

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for transfer) DOCKET NO. 960040-WS
of Certificates Nos. 454-W and) ORDER NO. PSC-97-0034-FOF-WS
388-S in Lake County from Water) ISSUED: January 7, 1997
Oak Utilities Co., Inc. to Sun)
Communities Finance Limited)
Partnership)

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

NOTICE OF PROPOSED AGENCY ACTION
ORDER ESTABLISHING RATE BASE FOR PURPOSES
OF THE TRANSFER AND DECISION NOT TO INCLUDE
A POSITIVE ACQUISITION ADJUSTMENT IN THE CALCULATION OF RATE BASE

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the establishment of rate base for purposes of the transfer, and our decision not to include a positive acquisition adjustment in the calculation of rate base, are preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal hearing, pursuant to Rule 25-22.029, Florida Administrative Code.

BACKGROUND

Water Oak Utilities Co., Inc. (Water Oak or utility) is a Class C utility that provides water and wastewater service to approximately 664 customers in Lake County. The utility's 1995 annual report reveals that the consolidated operating revenue for the system was \$153,104 and the consolidated net operating income of \$4,092. On January 9, 1996, Water Oak applied for a transfer of the water and wastewater system (Water Certificate No. 454-W and Wastewater Certificate No. 388-S in Lake County) to Sun Communities Finance Limited Partnership (Sun Communities).

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

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Section 367.031, Florida Statutes, requires each utility subject to Commission jurisdiction to obtain a certificate of authorization or request an exemption from regulation. Section 367.071, Florida Statutes, states that no utility shall sell, assign, or transfer its certificate of authorization, facilities or any portion thereof, or majority organizational control without our approval. We have reviewed the Purchase and Sale Agreement (Agreement) and have found that although the parties have come to an agreement on the sale, the official closing is contingent upon Commission approval.

APPLICATION FOR TRANSFER OF CERTIFICATE

The application is in compliance with the governing statute, Section 367.071, Florida Statutes, and other pertinent statutes and administrative rules concerning an application for transfer. The application contains \$3,000, which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code. The applicant has provided evidence that the utility owns the land upon which the utility's facilities are located as required by Rule 25-30.037(2)(q), Florida Administrative Code. A description of the territory served by the utility is appended to this Order as Attachment A.

In addition, the application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. On March 14, 1996, we received one letter which appeared to be an objection from a customer concerned about the future impact of the transfer on the residents of Water Oak Estates. After discussions with the Office of Public Counsel, the customer decided not to become an intervenor in this docket, but rather have his name added to the docket's "interested persons" list. On April 22, 1996, we notified the customer that his name had been added to the interested persons list. The time for filing objections has expired.

Regarding the purchaser's technical ability, Sun Communities will utilize the services of Midstate Utilities, Inc., which previously operated the utility for Water Oak. We have contacted the Department of Environmental Protection (DEP) and have learned that there are no outstanding notices of violation against this utility. Regarding the purchaser's financial ability, Sun Communities' financial statement indicates that approximately 93% of the company's net worth is invested in real estate, and approximately \$17 million in liquid assets. While we do have some concerns about the liquidity of the assets, we find the owner possesses the overall financial ability to operate the water and wastewater facility. Since the system is small, we find that the

assets of the new owner should be adequate to ensure the continued operations of the utility.

Sun Communities provided a copy of the Agreement and a statement which included the purchase price, terms of payment, a list of the assets purchased and the liabilities assumed. Based on the application, there are no developer agreements which the buyer is obligated to assume or fulfill. In addition, there are no customer deposits, guaranteed revenue contracts, developer agreements, customer advances, or leases. Furthermore, the utility currently has no outstanding debts. Sun Communities provided a statement that it will fulfill the commitments, obligations, and representations of the transferor.

Based on the above, we find the transfer of Water Certificate No. 454-W and Wastewater Certificate No. 388-S is in the public interest and shall be approved.

RATE BASE

According to the application, the net book value of the system being transferred was \$111,268 for the water system and \$234,324 for the wastewater system pursuant to Order No. 18255, issued on October 6, 1987. In Water Oaks's last rate case, Docket No. 870122-WS, all parties reached a stipulated settlement, which was appended to Order No. 18255, issued October 6, 1987.

We audited the utility's books and records to determine the rate base (net book value) at the time of transfer. The beginning balances were reconciled with Order No. 18255 and subsequent additions were traced to supporting documents. Depreciation and amortization balances were recalculated and contributions-in-aid-of-construction (CIAC) were traced to the utility's general ledger. Cash deposit records and tax returns were reviewed for unrecorded CIAC. CIAC was confirmed using the tariff rates and number of customers. Overall, the utility's books and records were maintained in substantial compliance with Commission directives.

We examined plant balances from January 1, 1986 through November 30, 1993. The utility was unable to provide supporting documentation for recorded plant additions of \$9,603 for its water system and \$7,502 for its wastewater system. Accordingly, we removed unsupported additions, \$9,603 for water and \$7,502 for wastewater. Corresponding reductions of \$4,207 for water and \$2,383 for wastewater were necessary to eliminate accumulated depreciation relative to the unsupported plant balances.

In addition, the utility capitalized certain operating expenses to plant-in-service and reclassification of those misclassified charges is necessary. The misclassified charges include payments for legal, electrical, sludge hauling, and miscellaneous services. Since those charges were properly expensed, we made reductions to plant of \$1,096 for water and \$3,655 for wastewater. The corresponding reductions to accumulated depreciation balances are \$75 and \$624. The utility also capitalized certain non-recurring repair expenditures that are more properly classified as deferred maintenance charges. The adjustments reduce plant in service by \$2,469 for water and \$3,177 for wastewater. The corresponding reductions to accumulated depreciation are \$343 and \$391. Furthermore, our audit examination disclosed that an expenditure for pumping equipment on non-utility property was improperly charged to the utility system. Correction of this error results in a \$479 reduction to plant in service and a corresponding \$112 reduction to accumulated depreciation.

However, the audit examination disclosed that certain additions to plant-in-service were improperly expensed during the audit review period. The misclassified charges, which relate to major capital improvements for the water system, totaled \$8,702. Accordingly, we increased the water plant balance by this \$8,702 amount. The corresponding adjustment to accumulated depreciation is \$1,033.

The audit examination also disclosed that the utility capitalized certain expenditures due to transferring ownership of the utility from the original owner, Mel Bishop Enterprises, Inc., to the present owners. However, the original organization expenditures were not removed, and since the system is sold to a new entity, those intermediate organization charges shall be removed. Accordingly, we remove the subject organization expenditures, or \$8,244 for the water division and \$7,494 for the wastewater division.

Finally, an adjustment is made to reflect accumulated amortization relative to the initial organization cost, a \$2,700 total expenditure equally shared by the water and wastewater divisions. The adjustment increases accumulated depreciation by \$335 for \$410 for the respective water and wastewater divisions.

The net effect of the above adjustments reduces plant-in-service for water service by \$13,189 and \$21,748 for wastewater service. The corresponding reductions to accumulated depreciation are \$3,369 and \$2,988.

The audit examination also disclosed that the utility failed to book certain accounting entries that were required in a prior docket. Those adjustment entries were required to achieve a stipulated settlement of a dispute regarding service availability charges. Water Oak Utilities Company, Inc., was granted original rates and charges by Order No. 16528, issued on August 27, 1986, in Docket No. 850517-WS. That order directed the utility to collect plant capacity charges of \$200 for water service and \$200 for wastewater service. These charges were designed to produce a net CIAC to net plant-in-service balance of about 75% for the water system and about 62% for the wastewater system. The connection charges were calculated based upon projected completion costs for 2,000 total customers. A further assumption was made that the developer of the mobile home park would construct all of the utility's assets. However, about two weeks before the original certificates were issued, Mr. Bishop sold the utility system to a new group of owners. On February 4, 1987, the new owners filed a request for cancellation of the \$200 plant capacity charges in view of a bargain purchase agreement between the new owners and Mr. Bishop.

We considered the request to rescind the requirement for collection of CIAC in Docket No. 870122-WS. The utility initially argued that meters were installed to encourage conservation, not to achieve compensatory earnings. However, in proposed agency action Order No. 17651, issued June 3, 1987, we rejected the utility's argument since "(t)hrough a change in ownership, management or policy, the utility could bring a rate case before the Commission and ask for a full rate of return..." On July 22, 1987, the utility protested our decision and requested a formal hearing. On August 11, 1987, the utility filed a proposed offer of settlement that enlarged upon the reasons for removal of CIAC charges. The proposal essentially explained how an agreement between Mr. Bishop and the new owners would accomplish the same objective as collection of CIAC. More specifically, the utility proposed that a negative acquisition adjustment should be recorded to distinguish between the expected future cost to serve the fully developed community, an obligation partially assumed by the developer, and the utility's share of that cost. Relying upon engineering studies, the utility estimated that \$1,075,564 would be needed to serve 2,000 mobile homes, or a \$767,500 addition to the plant investment level at December 31, 1985. The utility's share of this added construction cost would be \$179,130, an amount that would be funded through \$55 incremental payments to the developer for each newly developed lot and each customer connection. After further review, we agreed to waive collection of CIAC charges provided that a negative acquisition adjustment was recognized to offset the lost CIAC. Reflecting on the unusually favorable purchase agreement,

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Order No. 18255, issued October 6, 1987, declared that subsequent rate base determinations would thereafter include this negative acquisition adjustment.

Unfortunately, an error in the proposed stipulation produced an incorrect provision for the negative acquisition adjustment. Instead of the \$588,370 properly stated difference between the projected construction cost (\$767,500) and the utility's contribution (\$179,130), Order No. 18255 incorrectly specified that a \$729,972 credit acquisition adjustment should be recorded. This error resulted from an incorrect comparison of gross plant and depreciated plant balances. Order No. 18255 further specified that a \$767,500 provision for the expected future additions to plant in service shall be recorded. However, the real significance of the stipulation was our decision to require rate base inclusion of a negative acquisition adjustment, the projected \$588,030 difference between the developer's contribution and the utility's reimbursement provision.

The audit investigation disclosed that, between 1987 and 1989, the utility paid the developer \$60,015 pursuant to the purchase agreement. Presumably, a \$119,115 remaining obligation exists pursuant to the purchase agreement. If the utility can document that it actually paid this additional sum, rate base inclusion of an additional charge may be appropriate in a later proceeding. However, the most important element of the stipulation that was not recorded concerns the negative acquisition adjustment, or a sum designed to reflect the developer's contribution towards the construction cost. It is that component that ultimately persuaded the Commission to cancel the CIAC charges. That omission is corrected through a journal entry that adds \$588,370 (\$282,678 for water and \$305,692 for wastewater) to plant with a matching \$588,370 (\$282,678 for water and \$305,692 for wastewater) entry to a negative acquisition adjustment account. These offsetting accounts have no impact on the rate base determination.

Our calculation of rate base is shown on Schedule No. 1 for the water system and Schedule No. 2 for the wastewater system. Adjustments to rate base are itemized on Schedule Nos. 3 and 4. Based on the adjustments set forth herein, we find that rate base for Water Oak shall be established as \$90,539 for the water system and \$134,156 for the wastewater system as of November 30, 1993. This rate base calculation is used purely to establish the net book value of the property being transferred and does not include the normal ratemaking adjustments of working capital calculations and used and useful adjustments.

ACQUISITION ADJUSTMENT

An acquisition adjustment results when the purchase price differs from the rate base for transfer purposes. The acquisition adjustment resulting from the transfer of Water Oak would be calculated as follows:

Purchase Price:	\$750,000
Commission Calculated Rate Base	<u>224,695</u>
Positive Acquisition Adjustment:	<u>\$525,305</u>

In the absence of extraordinary circumstances, it has been our practice that a subsequent purchase of a utility system at a premium or discount shall not affect the rate base calculation. The circumstances in this exchange do not appear to be extraordinary. An acquisition adjustment was not requested by the applicant. Therefore, we find that a positive acquisition adjustment shall not be included in the calculation of rate base.

RATES AND CHARGES

The utility's current approved rates and charges were effective September 19, 1986 pursuant to Order No. 16528 issued in Docket No. 850517-WS. We approved these rates when Water Oak received its original certificate. Since that time the rates have been indexed each year.

Rule 25-9.044(1), Florida Administrative Code, provides that:

In case of change of ownership or control of a utility which places the operation under a different or new utility... the company which will thereafter operate the utility business must adopt and use the rates, classification and regulations of the former operating company (unless authorized to change by the Commission)...

Sun Communities has not requested a change in the rates and charges of the utility. Accordingly, the utility shall continue operations under the existing tariff and apply the approved rates and charges. The utility has filed a tariff reflecting the transfer of ownership. Staff will approve the tariff filing effective for services provided or connections made on or after the stamped approval date. The tariff sheets will be approved upon staff's verification that the tariff is consistent with our decision.

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Upon expiration of the protest period, if a timely protest is not filed by a substantially affected person to the proposed agency action issues, no further action will be required and the docket shall be closed.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the transfer of facilities and Certificate Nos. 454-W and 388-S in Lake County from Water Oak Utilities Co., Inc. to Sun Communities Finance Limited Partnership, is hereby approved. It is further

ORDERED that each of the findings made in the body of this Order is hereby approved in every respect. It is further

ORDERED that all matters contained in the schedules attached hereto are by reference incorporated herein. It is further

ORDERED that rate base, which for transfer purposes reflects the net book value of the system, is \$90,539 for the water system and \$134,156 for the wastewater system. It is further

ORDERED that Sun Communities Finance Limited Partnership shall continue charging the rates and charges in the tariff until authorized to change by this Commission. The tariff reflecting the change in ownership shall become effective for services provided or connections made on or after the stamped approval date. It is further

ORDERED that the tariff sheets will be approved upon staff's verification that the tariff is consistent with our decision. It is further

ORDERED that the provisions of this Order regarding the establishment of rate base for purposes of the transfer, and our decision not to include a positive acquisition adjustment in the calculation of rate base, are issued as proposed agency action and 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, this docket shall be closed.

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By ORDER of the Florida Public Service Commission, this 7th
day of January, 1997.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

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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 actions regarding the establishment of rate base for purposes of the transfer, and our decision not to include a positive acquisition adjustment in the calculation of rate base, are 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 January 28, 1997. 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 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

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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.

ATTACHMENT A

WATER OAK UTILITIES CO., INC.
WATER AND WASTEWATER SERVICE AREA
LAKE COUNTY

Water Oak Country Club Estates
Township 18 South, Range 24 East, part of Sections 8, 9, 16 and 17,
Lake County, Florida.

That part of Sections 8, 9, 16 and 17, Township 18 South, Range 24 East, Lake County, Florida, more particularly described as follows: From the Southwest corner of Section 9, Township 18 South, Range 24 East, run North 0°49'12" West along the West boundary of said Section 9, a distance of 1966.92 feet to the Point of Beginning of the following described parcel of land. From said Point of Beginning, run North 89°05'05" East 663.81 feet, thence North 0°48'03" West 658.14 feet, thence North 88°52'06" East 1992.09 feet, thence South 0°44'36" East 2662.63 feet, thence South 0°37'08" East 652.20 feet, thence South 88°50'55" West 693.57 feet, thence south 0°58'16" East 648.51 feet, thence South 89°10'10" West 210.50 feet, thence South 01°05'42" East 331.21 feet, thence South 89°14'10" West 420.39 feet, thence South 0°51'00" East 645.84 feet, thence South 88°12'58" West 688.37 feet, thence South 01°04'23" East 331.10 feet, thence South 0°19'46" East 617.74 feet, thence South 89°14'12" West 658.49 feet, thence South 0°11'48" East 104.66 feet, thence South 89°41'02" West 1169.33 feet, thence North 03°01'45" West 1404.74 feet to the point of curvature of a curve concave Southwesterly and having a radius of 2010.08 feet, thence Northwesterly along said curve through a central angle of 14°11'17" an arc length of 497.75 feet to the end of said curve, thence North 72°46'58" East 10.0 feet to a point on a curve concave Southwesterly and having a radius of 2020.08 feet, thence Northwesterly along said curve through a central angle of 26°16'46" an arc length of 926.54 feet to the end of said curve, thence North 02°03'58" West 16.21 feet, thence North 89°41'20" East 779.89 feet, thence North 0°57'45" West 663.88 feet, thence North 89°36'12" East 10.31 feet, thence North 0°44'46" West 1932.18 feet, thence North 89°45'28" East 978.53 feet, thence North 0°49'12" West 37.36 feet to the Point of Beginning and end of this description. Less: A parcel of land in Section 16 and 17, Township 18 South, Range 24 East, Lake County, Florida, described as follows: Commencing at the West 1/4 corner of Section 16, Township 18 South, Range 24 East, run South 0°15'20" East along the West line of said section 91.09 feet to the Point of Beginning, thence South 89°43'16" East 321.31

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feet, thence North $28^{\circ}53'58''$ West 349.39 feet, thence South $87^{\circ}48'04''$ West 299.33 feet, thence South $0^{\circ}25'57''$ East 292.05 feet, thence South $89^{\circ}43'16''$ East 144.46 feet to the Point of Beginning. LESS: road right of way over and across the North side thereof. SUBJECT TO an easement over and across the East 6.0 feet of the Northeast 1/4 of the Southwest 1/4 of Section 9, Township 18 South, Range 24 East.

SCHEDULE NO. 1

WATER OAK UTILITIES COMPANY, INC.

SCHEDULE OF WATER RATE BASE

As of November 30, 1993

<u>Description</u>	<u>Balance Per Utility</u>	<u>Commission Adjustments</u>	<u>Balance Per Commission</u>
Utility Plant in Service	\$190,190	\$269,489	\$459,679
Land	\$3,050	\$0	\$3,050
Contributions In-Aid-of Construction	\$0	\$0	\$0
Amortization of CIAC	\$0	\$0	\$0
Accumulated Depreciation	(\$92,881)	\$3,369	(\$89,512)
Acquisition Adjustment	<u>\$0</u>	<u>(\$282,678)</u>	<u>(\$282,678)</u>
Total	\$100,359	(\$9,820)	\$90,539

SCHEDULE NO. 2

WATER OAK UTILITIES COMPANY, INC.

SCHEDULE OF WASTEWATER RATE BASE

As of November 30, 1993

<u>Description</u>	<u>Balance Per Utility</u>	<u>Commission Adjusted</u>	<u>Balance Per Commission</u>
Utility Plant in Service	\$322,981	\$283,864	\$606,845
Land	\$30,580	\$0	\$30,580
Contributions In-Aid-of Construction	\$0	\$0	\$0
Amortization of CIAC	\$0	\$0	\$0
Accumulated Depreciation	(\$200,565)	\$2,988	(\$197,577)
Acquisition Adjustment	<u>\$0</u>	<u>(\$305,692)</u>	<u>(\$305,692)</u>
Total	\$152,996	(\$18,840)	\$134,156

SCHEDULE NO. 3

WATER OAK UTILITY COMPANY, INC.

SCHEDULE OF WATER RATE BASE ADJUSTMENTS

<u>EXPLANATION</u>	<u>ADJUSTMENT</u>
<u>Utility Plant in Service</u>	
1) Adjustment to remove unsupported additions	(\$9,603)
2) Adjustment to remove improperly capitalized operating expenses	(\$1,096)
3) Adjustment to exclude capitalized repair charges	(\$2,469)
4) Adjustment to remove pumping equipment on golf course	(\$479)
5) Remove capitalized organization charges	(\$8,224)
6) Adjustment to capitalize improperly expensed additions to plant	\$8,702
7) Adjustment to reflect expected additions by developer entity	<u>\$282,678</u>
Total Adjustments to Utility Plant	<u>\$269,489</u>
<u>Accumulated Depreciation</u>	
1) Adjustment to remove unsupported additions	\$4,207
2) Adjustment to remove improperly capitalized operating expenses	\$75
3) Adjustment to exclude capitalized repair charges	\$343
4) Adjustment to remove pumping equipment on golf course	\$112
5) Adjustment to capitalize improperly expensed additions to plant	(\$1,033)
6) Adjustment to reflect amortization of Organization costs	<u>(\$335)</u>
Total Adjustments to Acc. Depreciation	<u>\$3,369</u>
<u>Acquisition Adjustment</u>	
To show acquisition adjustment per stipulation in Order No. 18255	<u>(\$282,678)</u>

SCHEDULE NO. 4

WATER OAK UTILITY COMPANY, INC.

SCHEDULE OF WASTEWATER RATE BASE ADJUSTMENTS

<u>EXPLANATION</u>	<u>ADJUSTMENT</u>
<u>Utility Plant in Service</u>	
1) Adjustment to remove unsupported additions	(\$7,502)
2) Adjustment to remove improperly capitalized operating expenses	(\$3,655)
3) Adjustment to exclude capitalized repair charges	(\$3,177)
4) Remove capitalized organization charges	(\$7,494)
5) Adjustment to reflect expected additions by developer entity	<u>\$305,692</u>
Total Adjustments to Utility Plant	<u>\$283,864</u>
<u>Accumulated Depreciation</u>	
1) Adjustment to remove unsupported additions	\$2,383
2) Adjustment to remove improperly capitalized operating expenses	\$624
3) Adjustment to exclude capitalized repair charges	\$391
4) Adjustment to reflect amortization of Organization costs	<u>(\$410)</u>
Total Adjustments to Acc. Depreciation	<u>\$2,988</u>
<u>Acquisition Adjustment</u>	
To show acquisition adjustment per stipulation in Order No. 18255	<u>(\$305,692)</u>