering the omission. Therefore, we will not order Econ to show cause for failing to obtain Commission approval prior to serving the area in question.

Rates and Charges - Amendment

As discussed previously in this Order, Econ's current rates were approved pursuant to a price index rate adjustment and became effective on January 13, 1995. Wedgefield shall charge the customers in the additional territory the rates and charges approved in Econ's tariff until authorized to change by this Commission in a subsequent proceeding.

It is, therefore,

ORDERED by the Florida Public Service Commission that the transfer of Certificates Nos. 404-W and 341-S from Econ Utilities Corporation, 1301 West Copan Road, Pompano Beach, Florida 33061, to Wedgefield Utilities, Inc., 200 Weathersfield Avenue, Altamonte Springs, Florida 32714, is hereby approved. It is further

ORDERED that Wedgefield Utilities, Inc. shall file a recorded warranty deed as proof that it owns the land upon which the utility's facilities are located within 60 days of the date of this Order. It is further

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ORDERED that rate base for Econ Utilities Corporation, which for transfer purposes reflects the net book value, is \$1,462,487 for the water system and \$1,382,904 for the wastewater system. It is further

ORDERED that Wedgefield Utilities, Inc. shall continue to charge the rates and charges approved in Econ Utilities Corporation's tariff until authorized to change by this Commission in a subsequent proceeding. The tariff shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets. It is further

ORDERED that Wedgefield Utilities, Inc.'s request to amend Certificates Nos. 404-W and 341-S to include additional territory in Orange County is hereby approved. It is further

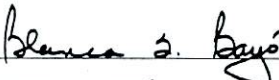
ORDERED that Wedgefield Utilities, Inc. shall file a corrected description of the additional territory within 30 days of the date of this Order. It is further

ORDERED that Wedgefield Utilities, Inc. shall charge the customers in the additional territory the rates and charges approved in Econ Utilities Corporation's tariff until authorized to change by this Commission in a subsequent proceeding. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that in the event this Order becomes final, these Dockets shall be closed.

By ORDER of the Florida Public Service Commission, this 7th day of October, 1996.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

ALC

Commissioner J. Terry Deason dissented in the Commission's decision in this docket with the following opinion:

I respectfully dissent from the majority's decision to ignore the negative acquisition adjustment (NAA) created by the sale of Econ Utilities to Utilities, Inc. Furthermore, I dissent from that portion of the decision determining the new owners' actual investment in the acquired assets of Econ Utilities, Inc.

The NAA resulting from this transaction is especially troublesome due both to the magnitude of it as well as the basis for ignoring it. Our staff has recommended that the rate base of \$2,845,391 be recognized for ratemaking purposes even though Utilities, Inc. presently has only \$545,000 invested in this company. Apparently the purchase agreement requires that the buyer remit quarterly the plant capacity charge for every other connection of the plant capacity charges for every connection of a possible future development of up to 400 single family homes. Despite the contingency of the payment requirements the full amount of the payments through buildout have been added to the buyer's investment basis for purposes of calculating the NAA.

With regard to the NAA, I should state my basic position that the appropriate regulatory approach is to squarely place the burden on the company to justify why the purchaser's actual investment should not be utilized in setting rates. When the utility investment level exceeds the original cost of the assets (positive acquisition adjustment), the burden of proof concept would still require the utility to justify the imposition of additional costs on the customers. There is no explicit positive acquisition

adjustment issue here. I make the point in order to complete the theoretical framework that I believe is most fair. I continue to adhere to the proposition that our policy improperly relieves the utility of its burden of proof in cases where negative acquisition adjustments result. However, I will also address my concerns with the application of the Commission's existing policy.

In the instant case the only rationale advanced for ignoring the NAA is that used and useful determinations have historically yielded large disallowances for non-used and useful assets. Under the Commission's traditional ratemaking approach this usually is a product of the initial developer's decision regarding the sizing of the utility -- especially the distribution assets. Traditionally concepts of used and useful and ratemaking recognition of NAA have never been considered together. I believe this is for good reason. Theoretically, the NAA impact on rate base functions as a source of funds. Thus, to the extent that a used and useful adjustment is made, the proportionate NAA applicable to the non-used and useful assets follows those assets. To confuse the concepts the way the majority has done does not make ratemaking sense -- even in the context of the Commission policy to ignore all acquisition adjustments absent extraordinary circumstances.

Here, the staff recommends that the "likely impact of used and useful adjustments" be recognized to negate the existence of extraordinary circumstances. I do not understand the majority's adoption of this rationale. There is no discussion of exactly what extraordinary circumstances may exist.¹ The existence of the used and useful adjustment should not constitute a basis for ignoring whatever extraordinary circumstances may exist. If the shoe was on the other foot and a positive acquisition adjustment was being requested, it hardly seems likely that historically low used and

¹Under the current Commission policy, the Commission does not place the burden of proof on the utility to identify extraordinary circumstances. The only "burden" is on the utility to identify such circumstances if they want the acquisition adjustment recognized. Predictably, very few applicants ask for the Commission to grant them a lower earnings base in the case of a NAA. Under these circumstances, the Commission cannot make a determination of the existence of extraordinary circumstances. It is interesting to note that the application makes note of some \$409,000 (or 14% of the prior owner's book value) in needed improvements. Whether these are indicative of below standard operation by the seller is unknown under the procedural posture of this case. Appropriately, of course, this portion of the decision is a Proposed Agency Action.

useful allowances would be raised as a reason to defeat the granting of a larger rate base. Unless the used and useful issue impacts the "extraordinary circumstances" concept, the symmetry or "two-way street" underpinning the present policy would be seriously undermined. Furthermore, to the extent the two concepts are linked, any change in the used and useful determination in future rate cases would require that the propriety of ignoring the acquisition adjustment be revisited.

Turning to the determination of the NAA, I have a concern about its calculation. I believe that, at a minimum, the contingent payments for future connections should be discounted to represent the time value of the money. Preferably, recognition should be given to the contingent payments only when made, consistent with the need to establish a reasonable estimation of the owner's true investment.

The majority's assumption that all 400 connections will occur ignores the fact that they will almost certainly not occur anytime soon. The application filed by the utility even states that The Commons "has not been designed as yet" (Exh. D,H); that "the only area where lines have not been installed is that area referred to as 'The Commons'" [and] "there is no definite plan for installing the lines" (Exh. M); and, finally, that "there are no definite plans to develop the Commons at the present time" (Exh.R). Clearly there is some doubt as to the probability, certainty and measurability of this aspect of the future consideration.

The \$600,000 figure representing future connections was calculated by multiplying half of the 400 projected connections in The Commons by the current plant capacity charges. If all the connections are made and if made at the current tariffed rate, then the true cost in today's dollars will be significantly less. What that amount should be, I cannot say at this time. However, even based on the most optimistic assumptions of a full build-out, the \$600,000 appears overstated. Under these circumstances, I am not certain that our determination of the buyer's investment comports with generally accepted accounting principles.

In sum, I would recognize the acquisition adjustment absent a showing by the buyer that its return should be based on anything other than its investment in the utility. Furthermore, I also question the amount of that investment due to the contingent nature of the payments related to the possible Commons development. It would be preferable to update the calculation of the adjustment as it becomes more certain. If it is appropriate to give full recognition to the full level of payments, then the contingent

purchase portion of the buyer's "investment" needs to be discounted.

(Note: The exhibits mentioned in this dissent refer to exhibits contained in the application.)

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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.

As identified in the body of this order, our action establishing rate base for purposes of the transfer is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on October 28, 1996. In the absence of such a petition, this order shall become effective on the date subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If the relevant portion of this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this

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order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

Any party adversely affected by the Commission's final action in this matter may request: (1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

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ATTACHMENT A

ECON UTILITIES CORPORATION

TERRITORY DESCRIPTION

The following described lands located in portions of Sections 1 and 12, Township 23 South, Range 32 East, Orange County, Florida:

SECTION 1

The Southwest 1/4 of said Section 1 and the Southeast 1/4 of said Section 1 LESS AND EXCEPT that portion lying Northeast of State Road 520.

SECTION 12

The North 1/4 of said Section 12.

SCHEDULE NO. 1

ECON UTILITIES CORPORATION

SCHEDULE OF WATER RATE BASE

AS OF 12/31/95

<u>Description</u>	<u>Balance per</u> <u>Utility</u>	<u>Adjustment</u>	<u>Balance Per</u> <u>Commission</u>
Utility Plant in Service	\$2,615,949	\$0	\$2,615,949
Land	2,007	0	2,007
Accumulated Depreciation	(727,428)	0	(727,428)
CIAC	(554,441)	0	(554,441)
Accumulated Amortization	126,400	0	126,400
Totals	<u>\$1,462,487</u>	<u>\$0</u>	<u>\$1,462,487</u>

ECON UTILITIES CORPORATION
SCHEDULE OF WASTEWATER RATE BASE
AS OF 12/31/95

<u>Description</u>	<u>Balance Per</u> <u>Utility</u>	<u>Adjustment</u>	<u>Balance Per</u> <u>Commission</u>
Utility Plant in Service	\$3,997,599	\$0	\$3,997,599
Land	96,500	0	96,500
Construction Work In Progress	330,893	0	330,893
Accumulated Depreciation	(1,926,905)	0	(1,926,905)
CIAC	(1,560,842)	0	(1,560,842)
Accumulated Amortization	445,659	0	445,659
Totals	<u>\$1,382,904</u>	<u>\$0</u>	<u>\$1,382,904</u>