

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 960576-WS

ORIGINAL
FILE COPY

MAD HATTER UTILITY, INC.

APPLICATION FOR AMENDMENT OF

WATER AND WASTEWATER CERTIFICATE

NOS. 340-W AND 297-S IN PASCO COUNTY, FLORIDA

PRE-FILED DIRECT TESTIMONY OF MICHAEL MOSES

Q. What is your name and address?

A. My name is Michael Moses and my address is 1509 Swann Avenue, Tampa, Florida.

Q. What is your occupation and by whom are you employed?

A. I am a Certified Public Accountant (CPA) and I am a shareholder in Ferrel and Moses, P.A.

Q. Are you an expert in valuation of utilities?

A. Yes.

Q. Were you retained by Pasco County to conduct a

valuation of Mad Hatter Utilities as of August 31, 1991?

A. Yes.

Q. What, in your opinion, is the value of Mad Hatter Utilities as of August 11, 1991?

A. In my opinion, Mad Hatter Utilities had no value to

a private buyer which would have to assume the debt of Mad

Hatter Utilities as of August 11, 1991. Attached as Exhibit

5 is my preliminary report which further explains

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1 opinions and conclusions.

2 Q. How can Mad Hatter Utilities have no value as of
3 August 11, 1991?

4 A. The value of the assets of the utility as of August
5 11, 1991 were approximately \$890,000.00. The outstanding
6 debt at that same time was \$1,710,000.00. The fair market
7 value of the assets of the utility was less than the debt
8 and therefore Mad Hatter Utilities had no value to a private
9 buyer. I have seen no further financial information that
10 demonstrates the fair market value of the assets today
11 exceeds the debt.

12 Q. Are there other factors which affect the value of
13 Mad Hatter Utilities?

14 A. Yes.

15 Q. What factors?

16 A. There are issues in the interpretation of the
17 contract with Pasco County that could materially affect Mad
18 Hatter Utilities ability to expand. Mad Hatter Utilities
19 let one permit lapse for a wastewater treatment plant and
20 another permit was revoked. Mad Hatter Utilities has
21 suffered severe financial difficulties in the past. Barnett
22 Bank agreed to write off over \$700,000.00 presumably because
23 the utility could not pay the loan. I was told Mad Hatter
24 Utilities gave a deed in lieu of foreclosure on a piece of
25 property it owned and that Larry and Janice DeLucenay

1 foreclosed on Mad Hatter Utilities. I was also told that
2 Mad Hatter Utilities also faces a possible fine for failing
3 to comply with a PSC order requiring disclosure of the sale
4 of the Foxwood perc ponds. These are just some of the facts
5 that affect the value of Mad Hatter Utilities.

6 Q. Does Mad Hatter Utilities appear to have the
7 ability to expand capacity by constructing additional
8 plants?

9 A. No, according to the latest financial information I
10 reviewed Mad Hatter Utilities does not have the capability
11 borrowing money.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy hereof has been served upon Roseanne Capeless, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, FL 32399-0863, and F. Marshall Deterding, Rose Sundstrum & Bentley, 2548 Blairstone Pines Drive, Tallahassee, Florida 32301, this 17th day of March, 1997.

JOHNSON, BLAKELY, POPE,
BOKOR, RUPPEL & BURNS, P.A.

By: 

MARION HALE
Post Office Box 1368
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County

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WILLIAM J. FERRELL, C.P.A.
MICHAEL R. MOSES, C.P.A.

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

May 15, 1996

Ms. Marion Hale
Johnson, Blakely, Pope, Bokor, Ruppel & Burns, P.A.
915 Chestnut Street
Clearwater, FL 34616

Dear Ms. Hale:

In accordance with part of your request and for the purpose of estimating the fair market value of 100 percent ownership of Mad Hatter Utility, Inc., for use in the matter of Mad Hatter Utility, Inc. vs. Pasco County, U.S. District Court for the Middle District of Florida, we have made a preliminary investigation and analysis of matters pertinent to the estimation of its value.

Based upon facts presented in the attached report and other matters considered during our investigation and analysis, it is our opinion that as of August 11, 1991, 100 percent ownership of Mad Hatter Utility Inc. had no value.

Our report and conclusions are attached to this cover letter as an integral part of it.

Respectfully submitted,
FERRELL & MOSES, P.A.

Michael R. Moses, CPA
Shareholder

DOCUMENT NUMBER-DATE
02810 MAR 18 5
FPSC-RECORDS/REPORTING



INTRODUCTION

Description of the Assignment

One of the matters for which we have been engaged by Pasco County is to estimate the fair market value of Mad Hatter Utility, Inc. (the Utility) as of August 11, 1991, with the assumption that a prospective purchaser would be subject to regulation by the Florida Public Service Commission. The purpose of the valuation is for use in the matter of Mad Hatter Utility, Inc. vs. Pasco County, U.S. District Court for the Middle District of Florida. This preliminary report is being produced pursuant to the court order requiring a preliminary report. Due to a lack of sufficient time, information and documentation, the opinions expressed in this report are not final and are subject to change. The opinions expressed in this report should not be relied upon as all of our opinions in this matter as we may have additional and/or different opinions after receiving further information and documentation.

Summary Description of the Company

Mad Hatter Utility, Inc. is a water and sewer utility which operates in Pasco County, Florida by grant of a Utility Franchise from the Florida Public Service Commission. The Utility served approximately 1,451 water and 1,428 sewer customers in the franchise area at December 31, 1991.

Capitalization and Ownership

The stock of Mad Hatter Utility, Inc. was owned by Larry and Janice DeLucenay (50%) and Samuel Thomas (50%) at August 11, 1991. There were no changes in ownership of the stock until 1995. At December 31, 1990, and 1991, the Utility had net equity (deficit) of \$77,208 and (\$166,119), respectively. At December 31, 1990, and 1991, the Utility had long term debt of \$1,695,677 and \$1,709,952, respectively.

Definition of Fair Market Value

Fair market value is defined as the cash or cash equivalent price at which property would change hands between a willing buyer and a willing seller, neither being under a compulsion to buy or sell and both having reasonable knowledge of relevant facts. It is particularly assumed that the buyer has sufficient knowledge of the rules and regulations of the Florida Public Service Commission, and their application to franchised water and sewer utilities.

Sources of Information

For the purpose of this preliminary valuation we have utilized the following sources of information:

1. Annual reports of Mad Hatter Utility, Inc., filed with the Florida Public Service Commission, for the years ended December 31, 1990, 1991, 1992, 1993 and 1994.
2. Audited financial statements for the year ended December 31, 1994.

3. Federal income tax returns of Mad Hatter Utility, Inc. for the years ended December 31, 1989, 1990, 1991, 1992, 1993, 1994.
4. Order No. PSC-93-0295-FOF-WS from the Florida Public Service Commission, and the schedules attached to the order.
5. The Mad Hatter Utility, Inc. Financing Proposal, prepared by Hevia, Beagles & Whiteman, P.A.
6. The Preliminary Valuation and Evaluation of Estimated Damages Report, dated September 25, 1995, prepared by Utilities & Investments, Inc., and the related deposition of Gerald L. Chancellor, dated December 4, 1995.
7. Franchise area map.
8. Service of Answers to Interrogatories, Third Set of Interrogatories to Plaintiffs.
9. Temporary Emergency Wastewater Treatment Service Agreement Between Pasco County and Mad Hatter Utility, Inc., dated June 8, 1991.
10. Bulk Wastewater Treatment Agreement Between Mad Hatter Utility, Inc. and Pasco County, dated February 11, 1992.
11. Consent Final Judgement, In the Circuit Courty for the Sixth Judicial Circuit of Florida, in and for Pasco County, dated March 16, 1992.
12. Amended and Supplemental Complaint and Demand For Jury Trial, and the Answer and Affirmative Defenses to Amended and Supplemental Complaint.

Valuation Approaches and Conclusion

In developing a value for Mad Hatter Utility, Inc., we considered valuation methods based on earnings and underlying asset values.

Based upon facts presented in the attached report and other matters considered during our investigation and analysis, it is our opinion that as of August 11, 1991, 100 percent ownership of Mad Hatter Utility, Inc., had no value.

ECONOMIC OUTLOOK

Market

The Utility has been in operation since 1978. The Utility, by grant of a franchise from the Florida Public Service Commission, operates as the sole water and sewer facility in the franchised area.

Potential for Growth

Customer counts for the Utility were as follows:

<u>Year</u>	<u>Water</u>	<u>Sewer</u>
1989	1,154	1,144
1990	1,234	1,231
1991	1,451	1,428
1992	1,684	1,611
1993	1,733	1,733
1994	1,838	1,758

The Utility asserted in a financing proposal prepared in 1993 that it was capable of servicing 1,815 equivalent residential connections (ERC's). ERC's are approximately 10% greater than the number of customers. In example, at 12/31/91 the Utility had 1,451 water customers which equated to 1,602 ERC's. Therefore, it appears that the Utility's existing facilities do not have the capability of supporting significant growth beyond 1994.

The Preliminary Valuation and Evaluation of Estimated Damages Report, dated September 25, 1995, prepared by Utilities and Investments, Inc., estimated that the Utility's existing facilities would not be able to support any significant growth beyond 1996. However, this report assumed the continued operation of the Foxwood and Turtle Lakes wastewater treatment facilities which were abandoned by the Utility in early 1992.

As a result of continuing problems with effluent disposal, the Utility entered into a temporary emergency wastewater treatment service agreement with Pasco County, on June 8, 1991. Pursuant to this agreement, Pasco County agreed to treat wastewater from Mad Hatter Utility, Inc., as needed, provided sufficient capacity was available at Pasco County's wastewater treatment facilities. Mad Hatter Utility, Inc. subsequently entered into a Consent Order with the Florida Department of Environmental Regulation (DER) to abandon the Foxwood and Turtle Lakes wastewater treatment facilities. These facilities had permitted capacity of 440,000 gallons per day. In February 1992 Mad Hatter Utility, Inc. entered into a bulk wastewater treatment agreement with Pasco County. Pursuant to this agreement Pasco County agreed to provide 350,000 gallons per day of wastewater treatment capacity, and additional capacity provided sufficient unused and uncommitted capacity was available at the County's wastewater treatment facilities, as determined by the County.

FINANCIAL ANALYSIS OF THE COMPANY

Balance Sheet Analysis

Exhibit 1 presents the Utility's balance sheets for 1989 - 1994. The historical financial statements presented in Exhibit 1 are included solely to assist in the development of the value conclusion presented in this report and should not be used for any other purpose. We have not audited, reviewed or compiled these presentations and express no assurance on them. An audit of the financial statements for the year

ended December 31, 1994 was performed by Cronin, Jackson, Nixon & Wilson, Certified Public Accountants, P.A. The following paragraphs discuss significant trends and fluctuations.

Current Assets

Current assets from 1989 through 1991 consist of cash, accounts and notes receivable, and prepaid assets. The balance sheets from 1992 through 1994 also reflect special cash deposits, which are assumed to be related the interim rates which the Utility was collecting subject to refund. Accounts receivable increased greatly from 1992 through 1994. This would be consistent with the increase in revenues granted by the Florida Public Service Commission in 1992.

The balances of current assets was significantly lower than current liabilities in each year from 1989 through 1994.

Utility Plant

Utility plant includes water and sewer lines and treatment facilities, construction work in progress, and an acquisition adjustment. Water and sewer facilities are being depreciated using the straight line method using economic service lives.

The construction work in progress relates to a 47-acre site and a sub-regional wastewater treatment facility which was to provide service to the proposed Lake Talia project and other potential projects along the U.S. Highway 41 corridor north of State Road 54. The Lake Talia project was ultimately abandoned by the developer. Subsequently, the 47-acre site was deeded back to the original owner in October 1992, and the sub-regional wastewater facilities were abandoned by the Utility.

As discussed later in this report, an acquisition adjustment represents a purchase of water and sewer facilities at a price in excess of the original cost of such facilities when first devoted to public utility use. The acquisition adjustment of the Utility was not recognized as a component of the rate base of the Utility by the Florida Public Service Commission in the 12/31/90 rate base as determined by Order No. PSC-93-0295-FOF-WS.

During the year ended December 31, 1992, utility plant and construction work in progress decreased significantly and abandoned plant increased significantly. This was the result of the abandonment of the Foxwood and Turtle Lakes wastewater treatment facilities, and the abandonment of the sub-regional wastewater treatment facilities and related land discussed above. The cost of the Foxwood and Turtle Lakes wastewater treatment facilities abandoned are being recovered through the monthly water and sewer rates authorized by the Florida Public Service Commission. No recovery of the costs associated with the sub-regional wastewater treatment facilities or the related land was authorized by the Florida Public Service Commission.

Other Assets

Beginning in 1991 the Utility has recorded deferred rate case expenses. These are costs associated with the preparation of an application to increase water and sewer rates. Such an application was filed in October 1991 by the Utility.

Exhibit I
 Balance Sheets of Mad Hatter Utility, Inc.
 At December 31,

	A 1989	B 1990	C 1991	D 1992	E 1993	F 1994
Current Assets						
Cash	\$ 2,869	\$ 11,765	\$ 5,280	\$ 30,905	\$ 148,972	\$ 64,271
Special Deposits				182,178	26,821	175,443
Accounts and notes receivable	69,032	39,669	45,051	103,491	104,566	124,233
Prepaid Assets	8,759	7,807	6,455	6,455	8,704	4,629
Total Current Assets	80,660	59,241	56,786	323,029	289,063	368,576
Utility Plant and Acquisition Adjustment						
Utility plant	2,966,675	3,052,485	3,168,196	2,437,734	2,469,806	2,565,959
Construction work in progress	837,792	879,617	922,634	82,554	84,058	82,556
Abandoned plant, net				1,020,028	886,058	692,977
Acquisition adjustment, net	173,388	166,535	159,682	152,829	145,977	139,125
Accumulated Depreciation	(452,381)	(532,503)	(617,344)	(537,834)	(619,715)	(698,043)
Total Fixed Assets	3,525,474	3,566,134	3,633,168	3,155,311	2,966,184	2,782,574
Other Assets						
Deferred rate case expenses			57,658	144,497	122,805	80,929
Unamortized debt expense						58,910
Miscellaneous assets	840	2,314	3,406	1,784	5,138	7,138
Total Other Assets	840	2,314	61,064	146,281	127,943	146,977
Total Assets	\$ 3,606,974	\$ 3,627,689	\$ 3,751,018	\$ 3,624,621	\$ 3,383,190	\$ 3,298,127
Current Liabilities						
Accounts payable	\$ 109,354	\$ 21,019	\$ 162,899	\$ 336,767	\$ 335,503	\$ 185,017
Accounts payable to assoc. companies		73,097	69,146	74,293	56,793	93,423
Customer deposits	49,170	59,820	67,180	39,967	48,797	65,149
Accrued taxes	87,508	103,707	76,292	161,765	205,279	77,019
Accrued interest	47,009	39,530	164,763	185,850	294,835	3,422
Refund to customers				165,324	41,931	
Advances for construction	63,450					
Total Current Liabilities	356,491	297,173	540,280	963,966	983,138	424,030
Long-Term Debt	1,701,267	1,695,677	1,709,952	1,446,730	1,426,042	1,228,385
Contributions In Aid of Construction, net	1,399,987	1,557,631	1,666,905	1,623,758	1,562,939	1,498,038
Equity Capital (Deficit)						
Common stock	30	30	30	30	30	83
Additional paid in capital	59,146	59,146	59,146	59,146	59,146	59,146
Reacquired capital stock			(1,380)	(1,380)	(1,380)	(1,380)
Retained earnings (deficit)	90,053	18,032	(223,915)	(467,629)	(646,725)	89,825
Total equity capital (deficit)	149,229	77,208	(166,119)	(409,833)	(588,929)	147,674
Total Liabilities and Equity Capital	\$ 3,606,974	\$ 3,627,689	\$ 3,751,018	\$ 3,624,621	\$ 3,383,190	\$ 3,298,127

Long-Term Debt

Long-term debt is approximately \$1,700,000 in each year 1989 through 1991. Long-term debt is approximately \$1,400,000 in both 1992 and 1993. Long-term debt was partially forgiven and partially refinanced in 1994. The balance at December 31, 1994 was approximately \$1,200,000.

Contributions in Aid of Construction

The Utility has contributions in aid of construction, net of accumulated amortization, of approximately \$1,400,000 in 1989, \$1,557,000 in 1990, and \$1,667,000 in 1991. Contributions in aid of construction consist of cash received from water and sewer capacity fees and meter installation charges, and utility property contributed to the Utility by land developers, principally water and sewer lines.

Order No. PSC-93-0295-FOF-WS from the Florida Public Service Commission, concluded that Mad Hatter Utility, Inc. had willfully violated the law by collecting \$585,585 in unauthorized plant capacity charges and \$72,115 in unauthorized or over-stated meter installation fees. No significant amounts of contributions in aid of construction were collected subsequent to the issuance of this order in 1993.

Income Statement Analysis

Exhibit 2 presents the Utility's income statements for the years ended December 31, 1989 - 1994. The historical financial statements presented in Exhibit 2 are included solely to assist in the development of the value conclusion presented in this report and should not be used for any other purpose. We have not audited, reviewed or compiled these presentations and express no assurance on them. An audit of the financial statements for the year December 31, 1994 was performed by Cronin, Jackson, Nixon & Wilson, Certified Public Accountants, P.A. The following paragraphs discuss significant trends and fluctuations.

Utility Revenue

Water and sewer revenues increased significantly in early 1992. This is a result of the interim rates approved on January 9, 1992 by the Florida Public Service Commission (FPSC), and the temporary rates approved on February 12, 1992. Final rates were approved by FPSC in 1993, and a refund of excess revenues collected was ordered.

Operating Expenses

Operating expenses beginning in the year ended 12/31/91 include amounts paid to Pasco County to treat bulk wastewater.

Net Income (Loss)

The Utility, Mad Hatter Utility, Inc., experienced net losses in each of the years ended December 31, 1989, 1990, 1991, 1992, and 1993. The utility had net income in the year ended December 31, 1994, solely as a result of the forgiveness of debt of approximately \$800,000.

Exhibit 2

Income Statements of Mad Hatter Utility, Inc.

For the Years Ended December 31,

	A	B	C	D	E	F
	1989	1990	1991	1992	1993	1994
Operating revenue	\$ 670,499	\$ 491,000	\$ 544,740	\$ 937,373	\$ 1,174,611	\$ 1,225,368
Operating expenses	414,234	465,750	544,119	803,638	930,826	946,403
Depreciation & amortization	39,989	39,268	37,287	69,530	96,720	86,889
Taxes other than income	74,717	108,287	88,370	101,978	108,061	103,345
Total operating expenses	528,940	613,305	669,776	975,146	1,135,607	1,136,637
Utility operating income (loss)	141,559	(122,305)	(125,036)	(37,773)	39,004	88,731
Other income (expenses)						
Interest & Dividend income	4,444	9,867	9,876	6,480	574	4,902
Gain from disposition of property	1,099					
Guaranteed Revenue		179,949	73,184	19,128	12,191	7,456
Misc Nonutility expenses	(2,787)	(2,585)	(64,308)	(48,739)	(70,257)	(33,532)
Taxes applicable to other income						33,389
Interest expense	(170,670)	(136,305)	(135,516)	(182,369)	(160,608)	(125,727)
Amortization of debt expense	(252)	(642)	(147)	(441)		(3,101)
	(168,166)	50,284	(116,911)	(205,941)	(218,100)	(116,613)
Income before taxes and extraordinary item	(26,607)	(72,021)	(241,947)	(243,714)	(179,096)	(27,882)
Income taxes						(43,689)
Extraordinary item, forgiveness of debt						808,321
Net income (loss)	\$ (26,607)	\$ (72,021)	\$ (241,947)	\$ (243,714)	\$ (179,096)	\$ 736,550

Income Statement Adjustments

Pursuant to the request for rate relief filed by the Utility in 1991, the Florida Public Service Commission (FPSC) issued an order which specified both the appropriate adjustments to the income and expenses of the Utility and the allowed income, before interest expense, of the Utility. Per this order, the Utility was authorized to earn \$52,745, before any deductions for interest expense. This was based on the historic year ended December 31, 1990, and adjusted for the abandonment of the Foxwood and Turtle Lakes wastewater treatments plants and the effects of the bulk wastewater treatment contract with Pasco County. The FPSC determined that once the full import of the effluent ponds' malfunctioning was recognized, the Utility had little choice but to assent to a permanent interconnect with Pasco County.

Therefore, it is appropriate to utilize the adjusted income, of \$52,745, before interest expense, as determined by the FPSC in Order No. PSC-93-0295-FOF-WS.

Exhibit 3 presents a summary of the normalized income statement, before interest expense, as determined by the Florida Public Service Commission.

Exhibit 3
Adjusted Income Statement of Mad Hatter Utility, Inc.

	A	B	C
	Water	Sewer	Total
Operating revenue	\$ 318,153	\$ 602,044	\$ 920,197
Operating expenses			
Operation and maintenance	234,744	455,553	690,297
Depreciation & amortization	9,656	65,372	75,028
Taxes other than income	51,288	49,793	101,081
Total operating expenses	<u>295,688</u>	<u>570,718</u>	<u>866,406</u>
Income before income taxes	22,465	31,326	53,791
Income taxes	<u>437</u>	<u>609</u>	<u>1,046</u>
Income before interest expense	<u>\$ 22,028</u>	<u>\$ 30,717</u>	<u>\$ 52,745</u>

EFFECTS OF REGULATION

Mad Hatter Utility, Inc. is a regulated water and sewer utility which operates in Pasco County, Florida by grant of a Utility Franchise from the Florida Public Service Commission. The Florida Public Service Commission has adopted numerous rules and regulations which govern and restrict the operations of water and sewer utilities.

NARUC

The Florida Public Service Commission requires that the Utility maintain its bookkeeping records as outlined in the Uniform System of Accounts for Class "B" Utilities as published by the National Association of Regulatory Utility Commissioners (NARUC). NARUC accounting consists of a chart of accounts and set of accounting instructions. For purposes of this valuation, the most important requirement of NARUC accounting are the concepts of "original cost", "abandonment losses", and "acquisition adjustments".

Original Cost

NARUC accounting instruction number three requires that all utility plant shall be recorded at original cost. Original cost is defined by NARUC as the cost of utility plant to the person first devoting it to public service. This in effect means that utility plant costs are never written up or down for subsequent sales to new owners.

Abandonment Losses

When a utility abandons property, the property is removed from the utility plant in service accounts. At the discretion of the Florida Public Service Commission, the cost of abandoned plant may be amortized over an appropriate life and the amortization expense may be recovered as an expense of the utility in the monthly water and sewer rates.

Acquisition Adjustment

When a utility plant is purchased for an amount different than book value, the difference is recorded as an acquisition adjustment. For example, a sewer plant originally costing \$500,000 with accumulated depreciation of \$20,000 which is sold for \$600,000 would be recorded as follows by the new owner:

Utility plant	500,000	
Acquisition adjustment	120,000	
Accumulated depreciation		20,000
Cash or Note to Seller		600,000

Although the Florida Public Service Commission has the authority to allow investments in acquisition adjustments to be included as a component of rate base, such investments are frequently disallowed. The prevailing policy throughout the State of Florida has been to not recognize acquisition adjustments as a component of rate base unless the price paid is of direct benefit to the customers of the utility, such as in the case of a takeover of a poorly run system by another utility company. The effect of this policy is that purchasers who pay more than book value for a utility system are frequently denied a return on a portion of their investment. The Florida Public Service Commission Rate Order No. PSC-93-0295-FOF-WS disallowed the current acquisition adjustment recorded by Mad Hatter Utility.

Utility Rates

The rates which a utility may charge its customers are subject to approval by the Florida Public Service Commission (FPSC). The Florida Public Service Commission rules provide that the rates shall be based on the following:

1. A recovery of the ordinary and necessary expenses of operation.
2. A fair return on the rate base in use, provided that the rate of return is fair to the consuming public and just and reasonable for the services rendered.

The rates may be reviewed and changed from time to time on the initiative of the FPSC or at the request of the franchise holder.

Rate Base

The rate base is the sum of the following:

1. The depreciated value of actual original construction cost of water and sewer facilities.
2. Original cost of land owned and being used by the utility.
3. Inventory of tools, spare parts, etc.
4. An allowance for working capital not to exceed 1/8 of annual operating expenses.

The rate base excludes assets of any nature received as contributions in aid of construction as well as that portion of the utility plant which is not in useful service or will not be in useful service within a reasonable period of time.

Fair Return

The Florida Public Service Commission (FPSC) annually publishes a formula for determining their assessment of a fair rate of return for a water and sewer utility.

APPRAISAL OF FAIR MARKET VALUE

Capitalized Earnings

The value based on capitalized earnings consists of two parts. The first part is the value of the recurring income stream from continuing operations. The second part is the value of the abandoned plant which the FPSC authorized the utility to collect from its customers.

We considered the appropriate level of earnings, from continuing operations, for capitalization to be the net earnings, prior to interest expense, of \$52,745, authorized by the Florida Public Service Commission. We considered the appropriate level of earnings from abandoned plant to be the \$50,067 authorized by the FPSC to be collected annually from the customers of the Utility. It should be noted that the FPSC only authorized the collection of \$50,067 for a period of eight years; however, the FPSC order omitted approximately \$170,000 of abandoned plant which it is reasonable to expect the Utility would collect from customers in the future. Therefore, we have assumed the \$50,067 to be a perpetual income stream.

We selected a capitalization rate of 10.78%. This was the rate of return authorized for this Utility by the FPSC. The yield on long-term Treasury Bonds at August 9, 1991 was approximately 8.21%. It should be noted that the rate of return authorized by the FPSC was after consideration of income taxes.

The capitalization of earnings method assumes that the current level of earnings will be repeated annually in perpetuity. Therefore, this method of valuation divides the adjusted net income of \$102,812 (\$52,745 + \$50,067) by the capitalization rate of 10.78% and arrives at a value of the Utility of approximately \$954,000, before the subtraction of the outstanding debt of the Utility of approximately \$1,710,000. The fair market value of the assets of the Utility was less than the liabilities of the Utility. Therefore, under this method of valuation the Utility had no value. Exhibit 4 details the capitalization of earnings.

Exhibit 4
Calculation of Value Based on Capitalized Earnings

	A	B
Annual earnings (based on earnings authorized by FPSC)	\$ 52,745	
Recovery of abandoned plant authorized by FPSC	<u>50,067</u>	
Total recurring revenue stream	\$ 102,812	
Capitalization rate	<u>. 10.78%</u>	
Value of assets based on capitalization of earnings		\$ 953,729
Less outstanding long-term debt		<u>1,710,000</u>
Net value based on capitalization of earnings		<u>\$ NONE</u>

Asset Approaches

Two asset approaches were considered, a rate base method and a replacement cost method.

Rate Base Plus Recoverable Abandoned Plant

The principal asset approach considered is closely related to a book value approach. The utility industry uses a concept known as rate base. Rate base was discussed previously in this report as it relates to regulation of the Utility by the Florida Public Service Commission (FPSC). Rate base is essentially the amount of the investment in the utility system. The FPSC limits the earnings of a utility to a fair return on the rate base. There was no significant increase in the rate base of the Utility from December 31, 1990 through August 11, 1991. Therefore, the rate base authorized by the FPSC at December 31, 1990, \$489,207, is considered the best evidence of the rate base at August 11, 1991.

In addition to the rate base, the FPSC authorized the Utility to recover the net cost of abandoned plant from its customers. The FPSC determined that the recoverable net cost of this abandoned plant was \$400,535. As discussed above, the FPSC authorized the utility to collect \$50,067 per year for eight years from its existing customers at 12/31/90. As the Utility's customer base grows beyond the customers which existed at 12/31/90, the total dollars collected in the eight year period will exceed the \$400,535; however, the present value of the future collections was approximately equal to \$400,535. Therefore, the amount authorized to be recovered for abandoned plant, \$400,535, is considered to be the best evidence of the value of abandoned plant at August 11, 1991.

The value of the assets of the Utility at August 11, 1991, based upon rate base and recoverable abandoned plant is approximately \$890,000, before the subtraction of the outstanding debt of the Utility of approximately \$1,710,000. The fair market value of the assets of the Utility was less than the liabilities of the Utility. Therefore, under this method of valuation the Utility had no value. Exhibit 5 details the valuation based on this approach.

Replacement Cost

Replacement value of the assets of the Utility was considered but dismissed as an unreasonable method of valuation for this utility. A major portion of the assets were constructed in the late 1970's. The replacement cost of these assets would greatly exceed the original cost of construction and would require a purchaser to record an acquisition adjustment. As was previously discussed, it is unlikely that an acquisition adjustment would be allowed as a component of rate base. A franchised utility is limited to earning a fair return on rate base. Therefore, it is unlikely that a willing buyer would pay an amount significantly in excess of rate base.

Another problem with the replacement cost method is that it would include the cost of replacing water and sewer lines which were contributed to the Utility. Such contributions are clearly excluded from rate base by the Florida Public Service Commission. Therefore, the replacement cost method would further compound the problem of valuing the Utility at a price which would greatly exceed rate base.

Exhibit 5**Calculation of Rate Base and Recoverable Abandoned Plant**

	A	B
Rate Base		
Utility Plant in Service	\$ 2,216,468	
Land	1,050	
Accumulated Depreciation	(371,267)	
Contributions in aid of Construction, net	(1,443,331)	
Working Capital Allowance	<u>86,287</u>	
Rate Base		\$ 489,207
Recoverable Abandoned Plant, net		<u>400,535</u>
Sum of rate base and recoverable abandoned plant		889,742
Less outstanding long-term debt		<u>1,710,000</u>
Net value based on asset approach		<u>\$ NONE</u>

WEIGHTING THE VALUATION METHODS

This section discusses the strengths and weaknesses of the methods used in the preceding section and how those methods were weighted in arriving at an estimate of value.

Capitalization of Earnings Valuation

The capitalization of earnings method assumes that the Utility will continue its earnings at the same level as the average adjusted earnings. Although using the allowed earning as authorized by the Florida Public Service Commission (FPSC) is probably a good indication of future earnings, actual earnings could be significantly different. The capitalization rate used in this valuation is based on the authorized rate of return allowed for the Utility by the Florida Public Service Commission. A buyer willing to earn less than this return would be willing to pay more for the Utility. The difference between the authorized

return, 10.78% and the yield on long-term Treasury bonds at August 9, 1991, 8.21%, is only about 2.5%. This is not much of a difference considering the additional risk of operating a business.

Rate Base Plus Recoverable Abandoned Plant Valuation

The valuation based on the calculation of rate base plus recoverable abandoned plant is considered the most appropriate value. The Florida Public Service Commission limits the earning of a franchised utility to a fair return on rate base. Therefore, it is reasonable to expect a willing buyer and a willing seller to value the Utility at the most current rate base plus any recoverable abandoned plant.

CONCLUSION

It is our opinion that as of August 11, 1991, the fair market value of the assets of the Utility was less than the liabilities of the Utility, and that 100 percent ownership of Mad Hatter Utility, Inc. had no value.

APPENDIX A ASSUMPTIONS AND LIMITING CONDITIONS

This valuation is subject to the following assumptions and limiting conditions:

1. Information, estimates, and opinions contained in this report are obtained from sources considered to be reliable. However, we assume no liability for such sources.
2. The financial statement information reflects the Utility's results of operations and financial condition in accordance with generally accepted accounting principles, unless otherwise noted. Information supplied by management has been accepted as correct without further verification, and we express no opinion on that information.
3. Possession of this report, or a copy thereof, does not carry with it the right of publication of all or part of it, nor may it be used for any purpose by anyone but the client without the previous written consent of the client or us and, in any event, only with proper attribution.
4. The various estimates of value presented in this report apply to this valuation only and may not be used out of the context presented herein. This valuation is valid only for the purpose or purposes specified herein.
5. This valuation reflects facts and conditions existing at the valuation date, or could have reasonably been foreseen at the valuation date. We have no obligation to update our report for subsequent events and conditions.
6. This report was prepared under the direction of Michael R. Moses, CPA. Neither the professionals who worked on this engagement nor the shareholders of Ferrell & Moses, P.A. have any present or contemplated future interest in Mad Hatter Utility, Inc., any personal interest with respect to the parties involved, or any other interest that might prevent us from performing an unbiased valuation. Our compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
7. Annual net earnings are assumed to be constant. Increases in expenses will be recovered through timely FPSC approved price indexings and pass-throughs, or through a petition for increased rates before the applicable regulatory body (currently FPSC).
8. The Utility's franchise is assumed to renew indefinitely.
9. The permitting and effluent disposal problems of the Foxwood and Turtle Lakes wastewater treatment plants are best resolved through the terms of the consent order entered into with the Department of Environmental Regulation.

APPENDIX B
STATEMENT OF QUALIFICATIONS
MICHAEL R. MOSES, CPA

Academic and Professional Credentials

Bachelor of Science in Accounting, University of Florida, 1981, with honors
Certified Public Accountant, State of Florida, 1982

Professional Positions

Partner, Darby, Sheahen, Weissman, Morgenstern & Ferrell, P.A., Certified Public Accountants
Partner, Ferrell & Moses, P.A., Certified Public Accountants

Professional Experience

Has testified as an expert witness on water and sewer utility matters in the State of Florida, specifically concerning accounting and rate making matters, in Hillsborough County, Sarasota County, Charlotte County and before the Florida Public Service Commission.

Has represented both private and municipal water and sewer utilities in Hillsborough County, Sarasota County, Charlotte County, Pasco County, St. Johns County, St. Lucie County and Palm Beach County.

Has been involved in the negotiations to purchase water and sewer utilities in the State of Florida in Sarasota County and Palm Beach County.

Expert Witness Engagements

Verified Motion to Value Assets of the Debtor, Scarecrow Utility, Inc., Case No. 92-11121-8B1, United States Bankruptcy Court for the Middle District of Florida, Tampa Division

Consultant to attorneys and expert witness testimony regarding the valuation of Windemere Utilities, Co. (joint venture between Robert C. Kratz, Inc. and Scarecrow Utilities, Inc.). Published valuation report.

Application of Pebble Creek Service Corporation for a pass-through rate adjustment. Before the Board of County Commissioners of Hillsborough County, Florida.

Consultant to utility and expert witness testimony regarding water and sewer rates resulting from the interconnect of the utilities water system to the City of Tampa water system and other regulatory issues.

APPENDIX B
STATEMENT OF QUALIFICATIONS
MICHAEL R. MOSES, CPA

Expert Witness Engagements (continued)

Application of Rotonda West Utility Corporation for Amendment to its Service Availability Policy and to Charge and Collect Service Availability Charges and Other Miscellaneous Charges. Docket No. 92-106.06-WS. Before the Board of County Commissioners of Charlotte County, Florida
Consultant to utility and expert witness testimony regarding appropriate service availability and miscellaneous charges and other regulatory issues.

Application of Rotonda West Utility Corporation for Increased Water and Sewer Rates. Docket No. 90-201-WS. Before the Board of County Commissioners of Charlotte County, Florida
Consultant to utility and expert witness testimony regarding appropriate water and sewer rates and other regulatory issues.

Professional Affiliations

American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants
Institute of Business Appraisers
Florida Waterworks Association

APPENDIX C
STATEMENT OF QUALIFICATIONS
JOHN R. SHEAHEN, CPA

EDUCATION

- ♦ Florida College, A.A. (5/69)
- ♦ University of South Florida, B.A. in Accounting (6/71)
- ♦ Continuing education required to maintain CPA certificate
- ♦ Continuing education required to audit governments
- ♦ Mediation Training -- The American Arbitration Association (9/92 & 10/92)

MEMBERSHIPS

- ♦ American Institute of Certified Public Accountants
- ♦ Florida Institute of Certified Public Accountants
- ♦ American Arbitration Association
- ♦ Society of Professionals in Dispute Resolution
- ♦ Associate member of the Florida Water Works Association

LICENSE

- ♦ Certified Public Accountant - State of Florida
- ♦ Insurance Mediator - Licensed by Department of Insurance, State of Florida

RELEVANT CONFERENCES AND SEMINARS ATTENDED

- ♦ The CPA's Role in Litigation Support Services
- ♦ Forecasts and Projections: Application of New AICPA Standards
- ♦ Public Utilities Accounting and Ratemaking Conference
- ♦ State and Local Government Accounting Conference
- ♦ Water Summit - Pasco, County, WCRWSA, SWFWMD, Law Eng. & public
- ♦ Demand Side Management of Water - Hillsborough County Planning Commission
- ♦ Governmental Accounting
- ♦ Governmental Auditing

SEMINAR PRESENTATIONS

- ♦ "Utility Rate Development" presented to the FICPA State and Local Government Accounting Conference
- ♦ "Securing the Waste Flow - Resource Recovery Conference" presented to the Florida Association of Counties
- ♦ "Recovery of Cost to Provide Service" presented to the Florida Section-American Water Works Association, Florida Pollution Control Association and Florida Water and Pollution Control Operator's Association 58th Annual Technical Conference
- ♦ "Utility Financing Seminar - Accounting Requirements for Municipal Financing" presented to the Florida Section of the American Water Works Association
- ♦ Rate Design Committee -- Served as a member on behalf of the of the Florida Water Works Association

APPENDIX C
STATEMENT OF QUALIFICATIONS
JOHN R. SHEAHEN, CPA

EXPERIENCE

Summary of Experience from 1971 to Present

- John has participated in rates & regulatory matters over the last 24 years and has attained extensive experience in utility auditing, tax preparation, valuations, litigation support and all aspects involved in the preparation, review and presentation of water, wastewater and solid waste studies for rate revision.
- He has participated as a member of financial teams to protect the financial integrity of government owned utilities, while developing innovative methods to finance required improvements in operations and facilities with moderate rate adjustments to the ratepayers.
- He has qualified as an expert witness in court action and regulatory hearings in various jurisdictions.
- He has participated in the negotiations, implementation and review of calculations relating to interlocal governmental agreements to achieve equitable results for the ratepayers.
- John has been selected by the Florida Public Service Commission Nominating Council as a finalist on three consecutive occasions for appointment by the Governor to a seat on the Florida Public Service Commission.
- He recently served as a member of the "Hillsborough County Water & Wastewater Utility - Blue Ribbon Committee" which evaluated the financing plan for future utility projects and funding sources, including rates and fees.

APPENDIX C
STATEMENT OF QUALIFICATIONS
JOHN R. SHEAHEN, CPA

I. Litigation Support

City of Port St. Lucie vs. General Development Utilities, Inc. and General Development Corp. n/k/a Atlantic Gulf Communities Corporation.

19th Judicial Circuit in and for St. Lucie County, Florida; Case No. 90-267-CA-30

Consultant to attorneys and expert witness testimony regarding accounting treatment of certain transactions under Florida Public Service Commission regulation and assist in the formulation of the pro-forma closing statement at the date of taking. Mr. Sheahen was deposed and subsequently the case was settled on the eve of trial. Therefore, Mr. Sheahen did not testify at trial.

Completion: 1996

DCA Homes, Inc. vs. The City of Sunrise, Florida

17th Judicial Circuit of the State of Florida, County of Broward; Case No. 91-32306-04

Consultant to attorneys and expert witness testimony regarding the analysis of impact fees and the application of impact fees giving consideration to prior payments and future payments of those from whom the impact fees are being exacted -- Mr. Sheahen was deposed and testified at trial

Completion: 1995

Newbon Land Partners, LTD. vs. The City of Sunrise, Florida

17th Judicial Circuit of the State of Florida, County of Broward; Case No. 91-33976 (02)

Consultant to attorneys and expert witness testimony regarding the financing alternatives for funding acquisition of utility systems, including elimination and/or reduction in capacity fees as consideration -- Mr. Sheahen was deposed and testified at trial

Completion: 1995

Environmental Waste Systems vs. Escambia County Utilities Authority

1st Judicial Circuit of the State of Florida, County of Escambia; Case No. 94-1555, Div. D

Consultant to attorneys and expert witness testimony regarding the allocation of cost to the commercial solid waste collection function and thereby demonstrate the need for increased commercial rates. Mr. Sheahen testified before an arbitration panel composed of an attorney and a CPA.

Completion: 1995

West Coast Regional Water Supply Authority vs. Camp, Dresser & McKee, Inc. Ronald N. Armstrong, Paul N. Howard Co., John Smith, Madison Management, Inc. and GHA Lockjoint, Inc. as successor of Interpace Corporation

6th Judicial Circuit of the State of Florida, County of Pinellas; Case No. 91-10746-10 and

West Coast Regional Water Supply Authority vs. Wright Contracting Company, Paul N. Howard Company, Charles F. Smith & Sons, Inc., Interpace Corporation, Clevepak Corporation and Madison Management Group, Inc. as successors of Interpace Corporation, GHA Lockjoint, Inc., and CH2M Hill Southeast, Inc.

APPENDIX C
STATEMENT OF QUALIFICATIONS
JOHN R. SHEAHEN, CPA

6th Judicial Circuit of the State of Florida, County of Pinellas; Case No. 88-5627-07 and 89-9987-07 (Consolidated) and

Pinellas County vs. Interpace Corporation, Clevepak Corporation, and Madison Management Group, Inc. as successors of Interpace Corporation, and CH2M Hill Southeast, Inc.

6th Judicial Circuit of the State of Florida, County of Pinellas; Case No. 83-13313-08

Consultant to attorneys regarding the gross impact on ratepayers of potential finding in a jury trial. Mr. Sheahen was sworn as a witness at trial. However, the judge ruled his testimony would be duplicative of his earlier filed affidavit and his affidavit was accepted by the court in lieu of oral testimony.

Completion: 1994

City of Marion, Arkansas

Crittenden County Chancery; Case No. E89-1856

Supreme Court of State of Arkansas; Case No. 92-0924

Performed study to determine investment made by the City on behalf of future water and sewer customers and provided testimony as an expert witness in a court action in defense of the assessment fees to be charge to future customers. Our client prevailed and the testimony of John R. Sheahen was quoted in the Supreme Court's findings. Mr. Sheahen participated in a telephonic deposition and testify at trial.

Completion: 1990

Carlton Arms of Magnolia Valley vs. The City of New Port Richey, Florida

6th Judicial Circuit of the State of Florida, County of Pasco; Case No. 94-6085CA

Consultant to attorneys and expert witness testimony regarding the fair, equitable and non-discriminatory nature of rates, fees and charges for water and sewer service

Completion: Ongoing -- Trial scheduled in August, 1996

West Charlotte, Utilities, Inc. vs. Board of County Commissioners, Charlotte County, Florida

12th Judicial Circuit in and for Charlotte County, Florida; Case No. 94-1839-CA

Consultant to attorneys and expert witness testimony regarding the calculation of refunds of a portion of revenues collected from the application of interim rates as provided under the "Settlement and Voluntary Binding Arbitration Agreement," dated March 28, 1996

Completion: Ongoing -- Hearing scheduled in June, 1996

APPENDIX C
STATEMENT OF QUALIFICATIONS
JOHN R. SHEAHEN, CPA

II. Utility Regulatory Experience - Franchised

Hillsborough County, Florida - Public Utilities Department

Review of applicant (Sunset Plaza Utilities, Inc.) submitted water and wastewater rate study to determine appropriate water and wastewater user charges -- testimony provided at administrative hearing

Completion: 1995

Hillsborough County, Florida - Public Utilities Department

Review of applicant (Florida Cities Water Company - Carrollwood Division) submitted water and wastewater rate study to determine appropriate water and wastewater user charges and the update of water conservation rates -- stipulated, no testimony

Completion: 1994

Hillsborough County, Florida - Public Utilities Department

Review of applicant (Florida Cities Water Company - Carrollwood Division) submitted water rate study to determine appropriate water user charges and the development of water conservation rates -- stipulated, not testimony

Completion: 1992

Polk County, Florida - Department of Water and Wastewater Utilities

Review of applicant (Garden Grove Water Company) submitted water and wastewater rate study to determine appropriate water and wastewater user charges and the development of water conservation rates -- testimony provided at administrative hearing

Completion: 1992

Polk County, Florida - Department of Water and Wastewater Utilities

Review of applicant (Lake Wales Utility Company, Ltd.) submitted water and wastewater rate study to determine appropriate water and wastewater user charges -- testimony provided at administrative hearing

Completion: 1991

Polk County, Florida - Department of Water and Wastewater Utilities

Review of applicant (Skyview Utilities, Ltd.) submitted water and wastewater rate study to determine appropriate water and wastewater user charges -- application withdrawn upon issuance of our preliminary findings

Completion: 1992

Polk County, Florida - Department of Water and Wastewater Utilities

Review of applicant (Orchid Springs) submitted water and wastewater rate study to determine appropriate water and wastewater user charges -- testimony provided at administrative hearing

Completion: 1992

APPENDIX C
STATEMENT OF QUALIFICATIONS
JOHN R. SHEAHEN, CPA

SSU Services, Inc., Apopka, Florida

Limited scope engagement to provide support to franchise holder's in-house staff in the preparation of the historical rate base portion of the required minimum filing requirements (MFRs) for the Florida Public Service Commission (represents 25 of 130 systems filed in the "Giga Docket") -- assigned the following systems (no testimony provided)

Putnam County -

- Palm Port
- River Grove
- Pomona Park
- Park Manor
- Interlachen Lake
- St. Johns Highlands
- Hermit Cove
- River Park
- Wooten
- Welaka
- Saratoga Harbor
- Beachers Point
- Silver Lake Oaks

Duval County -

- Beacon Hills
- Woodmere

Nassau County -

- Amelia Island

Highlands County -

- Covered Bridge

Completion: 1992

SSU Services, Inc., Apopka, Florida

Preparation of required minimum filing requirements (MFRs) for rate increase before the Charlotte County Commission and assistance with response to regulator's inquires about the MFRs related to the Deep Creek water and wastewater systems

Completion: 1992

SSU Services, Inc., Apopka, Florida

Preparation of required minimum filing requirements (MFRs) for rate increase before the Florida Public Service Commission, assistance with response to regulator's inquires about the MFRs and testimony as an expert witness before the regulatory body related to the Burnt Store water and wastewater systems -- testimony provided at administrative hearing

Completion: 1991

APPENDIX C
STATEMENT OF QUALIFICATIONS
JOHN R. SHEAHEN, CPA

III. Utility Regulatory Experience - Governmental

City of Temple Terrace, Florida - Finance Department

Financial services to verify Wastewater User Rates charged between the City of Temple Terrace and the City of Tampa in accordance with established Interlocal Governmental Agreement, dated January 7, 1991. Task is being performed for the 1992, 1993 and 1994 fiscal years

Completion: Ongoing

City of Temple Terrace, Florida - Finance Department

Financial services to verify Wastewater User Rates charged between the City of Temple Terrace and the City of Tampa in accordance with established Interlocal Governmental Agreement. This engagement resulted in a \$366,000 savings to the citizens of Temple Terrace. Task performed for the 1991, 1990 and 1989 fiscal years

Completion: 1993

City of Temple Terrace, Florida - Finance Department

Financial services to develop water and wastewater rate alternative, including water conservation rates. This study analyzed the adequacy of the recommended rates to achieve the required bond covenants and protect the financial integrity of the utility for the fiscal year ending 9/30/94. Further, the projected cost of wastewater service from the City of Tampa for FYE 9/30/94 was considered in the development of the recommended rates.

Completion: 1993

Hillsborough County, Florida - Department of Water and Wastewater Utilities

Study to develop a five (5) year financial projection which was included in the \$270,475,151 Hillsborough County, Florida Refunding Utility Revenue Bonds, Series 1991A, dated September 1, 1991. The water and wastewater user charges, water and wastewater capacity fees were reviewed for financial compliance with proposed bond covenants

Completion: 1991

Hillsborough County, Florida - Department of Water and Wastewater Utilities

Prepared study to determine water and wastewater user rates and capacity fees. In addition the water and wastewater user charges, capacity fees were reviewed for financial compliance with existing and/or proposed bond covenants

Completion: 1985 - 1991

APPENDIX D CERTIFICATIONS

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
4. Our compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report. Our compensation is billed based upon actual time spent on this engagement at the following hourly rates: Michael R. Moses - \$110/hr.; John R. Sheahen - \$150/hr.
5. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Standards of Business Appraisal Practice.
6. No one provided significant professional assistance to the person signing this report, except for the following: John R. Sheahen.

960576-WS

MICHAEL MOSES

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy hereof has been served upon Roseanne Capeless, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, FL 32399-0863, and F. Marshall Deterding, Rose Sundstrum & Bentley, 2548 Blairstone Pines Drive, Tallahassee, Florida 32301, this 17th day of March, 1997.

JOHNSON, BLAKELY, POPE,
BOKOR, RUPPEL & BURNS, P.A.

By: 

MARION HALE
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Attorneys for Pasco
County

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