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April 16, 1997

**HAND DELIVERY**

Ms. Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-1850

RE: Docket No. 951056-WS  
Application by PALM COAST UTILITY CORPORATION  
for a rate increase in Flagler County, Florida

Dear Ms. Bayo:

Enclosed for filing on behalf of Palm Coast Utility Corporation in the above docket are an original and fifteen copies of a Notice of Filing PSC Staff Electronic Spreadsheets.

Please acknowledge receipt of the foregoing by stamping the enclosed extra copy of this letter and returning same to my attention. Thank you for your assistance.

Sincerely,



Wayne L. Schiefelbein

- ACK \_\_\_\_\_
- AFA 2
- APP \_\_\_\_\_
- CAF WLS/met
- Enclosures
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG 2
- LIN 3
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC 1
- WAS WLS
- OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE

03863 APR 16 97

FPSC-RECORDS/REPORTING

**ORIGINAL  
FILE COPY**

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

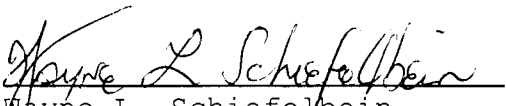
In re: Application for rate ) Docket No. 951056-WS  
increase in Flagler County by )  
PALM COAST UTILITY CORPORATION ) Filed: April 16, 1997

**NOTICE OF FILING PSC STAFF ELECTRONIC SPREADSHEETS**

Palm Coast Utility Corporation (PCUC) hereby gives notice of its filing of the PSC Staff Electronic Spreadsheets provided to PCUC in response to its April 10, 1997 public records request regarding Order No. PSC-97-0388-FOF-WS, issued April 7, 1997 in the above docket.

DATED this 16th day of April, 1997.

Respectfully submitted,

  
Wayne L. Schiefelbein  
Gatlin, Schiefelbein & Cowdery, P.A.  
1709-D Mahan Drive  
Tallahassee, Florida 32308  
(904) 877-5609

Attorneys for  
PALM COAST UTILITY CORPORATION

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by hand delivery to Ms. Bobbie Reyes, Esquire, Division of Legal Services, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0850, and by U.S. mail to Mr. Stephen C. Reilly, Associate Public Counsel, Office of Public Counsel, Claude Pepper Building, Room 812, 111 West Madison Street, Tallahassee, Florida 32399-1400, Mr. Richard Melson, Esquire, Hopping Green Sams & Smith, 123 South Calhoun Street, Tallahassee, Florida 32314, Mr. Albert J. Hadeed, County Attorney, 1200 East Moody Boulevard, #11, Bunnell, Florida 32110-9764, and Mr. Arthur L. Sirkin, c/o County Attorney, 1200 East Moody Blvd., #11, Bunnell, Florida 32110, on this 16th day of April, 1997.

  
Wayne L. Schiefelbein

DOCUMENT NUMBER-DATE

03863 APR 16 1997 1604

FPSC-RECORDS/REPORTING

PRINTOUT OF  
PSC STAFF ELECTRONIC SPREADSHEETS  
PROVIDED TO PCUC  
IN SUPPORT OF ORDER NO. PSC-97-0388-FOF-WS

|              | <u>PAGE</u>         |
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| PCREVREQ.WK3 | 1 - 21              |
| RECONSID.WK3 | 22 - 25             |
| 951056W3.WK3 | 26 - 30             |
| 951056S2.WK3 | 31 - 35             |
| PCUC-W3.WK3  | 36 - 40             |
| PCUC-S2.WK3  | 41 - 44             |
| PCREFUND.WK3 | 45 - 65             |
| U&U.WK3      | Update not provided |

NOTE: In addition to the diskette provided, Staff also provided a hard copy printout of the same information found on above referenced pages 2, 7, 9, 10, 11, 13, 14, 24, 25, 27, 28, 29, 32, 35, 37, 38, 40, 42, 43, 53 & 54.

PCREVREQ.WK3

**PALM COAST UTILITY CORPORATION—RECONSIDERATION  
CAPITAL STRUCTURE  
TEST YEAR ENDED 12/31/95**

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

| DESCRIPTION                              | TOTAL CAPITAL        | SPECIFIC ADJUSTMENTS (EXPLAIN) | PRO RATA ADJUSTMENTS   | CAPITAL RECONCILED TO RATE BASE | RATIO          | COST RATE     | WEIGHTED COST |
|--|----------------------|--------------------------------|------------------------|---------------------------------|----------------|---------------|---------------|
| <b>PER UTILITY 1995 – YEAR-END</b>       |                      |                                |                        |                                 |                |               |               |
| 1 LONG TERM DEBT                         | \$ 12,125,000        | \$ 0                           | \$ (643,582)           | 11,481,418                      | 30.73%         | 7.24%         | 2.23%         |
| 2 SHORT-TERM DEBT                        | 4,312,000            | 0                              | (228,876)              | 4,083,124                       | 10.93%         | 7.73%         | 0.84%         |
| 3 PREFERRED STOCK                        | 0                    | 0                              | 0                      | 0                               | 0.00%          | 0.00%         | 0.00%         |
| 4 COMMON EQUITY                          | 20,265,735           | 0                              | (1,075,683)            | 19,190,052                      | 51.37%         | 11.10%        | 5.70%         |
| 5 CUSTOMER DEPOSITS                      | 485,000              | 0                              | (25,743)               | 459,257                         | 1.23%          | 6.00%         | 0.07%         |
| 6 DEFERRED INCOME TAXES                  | 0                    | 0                              | 0                      | 0                               | 0.00%          | 0.00%         | 0.00%         |
| 7 DEFERRED ITC'S—ZERO COST               | 2,266,072            | 0                              | (120,281)              | 2,145,791                       | 5.74%          | 0.00%         | 0.00%         |
| 8 OTHER                                  | 0                    | 0                              | 0                      | 0                               | 0.00%          | 0.00%         | 0.00%         |
| 9 TOTAL CAPITAL                          | \$ <u>39,453,807</u> | \$ 0                           | \$ <u>(2,094,165)</u>  | <u>37,359,642</u>               | <u>100.00%</u> |               | <u>8.85%</u>  |
| <b>PER STAFF 1995 – 13-MONTH AVERAGE</b> |                      |                                |                        |                                 |                |               |               |
| 10 LONG TERM DEBT                        | \$ 12,557,692        | \$ 0                           | \$ (6,959,922)         | 5,597,770                       | 29.42%         | 7.24%         | 2.13%         |
| 11 SHORT-TERM DEBT                       | 3,668,231            | 0                              | (2,033,065)            | 1,635,166                       | 8.59%          | 7.73%         | 0.66%         |
| 12 PREFERRED STOCK                       | 0                    | 0                              | 0                      | 0                               | 0.00%          | 0.00%         | 0.00%         |
| 13 COMMON EQUITY                         | 19,943,543           | 0                              | (11,053,424)           | 8,890,119                       | 46.72%         | 11.10%        | 5.19%         |
| 14 CUSTOMER DEPOSITS                     | 458,926              | 0                              | 0                      | 458,926                         | 2.41%          | 6.00%         | 0.14%         |
| 15 DEFERRED INCOME TAXES                 | 0                    | 0                              | 0                      | 0                               | 0.00%          | 0.00%         | 0.00%         |
| 15 DEFERRED ITC'S—ZERO COST              | 2,316,226            | 129,534                        | 0                      | 2,445,760                       | 12.85%         | 0.00%         | 0.00%         |
| 16 OTHER                                 | 0                    | 0                              | 0                      | 0                               | 0.00%          | 0.00%         | 0.00%         |
| 17 TOTAL CAPITAL                         | \$ <u>38,944,618</u> | \$ <u>129,534</u>              | \$ <u>(20,046,411)</u> | <u>19,027,741</u>               | <u>100.00%</u> |               | <u>8.13%</u>  |
| <b>RANGE OF REASONABLENESS</b>           |                      |                                |                        |                                 | <b>LOW</b>     | <b>HIGH</b>   |               |
| RETURN ON EQUITY                         |                      |                                |                        |                                 | <u>10.10%</u>  | <u>12.10%</u> |               |
| OVERALL RATE OF RETURN                   |                      |                                |                        |                                 | <u>7.66%</u>   | <u>8.59%</u>  |               |

1607

| PALM COAST UTILITY CORP  |                                 |                                    |                                 |   |                   |                  |                       |                      |                  |                              |                      |                    |                                 |                 |                              |  |
|--|---------------------------------|------------------------------------|---------------------------------|---|-------------------|------------------|-----------------------|----------------------|------------------|------------------------------|----------------------|--------------------|---------------------------------|-----------------|------------------------------|--|
| Used & Useful Adjustments to CIAC & Accumulated Amortization of CIAC |                                 |                                    |                                 |   |                   |                  |                       |                      |                  |                              |                      |                    |                                 |                 |                              |  |
| WATER  | Classification                  | Test Year<br>CIAC per<br>'MFRs Sch | En 13-Mo Avg<br>Staff<br>Recom. | 13-Mo Avg<br>Staff<br>Adjusted<br>Balance | NON-U/U<br>%-CIAC | NON-U/U<br>CIAC  | Composite 13-Mo Avg   |                      |                  |                              | NON-U/U<br>%-AA/CIAC | NON-U/U<br>AA/CIAC | Test Year<br>Amort<br>Per MFR S | Staff<br>Recom. | Staff<br>Adjusted<br>Balance | NON-U/U<br>TEST YEA<br>AMORTIZ<br>CIAC |
|  |                                 |                                    |                                 |   |                   |                  | Amort Rate<br>MFR Sch | AA CIAC/<br>MFRs Sch | Staff<br>Recom.  | Staff<br>Adjusted<br>Balance |                      |                    |                                 |                 |                              |  |
|  | Plant Capacity Fees             | 9,513,590                          | (405,598)                       | 9,107,992                                 | 0.00%             | 0                | 3.19%                 | 2,029,065            | (168,216)        | 1,860,849                    | 0.00%                | 0                  | 303,198                         | (12,926)        | 290,272                      | 0                                      |
|  | Line/Main Extensions            | 0                                  | 0                               | 0   | 0.00%             | 0                | 3.19%                 | 0                    | 0                | 0                            | 0.00%                | 0                  | 0                               | 0               | 0                            | 0                                      |
|  | Meter Installation Fees         | 2,812,617                          | (102,004)                       | 2,710,613                                 | 0.00%             | 0                | 3.19%                 | 596,807              | (45,333)         | 551,474                      | 0.00%                | 0                  | 89,638                          | (3,251)         | 86,387                       | 0                                      |
|  | Contributed Lines               | 2,449,876                          | (292,755)                       | 2,157,121                                 | 73.10%            | 1,576,855        | 3.19%                 | 442,778              | (18,960)         | 423,818                      | 73.10%               | 309,811            | 78,078                          | (9,330)         | 68,747                       | 50,254                                 |
|  | Other - Advance Capacity Charge | 1,614,000                          | (571,154)                       | 1,042,846                                 | 30.00%            | 312,854          | 3.19%                 | 172,930              | (19,911)         | 153,019                      | 30.00%               | 45,906             | 51,438                          | (18,203)        | 33,236                       | 9,971                                  |
|  | Service Installation Fees       | 0                                  | 0                               | 0   | 0.00%             | 0                | 3.19%                 | 0                    | 0                | 0                            | 0.00%                | 0                  | 0                               | 0               | 0                            | 0                                      |
|  | <b>Total</b>                    | <b>16,390,083</b>                  | <b>(1,371,511)</b>              | <b>15,018,572</b>                         |                   | <b>1,889,709</b> |                       | <b>3,241,580</b>     | <b>(252,420)</b> | <b>2,989,160</b>             |                      | <b>355,717</b>     | <b>522,352</b>                  | <b>(43,710)</b> | <b>478,642</b>               | <b>60,225</b>                          |

| WASTEWATER | Classification          | 13-Mo Avg<br>CIAC per<br>'MFRs Sch | 13-Mo Avg<br>Staff<br>Recom. | 13-Mo Avg<br>Staff<br>Adjusted<br>Balance | NON-U/U<br>%-CIAC | NON-U/U<br>CIAC   | Composite Year End    |                      |                  |                              | NON-U/U<br>%-AA/CIAC | NON-U/U<br>AA/CIAC | Test Year<br>Amort<br>Per MFR S | Staff<br>Recom. | Staff<br>Adjusted<br>Balance | NON-U/U<br>TEST YEA<br>AMORTIZ<br>CIAC |
|------------|-------------------------|------------------------------------|------------------------------|---|-------------------|-------------------|-----------------------|----------------------|------------------|------------------------------|----------------------|--------------------|---------------------------------|-----------------|------------------------------|--|
|            |                         |                                    |                              |   |                   |                   | Amort Rate<br>MFR Sch | AA CIAC/<br>MFRs Sch | Staff<br>Recom.  | Staff<br>Adjusted<br>Balance |                      |                    |                                 |                 |                              |  |
|            | Plant Capacity Fees     | 16,106,163                         | (608,171)                    | 15,497,992                                | 0.00%             | 0                 | 3.07%                 | 4,846,216            | (260,840)        | 4,585,376                    | 0.00%                | 0                  | 494,733                         | (18,681)        | 476,052                      | 0                                      |
|            | Line/Main Extensions    | 0                                  | 0                            | 0   | 0.00%             | 0                 | 0.00%                 | 0                    | 0                | 0                            | 0.00%                | 0                  | 0                               | 0               | 0                            | 0                                      |
|            | Meter Installation Fees | 0                                  | 0                            | 0   | 0.00%             | 0                 | 0.00%                 | 0                    | 0                | 0                            | 0.00%                | 0                  | 0                               | 0               | 0                            | 0                                      |
|            | Contributed Lines       | 2,374,667                          | (297,705)                    | 2,076,962                                 | 60.51%            | 1,256,770         | 3.07%                 | 620,081              | (18,126)         | 601,955                      | 60.51%               | 364,243            | 72,943                          | (9,145)         | 63,798                       | 38,604                                 |
|            | Other - Trust           | 8,124,376                          | (141,941)                    | 7,982,435                                 | 100.00%           | 7,982,435         | 0.00%                 | 0                    | 0                | 0                            | 100.00%              | 0                  | 0                               | 0               | 0                            | 0                                      |
|            | Other - Prepaid         | 34,440,537                         | (102,999)                    | 34,337,538                                | 100.00%           | 34,337,538        | 3.07%                 | 11,045,078           | (520,605)        | 10,524,473                   | 100.00%              | 10,524,473         | 1,057,910                       | (3,164)         | 1,054,746                    | 1,054,746                              |
|            | <b>Total</b>            | <b>61,045,743</b>                  | <b>(1,150,816)</b>           | <b>59,894,927</b>                         |                   | <b>43,576,743</b> |                       | <b>16,511,375</b>    | <b>(799,571)</b> | <b>15,711,804</b>            |                      | <b>10,888,716</b>  | <b>1,625,586</b>                | <b>(30,990)</b> | <b>1,594,596</b>             | <b>1,093,350</b>                       |

3  
8091

Range:a:DIT

**CALCULATION OF USED AND USEFUL NET DEBIT DEFERRED TAXES  
13-MONTH AVERAGE  
TYE 12/31/95**

|                         | <u>1988</u>  | <u>1995</u>  | <u>CHANGE</u> | <u>%OF TOTAL</u> | <u>%NON-USEI</u> |
|-------------------------|--------------|--------------|---------------|------------------|------------------|
| <b>WATER</b>            |              |              |               |                  |                  |
| CIAC-USED               | 6,159        | 13,817       | 7,658         |                  |                  |
| CIAC-NON-USED           | 1,451        | 1,890        | 439           |                  |                  |
| ADVANCES-NON-USED       | <u>1,838</u> | <u>2,385</u> | <u>547</u>    |                  |                  |
| TOTAL WATER             | 9,448        | 18,092       | <u>8,644</u>  | 38.20%           | 11.40%           |
| <b>WASTEWATER</b>       |              |              |               |                  |                  |
| CIAC-USED               | 8,854        | 16,998       | 8,144         |                  |                  |
| CIAC-NON-USED           | 33,618       | 35,594       | 1,976         |                  |                  |
| CIAC IN TRUST- NON-USED | 4,416        | 7,982        | 3,566         |                  |                  |
| ADVANCES-NON-USED       | <u>362</u>   | <u>660</u>   | <u>298</u>    |                  |                  |
| TOTAL WATER             | 47,250       | 61,235       | <u>13,985</u> | <u>61.80%</u>    | 41.76%           |
| TOTAL WAW               |              |              | 22,629        | 100.00%          |                  |

| <b>PREPAID POST '86, AVG</b> | <b>TOTAL</b>     | <b>WATER</b>     | <b>WASTEWATER</b> |
|------------------------------|------------------|------------------|-------------------|
| 13-MONTH AVG PER PCUC        | 11,674,629       | 4,459,592        | 7,215,037         |
| STAFF ADJUSTMENT             | <u>(378,629)</u> | <u>(218,090)</u> | <u>(160,539)</u>  |
| ADJUSTED POST '86            | 11,296,000       | 4,241,502        | 7,054,498         |
| NON-USED AND USEFUL          | 3,429,953        | 483,682          | 2,946,272         |

**13 MONTH AVERAGE 1995- GROSS DEBITS**

|                         | <u>TOTAL</u>       | <u>WATER</u>       | <u>WASTEWATER</u>  |
|-------------------------|--------------------|--------------------|--------------------|
| PRE 87                  | 2,388,952          | 0                  | 2,388,952          |
| POST 86                 | 11,296,000         | 4,241,502          | 7,054,498          |
| CIAC TAX GROSS-UP       | <u>(4,256,932)</u> | <u>(2,518,588)</u> | <u>(1,738,344)</u> |
| TOTAL GROSS DEBITS      | 9,428,020          | 1,722,914          | 7,705,106          |
| ADJUSTMENTS             |                    |                    |                    |
| A. DISALLOWED PER ORDER | <u>(2,388,952)</u> | 0                  | <u>(2,388,952)</u> |
| B. NON-USED             | <u>(3,429,953)</u> | <u>(483,682)</u>   | <u>(2,946,272)</u> |
| TOTAL ADJUSTMENTS       | <u>(5,818,905)</u> | <u>(483,682)</u>   | <u>(5,335,224)</u> |
| ADJUSTED USED DEBITS    | <u>3,609,115</u>   | <u>1,239,232</u>   | <u>2,369,883</u>   |

**GROSS DEFERRED CREDITS**

|                           | <u>TOTAL</u>     | <u>WATER</u>   | <u>WASTEWATER</u> |
|---------------------------|------------------|----------------|-------------------|
| PLANT IN SERVICE          | 116,079,017      | 60,792,037     | 55,286,980        |
| % TO TOTAL                | 100.00%          | 52.37%         | 47.63%            |
| 13-MONTH AVERAGE CRDITS   | 1,654,529        | 866,498        | 788,031           |
| TOTAL NON-USED PLANT %    |                  | 43.70%         | 55.62%            |
| NON-USED CREDIT DITS      | <u>817,030</u>   | <u>378,694</u> | <u>438,336</u>    |
| NET USED DIT CREDITS      | <u>837,499</u>   | <u>487,803</u> | <u>349,696</u>    |
| NET DEBIT AND CREDIT USED | <u>2,771,616</u> | <u>751,429</u> | <u>2,020,187</u>  |

|                        | <u>USED DR</u> | <u>USED CR</u> | <u>NET USED</u> |
|------------------------|----------------|----------------|-----------------|
| <b>WATER</b>           |                |                |                 |
| PER UTILITY 13-MO. AVG | 1,875,326      | (694,679)      | 1,180,647       |
| PER STAFF 13-MO. AVG   | 1,239,232      | (487,803)      | 751,429         |
| <b>WASTEWATER</b>      |                |                |                 |
| PER UTILITY 13-MO. AVG | 2,402,495      | (504,354)      | 1,898,141       |
| PER STAFF 13-MO. AVG   | 2,369,883      | (349,696)      | 2,020,187       |

PCREVREQ.WK3

Range:A:EQUITY

Cost of Equity Capital – Per Current Leverage Graph  
(UPDATE EVERYTIME THE LEVERAGE GRAPH IS CHANGED)

Cost of Equity Leverage Formula  $0.0905 + (.01131/ER)$

$ER = \text{Equity Ratio} = \text{Common Equity} / (\text{Common} + \text{Preferred} + \text{LT Debt} + \text{ST Debt})$

|                       |        |
|-----------------------|--------|
| Equity Ratio          | 55.14% |
| Cost of Equity        | 11.10% |
| Leverage Formula      | 11.10% |
| Ceiling for ROE @ 40% | 11.88% |



Range:A:ITC

Cost of Deferred Investment Tax Credits

Option 1= zero cost, no amortization included in above the line income tax expense.

Option 2= Overall weighted cost of investor sources of capital and amortization included as a reduction to above the line income tax expense.

Calculation of Overall Weighted Cost of Investor Sources of Capital

|                                 | <u>Amount</u>     | <u>Ratio</u>   | <u>Cost</u> | <u>Weighted<br/>Cost</u> |
|---------------------------------|-------------------|----------------|-------------|--------------------------|
| Long-term Debt                  | 5,597,770         | 34.72%         | 7.24%       | 2.51%                    |
| Short-term Debt                 | 1,635,166         | 10.14%         | 7.73%       | 0.78%                    |
| Preferred Stock                 | 0                 | 0.00%          | 0.00%       | 0.00%                    |
| Common Stock                    | <u>8,890,119</u>  | <u>55.14%</u>  | 11.10%      | <u>6.12%</u>             |
| Total Investor Sources of Funds | <u>16,123,055</u> | <u>100.00%</u> |             | <u>9.42%</u>             |

PALM COAST UTILITY CORPORATION-RECONSIDERATION  
 ADJUSTMENTS TO OPERATING STATEMENTS  
 TEST YEAR ENDED 12/31/95

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

| EXPLANATION  | WATER              | WASTEWATER          |
|--|--------------------|---------------------|
| <b><u>OPERATING REVENUES</u></b>                                 |                    |                     |
| 1 Remove requested final revenue increase                        | (1,479,626)        | (1,575,817)         |
| 2 To include non-utility income                                  | 1,802              | 50,834              |
| 3 To remove year end adjustment                                  | (93,459)           | (94,662)            |
| Total  | <u>(1,571,283)</u> | <u>(1,619,645)</u>  |
| <b><u>OPERATION &amp; MAINTENANCE EXPENSE</u></b>                |                    |                     |
| 1 Adjustment per stipulation No. 2 (Audit Exception No. 4)       | (6,276)            | 896                 |
| 2 Remove unsupported affiliate charges                           | (15,153)           | (10,259)            |
| 3 Remove non-recurring personnel services expenses               | (10,204)           | (6,909)             |
| 4 Remove non-recurring legal fees                                | (4,457)            | (3,017)             |
| 5 Reflect additional current rate case expense                   | 11,185             | 11,185              |
| 6 To reduce chamber dues & rental expenses per Stipulation No. 3 | (828)              | (36,981)            |
| 7 To remove year end adjustment for power & chemicals            | (18,399)           | (8,945)             |
| Total  | <u>(44,132)</u>    | <u>(54,030)</u>     |
| <b><u>DEPRECIATION EXPENSE-NET</u></b>                           |                    |                     |
| 1 Imputation of CIAC-MRI-48                                      | (21,936)           | (20,877)            |
| 2 Net used and useful adjustment                                 | (345,024)          | (303,396)           |
| Total  | <u>(366,960)</u>   | <u>(324,273)</u>    |
| <b><u>AMORTIZATION, CIAC TAX GROSS UP</u></b>                    |                    |                     |
| To remove year end adjustment                                    | <u>5,469</u>       | <u>1,309</u>        |
| <b><u>TAXES OTHER THAN INCOME</u></b>                            |                    |                     |
| 1 Remove RAF's on revenue adjustment                             | (70,708)           | (72,884)            |
| 2 Non-used and useful property taxes I-108                       | (95,390)           | (50,482)            |
| Total  | <u>(166,097)</u>   | <u>(123,366)</u>    |
| <b><u>INCOME TAXES</u></b>                                       |                    |                     |
| To adjust to test year income tax expense                        | <u>(216,037)</u>   | <u>(220,900)</u>    |
| <b><u>OPERATING REVENUES</u></b>                                 |                    |                     |
| Adjustment to reflect revenue requirement                        | \$ <u>(27,203)</u> | \$ <u>(100,693)</u> |
| <b><u>TAXES OTHER THAN INCOME TAXES</u></b>                      |                    |                     |
| Regulatory assessment taxes on additional revenues               | \$ <u>(1,224)</u>  | \$ <u>(4,531)</u>   |
| <b><u>INCOME TAXES</u></b>                                       |                    |                     |
| Income taxes related to revenue requirement                      | \$ <u>(9,776)</u>  | \$ <u>(36,186)</u>  |

| PALM COAST UTILITY CORPORATION—RECONSIDERATION<br>ADJUSTMENTS TO OPERATING STATEMENTS<br>TEST YEAR ENDED 12/31/95 |   | SCHEDULE NO. 3—C<br>DOCKET NO. 951056—WS<br>PAGE 2 OF 2 |                     |
|---|---|---|---------------------|
| EXPLANATION   |   | WATER   | WASTEWATER          |
| (1)   | <u>DEPRECIATION</u><br>a) To correspond with non—used and useful plant                        | \$ 0  | \$ 0                |
| (6)   | <u>OPERATING REVENUES</u><br>a) Adjustment to reflect recommended revenue requirement         | \$ <u>(27,203)</u>                                      | \$ <u>(100,693)</u> |
| (7)   | <u>TAXES OTHER THAN INCOME TAXES</u><br>a) Regulatory assessment taxes on additional revenues | \$ <u>(1,224)</u>                                       | \$ <u>(4,531)</u>   |
| (8)   | <u>INCOME TAXES</u><br>a) Income taxes related to recommended income amount                   | \$ <u>(9,776)</u>                                       | \$ <u>(36,186)</u>  |

PALM COAST UTILITY CORPORATION-RECONSIDERATION  
 STATEMENT OF WASTEWATER OPERATIONS  
 TEST YEAR ENDED 12/31/95

SCHEDULE NO. 3-B  
 DOCKET NO. 951056-W5

| DESCRIPTION                 | TEST YEAR<br>PER UTILITY<br>1995 | UTILITY<br>ADJUSTMENTS | ADJUSTED<br>TEST YEAR/<br>UTILITY 1995 | STAFF<br>ADJUSTMENTS | STAFF<br>ADJUSTED<br>TEST YEAR | REVENUE<br>INCREASE | REVENUE<br>REQUIREMENT |
|-----------------------------|----------------------------------|------------------------|--|----------------------|--------------------------------|---------------------|------------------------|
| 1 OPERATING REVENUES        | \$ 3,150,538                     | \$ 1,756,312           | \$ 4,906,850                           | \$(1,619,645)        | \$ 3,287,205                   | \$(100,693)         | 3,186,512              |
| OPERATING EXPENSES          |                                  |                        |  |                      |                                | -3.06%              |                        |
| 2 OPERATION AND MAINTENANCE | \$ 2,049,154                     | \$(80,503)             | \$ 1,968,651                           | \$(54,030)           | \$ 1,914,621                   | \$                  | 1,914,621              |
| 3 DEPRECIATION              | 35,244                           | 728,836                | 764,080                                | (324,273)            | 439,807                        |                     | 439,807                |
| 4 AMORTIZATION              | (57,525)                         | (1,309)                | (58,834)                               | 1,309                | (57,525)                       |                     | (57,525)               |
| 5 TAXES OTHER THAN INCOME   | 258,285                          | 187,325                | 445,610                                | (123,366)            | 322,244                        | (4,531)             | 317,713                |
| 6 INCOME TAXES              | 131,947                          | 237,542                | 369,489                                | (220,900)            | 148,589                        | (36,186)            | 112,403                |
| 7 TOTAL OPERATING EXPENSES  | \$ 2,417,105                     | \$ 1,071,891           | \$ 3,488,996                           | \$(721,259)          | \$ 2,767,737                   | \$(40,717)          | 2,727,020              |
| 8 OPERATING INCOME          | \$ 733,433                       | \$ 684,421             | \$ 1,417,854                           | \$(898,386)          | \$ 519,468                     | \$(59,976)          | 459,492                |
| 9 RATE BASE                 | \$ 14,057,238                    | \$                     | \$ 16,031,208                          | \$                   | \$ 5,654,867                   | \$                  | \$ 5,654,867           |
| RATE OF RETURN              | 5.22%                            |                        | 8.84%                                  |                      | 9.19%                          |                     | 8.13%                  |

PALM COAST UTILITY CORPORATION-RECONSIDERATION  
 STATEMENT OF WATER OPERATIONS  
 TEST YEAR ENDED 12/31/95

SCHEDULE NO. 3-A  
 DOCKET NO. 951056-WS

| DESCRIPTION                 | TEST YEAR<br>PER UTILITY<br>1995 | UTILITY<br>ADJUSTMENTS | ADJUSTED<br>TEST YEAR/<br>UTILITY 1995 | STAFF<br>ADJUSTMENTS | STAFF<br>ADJUSTED<br>TEST YEAR | REVENUE<br>INCREASE | REVENUE<br>REQUIREMENT |
|-----------------------------|----------------------------------|------------------------|--|----------------------|--------------------------------|---------------------|------------------------|
| 1 OPERATING REVENUES        | \$ 5,384,699                     | \$ 1,586,948           | \$ 6,971,647                           | \$ (1,571,283)       | \$ 5,400,364                   | \$ (27,203)         | 5,373,161              |
| OPERATING EXPENSES:         |                                  |                        |  |                      |                                | -0.50%              |                        |
| 2 OPERATION AND MAINTENANCE | \$ 3,026,338                     | \$ (222,018)           | \$ 2,804,320                           | \$ (44,132)          | \$ 2,760,188                   | \$                  | 2,760,188              |
| 3 DEPRECIATION              | 1,621,374                        | (437,104)              | 1,184,270                              | (366,960)            | 817,310                        |                     | 817,310                |
| 4 AMORTIZATION              | (82,781)                         | (5,469)                | (88,250)                               | 5,469                | (82,781)                       |                     | (82,781)               |
| 5 TAXES OTHER THAN INCOME   | 874,220                          | (180,899)              | 693,321                                | (166,097)            | 527,224                        | (1,224)             | 525,999                |
| 6 INCOME TAXES              | (289,553)                        | 781,183                | 491,630                                | (216,037)            | 275,593                        | (9,776)             | 265,817                |
| 7 TOTAL OPERATING EXPENSES  | \$ 5,149,598                     | \$ (64,307)            | \$ 5,085,291                           | \$ (787,758)         | \$ 4,297,533                   | \$ (11,000)         | 4,286,533              |
| 8 OPERATING INCOME          | \$ 235,101                       | \$ 1,651,255           | \$ 1,886,356                           | \$ (783,525)         | \$ 1,102,831                   | \$ (16,203)         | 1,086,628              |
| 9 RATE BASE                 | \$ 23,702,639                    |                        | \$ 21,328,434                          |                      | \$ 13,372,875                  |                     | \$ 13,372,875          |
| RATE OF RETURN              | 0.99%                            |                        | 8.84%                                  |                      | 8.25%                          |                     | 8.13%                  |

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| ***<br>ADJUSTMENTS TO RATE BASE<br>***           |                    | SCHEDULE NO. 1-C<br>** |  |
|--|--------------------|------------------------|--|
| EXPLANATION                                      | WATER              | WASTEWATER             |  |
| <b><u>PLANT IN SERVICE</u></b>                   |                    |                        |  |
| To reflect 13-month average test year            | <u>(1,089,914)</u> | <u>(3,718,488)</u>     |  |
| <b><u>LAND</u></b>                               |                    |                        |  |
| 1 Adjust cost from affiliate for sprayfield site | 0                  | (207,233)              |  |
| 2 Adjust cost from affiliate for Rib site        | 0                  | (318,322)              |  |
| Total  | <u>0</u>           | <u>(525,555)</u>       |  |
| <b><u>NON-USED AND USEFUL</u></b>                |                    |                        |  |
| To reflect net non-used and useful adjustment    | <u>(7,896,742)</u> | <u>(6,710,060)</u>     |  |
| <b><u>ACCUMULATED DEPRECIATION</u></b>           |                    |                        |  |
| 1 To reflect 13-month average test year          | <u>957,830</u>     | <u>892,137</u>         |  |
| <b><u>CIAC</u></b>                               |                    |                        |  |
| 1 To reflect 13-month average test year          | 1,371,511          | 1,150,816              |  |
| 2 Imputation of CIAC-MR                          | (688,310)          | (680,040)              |  |
| Total  | <u>683,201</u>     | <u>470,776</u>         |  |
| <b><u>ACCUM. AMORT. OF CIAC</u></b>              |                    |                        |  |
| 1 To reflect 13-month average test year          | (252,420)          | (799,571)              |  |
| 2 Imputation of CIAC on margin reserve           | 10,968             | 10,439                 |  |
| Total  | <u>(241,452)</u>   | <u>(789,132)</u>       |  |
| <b><u>DEFERRED INCOME TAXES</u></b>              |                    |                        |  |
| To reflect 13-month average test year            | <u>(368,482)</u>   | <u>79,784</u>          |  |
| Total  |                    |                        |  |
| <b><u>ADVANCES FOR CONSTRUCTION</u></b>          |                    |                        |  |
| To reflect 13-month average test year            | <u>0</u>           | <u>(75,803)</u>        |  |

**PALM COAST UTILITY CORPORATION—RECONSIDERATION  
ADJUSTMENTS TO RATE BASE  
TEST YEAR ENDED 12/31/95**

**SCHEDULE NO. 1—B  
T1.5  
PAGE 2 OF 2**

| EXPLANATION  | WATER | WASTEWATER |
|--|-------|------------|
| (12)<br>a) Adjust to reflect 1994 Test Year<br>To remove |       |            |
| (12)   |       |            |
| (13) <u>OTHER</u>  |       |            |

**PALM COAST UTILITY CORPORATION-RECONSIDERATION  
SCHEDULE OF WASTEWATER RATE BASE  
TEST YEAR ENDED 12/31/95**

**SCHEDULE NO. 1-B  
DOCKET NO. 951056-WS**

| COMPONENT                      | TEST YEAR<br>PER UTILITY<br>YEAR-END | UTILITY<br>ADJUSTMENTS | ADJUSTED<br>TEST YEAR<br>PER UTILITY | STAFF<br>ADJUSTMENTS  | STAFF ADJ.<br>AVERAGE<br>TEST YEAR |
|--------------------------------|--------------------------------------|------------------------|--------------------------------------|-----------------------|------------------------------------|
| 1 UTILITY PLANT IN SERVICE     | \$ 56,249,291                        | \$ 2,128,199           | \$ 58,377,490                        | \$(3,718,488)         | 54,659,002                         |
| 2 LAND & LAND RIGHTS           | 1,153,532                            | 0                      | 1,153,532                            | (525,555)             | 627,977                            |
| 3 NON-USED & USEFUL COMPONENTS | 18,345,687                           | 426,872                | 18,772,559                           | (6,710,060)           | 12,062,499                         |
| 4 CWIP                         | 0                                    | 0                      | 0                                    | 0                     | 0                                  |
| 5 ACCUMULATED DEPRECIATION     | (18,107,234)                         | (986,635)              | (19,093,869)                         | 892,137               | (18,201,732)                       |
| 6 CIAC                         | (61,045,743)                         | 0                      | (61,045,743)                         | 470,776               | (60,574,967)                       |
| 7 AMORTIZATION OF CIAC         | 16,511,375                           | 0                      | 16,511,375                           | (789,132)             | 15,722,243                         |
| 8 DEBIT DEFERRED INCOME TAXES  | 1,940,403                            | 0                      | 1,940,403                            | 79,784                | 2,020,187                          |
| 9                              | 0                                    | 0                      | 0                                    | 0                     | 0                                  |
| 10 ADVANCES FOR CONSTRUCTION   | (990,073)                            | 405,534                | (584,539)                            | (75,803)              | (660,342)                          |
| 11 WORKING CAPITAL ALLOWANCE   | 0                                    | 0                      | 0                                    | 0                     | 0                                  |
| 12 OTHER                       | 0                                    | 0                      | 0                                    | 0                     | 0                                  |
| <b>RATE BASE</b>               | <b>\$ 14,057,238</b>                 | <b>\$ 1,973,970</b>    | <b>\$ 16,031,208</b>                 | <b>\$(10,376,341)</b> | <b>5,654,867</b>                   |

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**PALM COAST UTILITY CORPORATION-RECONSIDERATION  
SCHEDULE OF WATER RATE BASE  
TEST YEAR ENDED 12/31/95**

**SCHEDULE NO. 1-A  
DOCKET NO. 951056-WS**

| <b>COMPONENT</b>                  | <b>TEST YEAR<br/>PER UTILITY<br/>YEAR-END</b> | <b>UTILITY<br/>ADJUSTMENTS</b> | <b>ADJUSTED<br/>TEST YEAR<br/>PER UTILITY</b> | <b>STAFF<br/>ADJUSTMENTS</b> | <b>STAFF ADJ.<br/>AVERAGE<br/>TEST YEAR</b> |
|-----------------------------------|---|--------------------------------|---|------------------------------|---|
| 1 UTILITY PLANT IN SERVICE        | \$ 63,505,519                                 | \$(2,128,199)                  | \$ 61,377,320                                 | \$(1,089,914)                | 60,287,406                                  |
| 2 LAND & LAND RIGHTS              | 504,632                                       | 0                              | 504,632                                       | 0                            | 504,632                                     |
| 3 NON-USED & USEFUL COMPONENTS    | (8,602,553)                                   | 0                              | (8,602,553)                                   | (7,896,742)                  | (16,499,295)                                |
| 4 CWIP                            | 3,992,210                                     | (3,992,210)                    | 0   | 0                            | 0   |
| 5 ACCUMULATED DEPRECIATION        | (20,996,438)                                  | 1,074,065                      | (19,922,373)                                  | 957,830                      | (18,964,543)                                |
| 6 CIAC                            | (16,390,083)                                  | 0                              | (16,390,083)                                  | 683,201                      | (15,706,882)                                |
| 7 AMORTIZATION OF CIAC            | 3,241,580                                     | 0                              | 3,241,580                                     | (241,452)                    | 3,000,128                                   |
| 8 NET DEBIT DEFERRED TAXES (USED) | 1,119,911                                     | 0                              | 1,119,911                                     | (368,482)                    | 751,429                                     |
| 9                                 | 0   | 0                              | 0   | 0                            | 0   |
| 10 ADVANCES FOR CONSTRUCTION      | (2,672,139)                                   | 2,672,139                      | 0   | 0                            | 0   |
| 11 WORKING CAPITAL ALLOWANCE      | 0   | 0                              | 0   | 0                            | 0   |
| 12 OTHER                          | 0   | 0                              | 0   | 0                            | 0   |
| <b>RATE BASE</b>                  | <b>\$ 23,702,639</b>                          | <b>\$(2,374,205)</b>           | <b>\$ 21,328,434</b>                          | <b>\$(7,955,559)</b>         | <b>13,372,875</b>                           |

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| PALM COAST UTILITY CORPORATION- RECONSIDERATION   |                    | DOCKET NO. 951056- WS |                   |                   |
|---|--------------------|-----------------------|-------------------|-------------------|
| TEST YEAR ENDED 12/31/95  |                    |                       |                   |                   |
| REVENUE REQUIREMENT CALCULATION   |                    |                       |                   |                   |
| TAX CALCULATIONS  | TEST YEAR          |                       | REVENUE REQUIRED  |                   |
|   | WATER              | SEWER                 | WATER             | SEWER             |
| TEST YEAR REVENUES  | \$ 5,400,364       | \$ 3,287,205          | \$ 5,373,161      | \$ 3,186,512      |
| TOTAL O&M EXPENSE   | 2,760,188          | 1,914,621             | 2,760,188         | 1,914,621         |
| NET DEPRECIATION EXPENSE  | 817,310            | 439,807               | 817,310           | 439,807           |
| AMORTIZATION  | (82,781)           | (57,525)              | (82,781)          | (57,525)          |
| TAXES OTHER THAN INCOME   | 527,224            | 322,244               | 525,999           | 317,713           |
| INTEREST EXPENSE (Rate Base X Wtd<br>Cost of Interest + ITC Synchronization)  | <u>393,020</u>     | <u>166,193</u>        | <u>393,020</u>    | <u>166,193</u>    |
| TAXABLE INCOME  | 985,403            | 501,865               | 959,424           | 405,703           |
| COMPOSITE TAX RATE (State & Federal)  | <u>37.630%</u>     | <u>37.630%</u>        | <u>37.630%</u>    | <u>37.630%</u>    |
| GROSS PROVISION FOR INCOME TAXES  | 370,807            | 188,852               | 361,031           | 152,666           |
| SPECIFIC ADJUSTMENTS TO INCOME TAXES (IF REQUIRED)  |                    |                       |                   |                   |
| PARENT DEBT ADJUSTMENT  | (95,215)           | (40,263)              | (95,215)          | (40,263)          |
| ITC AMORTIZATION  | 0                  | 0                     | 0                 | 0                 |
| WRITE-DOWN OF TAXES   | 0                  | 0                     | 0                 | 0                 |
| OTHER   | 0                  | 0                     | 0                 | 0                 |
| TOTAL SPECIFIC ADJUSTMENTS  | <u>(95,215)</u>    | <u>(40,263)</u>       | <u>(95,215)</u>   | <u>(40,263)</u>   |
| ADJUSTED PROVISION FOR INCOME TAXES   | \$ <u>275,593</u>  | \$ <u>148,589</u>     | \$ <u>265,817</u> | \$ <u>112,403</u> |
| CALCULATION OF INTEREST SYNCHRONIZATION ADJUSTMENT FOR WTD COST ITCs<br>(% of debt to total investor sources of funds (LT-D,ST-D,CE,Pfd) X wtd cost of ITCs in capital structure)   |                    |                       |                   |                   |
| Included in Interest Exp Calculation Above (B15)  | 0.0000%            |                       |                   |                   |
| <u>CALCULATION OF REVENUE REQUIREMENT INCREASE</u>  |                    | <u>WATER</u>          | <u>SEWER</u>      |                   |
| TEST YEAR REVENUES  | \$ 5,400,364       | \$ 3,287,205          |                   |                   |
| TOTAL O&M EXPENSE   | 2,760,188          | 1,914,621             |                   |                   |
| NET DEPRECIATION EXPENSE  | 817,310            | 439,807               |                   |                   |
| AMORTIZATION  | (82,781)           | (57,525)              |                   |                   |
| TAXES OTHER THAN INCOME (TEST YEAR)   | 527,224            | 322,244               |                   |                   |
| INCOME TAXES (TEST YEAR)  | <u>275,593</u>     | <u>148,589</u>        |                   |                   |
| NOI GENERATED   | 1,102,831          | 519,468               |                   |                   |
| RETURN ALLOWED (WRB * ORR)  | <u>1,086,628</u>   | <u>459,492</u>        |                   |                   |
| NOI DEFICIENCY  | 16,203             | 59,976                |                   |                   |
| ESCALATION FACTOR FOR INCOME TAXES & RAFS<br>(See calculation below)  | <u>1.67888</u>     | <u>1.67888</u>        |                   |                   |
| REVENUE INCREASE  | \$ <u>(27,203)</u> | \$ <u>(100,693)</u>   |                   |                   |
| <b>NOTE: NEVER INCREASE REVENUE REQUIREMENT OVER THE AMOUNT REQUESTED BY THE UTILITY FOR EACH SYSTEM. @IF STATEMENTS IN (AL13) &amp; (AL52) SHOULD PREVENT THIS FROM OCCURRING.</b> |                    |                       |                   |                   |
| 35% Fed Tax Composite Rate (State & Fed) is 38.57%  |                    |                       |                   |                   |
| ESCALATION FACTOR CALCULATION   |                    |                       |                   |                   |
| Income Tax Rate (FIT and SIT)   | 0.37630            |                       |                   |                   |
| Expansion factor  | 1.60333            |                       |                   |                   |
| Expansion factor w/ RAF   | 1.678885           |                       |                   |                   |

| PALM COAST UTILITY CORPORATION--RECONSIDERATION<br>OPERATION AND MAINTENANCE EXPENSES - WASTEWATER<br>TEST YEAR ENDED 12/31/95 |   | DOCKET NO. 951056-WS  |                     |                            |                   |                          |  |
|--|---|-----------------------|---------------------|----------------------------|-------------------|--------------------------|--|
| ACCT NO.   | ACCOUNT TITLE   | TEST YEAR PER UTILITY | UTILITY ADJUSTMENTS | UTILITY ADJUSTED TEST YEAR | STAFF ADJUSTMENTS | STAFF ADJUSTED TEST YEAR |  |
| 701  | SALARIES AND WAGES - EMPLOYEES                          | \$ 0                  | \$ 0                | \$ 0                       | \$ 0              | 0                        |  |
| 703  | SALARIES AND WAGES - OFFICERS, DIRECTORS, ETC.          | 0                     | 0                   | 0                          | 0                 | 0                        |  |
| 704  | EMPLOYEE PENSIONS AND BENEFITS                          | 0                     | 0                   | 0                          | 0                 | 0                        |  |
| 710  | PURCHASED SEWAGE TREATMENT                              | 0                     | 0                   | 0                          | 0                 | 0                        |  |
| 711  | SLUDGE REMOVAL EXPENSE                                  | 0                     | 0                   | 0                          | 0                 | 0                        |  |
| 715  | PURCHASED POWER   | 0                     | 0                   | 0                          | 0                 | 0                        |  |
| 716  | FUEL FOR POWER PRODUCTION                               | 0                     | 0                   | 0                          | 0                 | 0                        |  |
| 718  | CHEMICALS   | 0                     | 0                   | 0                          | 0                 | 0                        |  |
| 720  | MATERIALS AND SUPPLIES                                  | 0                     | 0                   | 0                          | 0                 | 0                        |  |
| 731  | CONTRACTUAL SERVICES - ENGR.                            | 0                     | 0                   | 0                          | 0                 | 0                        |  |
| 732  | CONTRACTUAL SERVICES - ACCT.                            | 0                     | 0                   | 0                          | 0                 | 0                        |  |
| 733  | CONTRACTUAL SERVICES - LEGAL                            | 0                     | 0                   | 0                          | 0                 | 0                        |  |
| 734  | CONTRACTUAL SERVICES - MGMT. FEES                       | 0                     | 0                   | 0                          | 0                 | 0                        |  |
| 735  | CONTRACTUAL SERVICES - OTHER                            | 0                     | 0                   | 0                          | 0                 | 0                        |  |
| 741  | RENTAL OF BUILDING/REAL PROPERTY                        | 0                     | 0                   | 0                          | 0                 | 0                        |  |
| 742  | RENTAL OF EQUIPMENT                                     | 0                     | 0                   | 0                          | 0                 | 0                        |  |
| 750  | TRANSPORTATION EXPENSES                                 | 0                     | 0                   | 0                          | 0                 | 0                        |  |
| 756  | INSURANCE - VEHICLE                                     | 0                     | 0                   | 0                          | 0                 | 0                        |  |
| 757  | INSURANCE - GENERAL LIABILITY                           | 0                     | 0                   | 0                          | 0                 | 0                        |  |
| 758  | INSURANCE - WORKMAN'S COMPENSATION                      | 0                     | 0                   | 0                          | 0                 | 0                        |  |
| 759  | INSURANCE - OTHER                                       | 0                     | 0                   | 0                          | 0                 | 0                        |  |
| 760  | ADVERTISING EXPENSE                                     | 0                     | 0                   | 0                          | 0                 | 0                        |  |
| 766  | REGULATORY COMM. EXPENSES - AMORT. OF RATE CASE EXPENSE | 0                     | 0                   | 0                          | 0                 | 0                        |  |
| 767  | REGULATORY COMM. EXPENSES - OTHER                       | 0                     | 0                   | 0                          | 0                 | 0                        |  |
| 770  | BAD DEBT EXPENSE  | 0                     | 0                   | 0                          | 0                 | 0                        |  |
| 775  | MISCELLANEOUS EXPENSES                                  | 0                     | 0                   | 0                          | 0                 | 0                        |  |
|  | SERVICES NET  | 0                     |                     |                            |                   |                          |  |
|  | TOTAL OPERATION AND MAINTENANCE                         | \$ 0                  | \$ 0                | \$ 0                       | \$ 0              | 0                        |  |

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| PALM COAST UTILITY CORP<br>NON-USED AND USEFUL SUMMARY | <u>Sched A-7</u>         |                        |                        |
|--|--------------------------|------------------------|------------------------|
|  | AMOUNT<br>PER<br>UTILITY | AMOUNT<br>PER<br>STAFF | ADJUST<br>PER<br>STAFF |
| <b>WATER</b>   |                          |                        |                        |
| PLANT  | (13,615,786)             | (26,568,579)           | (12,952,793)           |
| LAND   | 0                        | 0                      | 0                      |
| ACCUMULATED DEPRECIATION                               | 3,896,893                | 8,535,292              | 4,638,399              |
| CIAC   | 1,319,118                | 1,889,709              | 570,591                |
| ACCUMULATED AMORT CIAC                                 | (202,778)                | (355,717)              | (152,939)              |
| ADVANCES FOR CONSTRUCTION                              | 0                        | 0                      | 0                      |
| OTHER  | 0                        | 0                      | 0                      |
| <b>TOTAL NON-USED AND USEFUL</b>                       | <u>(8,602,553)</u>       | <u>(16,499,295)</u>    | <u>(7,896,742)</u>     |
| NON-USED AND USEFUL DEPR EXP                           | 296,334                  | 670,908                | 374,574                |
| NON-USED AND USEFUL AMORT EXP                          | 30,675                   | 60,225                 | 29,550                 |
| <b>NET ADJUSTMENT-WATER</b>                            | <u>(265,659)</u>         | <u>(610,683)</u>       | <u>(345,024)</u>       |
| <b>PROPERTY TAX EXPENSE-GROSS (Sch B-15)</b>           | 290000                   | 290000                 | <u>0</u>               |
| Ratio of non-used plant to total (per staff)           |                          | 43.70%                 |                        |
| Non-used property tax                                  | 31352                    | 126,742                | <u>(95,390)</u>        |
| <b>WASTEWATER</b>                                      |                          |                        |                        |
| PLANT  | (20,225,569)             | (30,752,916)           | (10,527,347)           |
| LAND   | 0                        | 0                      | 0                      |
| ACCUMULATED DEPRECIATION                               | 6,759,615                | 10,127,389             | 3,367,774              |
| CIAC   | 43,537,577               | 43,576,743             | 39,166                 |
| ACCUMULATED AMORT CIAC                                 | (11,299,063)             | (10,888,716)           | 410,347                |
| ADVANCES FOR CONSTRUCTION                              | 0                        | 0                      | 0                      |
| OTHER  | 0                        | 0                      | 0                      |
| <b>TOTAL NON-USED AND USEFUL</b>                       | <u>18,772,560</u>        | <u>12,062,500</u>      | <u>(6,710,060)</u>     |
| NON-USED AND USEFUL DEPR EXP                           | 587,624                  | 923,923                | 336,299                |
| NON-USED AND USEFUL AMORT EXP                          | 1,060,447                | 1,093,350              | 32,903                 |
| <b>NET ADJUSTMENT-WASTEWATER</b>                       | <u>472,823</u>           | <u>169,427</u>         | <u>(303,396)</u>       |
| <b>PROPERTY TAX EXPENSE-GROSS (Sch B-15)</b>           | 210,000                  | 210000                 | <u>0</u>               |
| Ratio of non-used plant to total (per staff)           |                          | 55.62%                 |                        |
| Non-used property tax                                  | 66,329                   | 116,811                | <u>(50,482)</u>        |

**PALM COAST UTILITY CORPORATION—RECONSIDERATION  
TAXES OTHER THAN INCOME  
TEST YEAR ENDED 12/31/95**

**DOCKET NO. 951056—WS**

| <u>WATER</u>               | <u>TEST<br/>YEAR</u> | <u>UTILITY<br/>ADJUSTMENTS</u> | <u>UTILITY<br/>ADJUSTED<br/>TEST YEAR</u> | <u>STAFF<br/>ADJUSTMENTS</u> | <u>STAFF<br/>ADJUSTED<br/>TEST YEAR</u> | <u>REVENUE<br/>INCREASE</u> | <u>REVENUE<br/>REQUIREMENT</u> |
|----------------------------|----------------------|--------------------------------|---|------------------------------|---|-----------------------------|--------------------------------|
| PERSONAL PROPERTY          | 290,000              | (31,352)                       | 258,648                                   | (95,390)                     | 163,258                                 |                             | 163,258                        |
| PAYROLL                    | 147,208              | (31,717)                       | 115,491                                   | 0                            | 115,491                                 |                             | 115,491                        |
| REGULATORY ASSESSMENT FEES | 430,425              | (116,701)                      | 313,724                                   | (70,708)                     | 243,016                                 | (1,224)                     | 241,792                        |
| OTHER                      | 6,587                | (1,128)                        | 5,459                                     | 0                            | 5,459                                   |                             | 5,459                          |
| <b>TOTAL</b>               | <b>874,220</b>       | <b>(180,898)</b>               | <b>693,322</b>                            | <b>(166,097)</b>             | <b>527,225</b>                          | <b>(1,224)</b>              | <b>526,000</b>                 |

| <u>WASTEWATER</u>          | <u>TEST<br/>YEAR</u> | <u>UTILITY<br/>ADJUSTMENTS</u> | <u>UTILITY<br/>ADJUSTED<br/>TEST YEAR</u> | <u>STAFF<br/>ADJUSTMENTS</u> | <u>STAFF<br/>ADJUSTED<br/>TEST YEAR</u> | <u>REVENUE<br/>INCREASE</u> | <u>REVENUE<br/>REQUIREMENT</u> |
|----------------------------|----------------------|--------------------------------|---|------------------------------|---|-----------------------------|--------------------------------|
| PERSONAL PROPERTY          | 210,000              | (66,329)                       | 143,671                                   | (50,482)                     | 93,189                                  |                             | 93,189                         |
| PAYROLL                    | 45,989               | 31,717                         | 77,706                                    | 0                            | 77,706                                  |                             | 77,706                         |
| REGULATORY ASSESSMENT FEES | 0                    | 220,808                        | 220,808                                   | (72,884)                     | 147,924                                 | (4,531)                     | 143,393                        |
| OTHER                      | 2,296                | 1,128                          | 3,424                                     | 0                            | 3,424                                   |                             | 3,424                          |
| <b>TOTAL</b>               | <b>258,285</b>       | <b>187,324</b>                 | <b>445,609</b>                            | <b>(123,366)</b>             | <b>322,243</b>                          | <b>(4,531)</b>              | <b>317,712</b>                 |

| PALM COAST UTILITY CORPORATION—RECONSIDERATION<br>OPERATION AND MAINTENANCE EXPENSES — WATER<br>TEST YEAR ENDED 12/31/95 |  |                          |                        | DOCKET NO. 951056—WS             |                      |                                |
|--|--|--------------------------|------------------------|----------------------------------|----------------------|--------------------------------|
| ACCT<br>NO.  | ACCOUNT TITLE  | TEST YEAR<br>PER UTILITY | UTILITY<br>ADJUSTMENTS | UTILITY<br>ADJUSTED<br>TEST YEAR | STAFF<br>ADJUSTMENTS | STAFF<br>ADJUSTED<br>TEST YEAR |
| 601  | SALARIES AND WAGES — EMPLOYEES                             | \$ 0                     | \$ 0                   | \$ 0                             | \$ 0                 | 0                              |
| 603  | SALARIES AND WAGES —<br>OFFICERS, DIRECTORS, ETC.          | 0                        | 0                      | 0                                | 0                    | 0                              |
| 604  | EMPLOYEE PENSIONS AND BENEFITS                             | 0                        | 0                      | 0                                | 0                    | 0                              |
| 610  | PURCHASED WATER  | 0                        | 0                      | 0                                | 0                    | 0                              |
| 615  | PURCHASED POWER  | 0                        | 0                      | 0                                | 0                    | 0                              |
| 616  | FUEL FOR POWER PRODUCTION                                  | 0                        | 0                      | 0                                | 0                    | 0                              |
| 618  | CHEMICALS  | 0                        | 0                      | 0                                | 0                    | 0                              |
| 620  | MATERIALS AND SUPPLIES                                     | 0                        | 0                      | 0                                | 0                    | 0                              |
| 631  | CONTRACTUAL SERVICES — ENGR.                               | 0                        | 0                      | 0                                | 0                    | 0                              |
| 632  | CONTRACTUAL SERVICES — ACCT.                               | 0                        | 0                      | 0                                | 0                    | 0                              |
| 633  | CONTRACTUAL SERVICES — LEGAL                               | 0                        | 0                      | 0                                | 0                    | 0                              |
| 634  | CONTRACTUAL SERVICES — MGMT. FEES                          | 0                        | 0                      | 0                                | 0                    | 0                              |
| 635  | CONTRACTUAL SERVICES — OTHER                               | 0                        | 0                      | 0                                | 0                    | 0                              |
| 641  | RENTAL OF BUILDING/REAL PROPERTY                           | 0                        | 0                      | 0                                | 0                    | 0                              |
| 642  | RENTAL OF EQUIPMENT  | 0                        | 0                      | 0                                | 0                    | 0                              |
| 650  | TRANSPORTATION EXPENSES                                    | 0                        | 0                      | 0                                | 0                    | 0                              |
| 656  | INSURANCE—VEHICLE  | 0                        | 0                      | 0                                | 0                    | 0                              |
| 657  | INSURANCE—GENERAL LIABILITY                                | 0                        | 0                      | 0                                | 0                    | 0                              |
| 658  | INSURANCE—WORKMAN'S COMP.                                  | 0                        | 0                      | 0                                | 0                    | 0                              |
| 659  | INSURANCE—OTHER  | 0                        | 0                      | 0                                | 0                    | 0                              |
| 660  | ADVERTISING EXPENSE  | 0                        | 0                      | 0                                | 0                    | 0                              |
| 666  | REGULATORY COMM. EXPENSES —<br>AMORT. OF RATE CASE EXPENSE | 0                        | 0                      | 0                                | 0                    | 0                              |
| 667  | REGULATORY COMM. EXPENSES — OTHER                          | 0                        | 0                      | 0                                | 0                    | 0                              |
| 670  | BAD DEBT EXPENSE   | 0                        | 0                      | 0                                | 0                    | 0                              |
| 675  | MISCELLANEOUS EXPENSES                                     | 0                        | 0                      | 0                                | 0                    | 0                              |
|  | SERVICES NET   | 0                        |                        |                                  |                      |                                |
|  | TOTAL OPERATION AND MAINTENANCE                            | \$ 0                     | \$ 0                   | \$ 0                             | \$ 0                 | 0                              |



PALM COAST UTILITY CORP

| WASTEWATER UTILITY PLANT ACCT. NO.    | ACCOUNT NAME                  | Year End       | 13-Mo Avg                 | 13-Mo Avg                       | Year End            | 13-Mo Avg         | 13-Mo Avg             | Year End                          | 13-Mo Avg         | 13-Mo Avg      | Year End                       | 13-Mo Avg              | 13-Mo Avg             | Year End                 | 13-Mo Avg          | 13-Mo Avg                  | NET PLANT                       |                                 |                                 |  |
|---------------------------------------|-------------------------------|----------------|---------------------------|---------------------------------|---------------------|-------------------|-----------------------|-----------------------------------|-------------------|----------------|--------------------------------|------------------------|-----------------------|--------------------------|--------------------|----------------------------|---------------------------------|---------------------------------|---------------------------------|--|
|                                       |                               | Plant Per MFRs | STAFF Reconn. Adjustments | STAFF Specific Adjusted Balance | Depr Rates Per MFRs | Acc Depr Per MFRs | Adjustme r TO 13-Mo A | STAFF Specific A Adjusted Balance | Depr Exp Per MFRs | Staff Depr Exp | STAFF Reconn. Adjusted Balance | STAFF Adjusted Balance | NON-U/UNON-U/ with MR | NON-U/UNON-U/ without MR | LI INCL IN RESERVE | NON-U/UNON-U/ Adj to Plant | NON-U/UNON-U/ Ass. Adj to Plant | NON-U/UNON-U/ Dep. Adj to Plant | NON-U/UNON-U/ Dep. Adj to Plant |  |
| <b>INTANGIBLE PLANT</b>               |                               |                |                           |                                 |                     |                   |                       |                                   |                   |                |                                |                        |                       |                          |                    |                            |                                 |                                 |                                 |  |
| 351.1                                 | Organization                  | 6,130          | 0                         | 6,130                           | 3.33%               | 4,874             | (102)                 | 0                                 | 4,772             | 204            | 0                              | 0                      | 204                   | NA                       | NA                 | NA                         | NA                              | NA                              | NA                              |  |
| 352.1                                 | Franchises                    | 2,884          | 0                         | 2,884                           | 3.20%               | 2,150             | (43)                  | 0                                 | 2,107             | 86             | 0                              | 0                      | 86                    | NA                       | NA                 | NA                         | NA                              | NA                              | NA                              |  |
| 389.1                                 | Other Plant & Misc.           | 121,386        | 0                         | 121,386                         | 4.16%               | 101,895           | (2,527)               | 0                                 | 99,368            | 5,054          | 0                              | 0                      | 5,054                 | NA                       | NA                 | NA                         | NA                              | NA                              | NA                              |  |
| <b>COLLECTION PLANT</b>               |                               |                |                           |                                 |                     |                   |                       |                                   |                   |                |                                |                        |                       |                          |                    |                            |                                 |                                 |                                 |  |
| 353.2                                 | Land and Land Rights          | 0              | 0                         | 0                               | 0.00%               | 0                 | 0                     | 0                                 | 0                 | 0              | 0                              | 0                      | 0                     | 0.00%                    | 0.00%              | 0                          | 0                               | 0                               | 0                               |  |
| 354.2                                 | Structures and Improvements   | 6,560          | 0                         | 6,560                           | 3.11%               | 2,948             | (102)                 | 0                                 | 2,846             | 204            | 0                              | 0                      | 204                   | 0.00%                    | 0.00%              | 0                          | 0                               | 0                               | 0                               |  |
| 360.2                                 | Collection Sewers - Force     | 0              | 0                         | 0                               | 0.00%               | 0                 | 0                     | 0                                 | 0                 | 0              | 0                              | 0                      | 0                     | 0.00%                    | 0.00%              | 0                          | 0                               | 0                               | 0                               |  |
| 361.2                                 | Collection Sewers - Gravity   | 35,493,443     | (1,170,095)               | 34,323,348                      | 2.46%               | 11,844,229        | (437,656)             | 0                                 | 11,406,573        | 873,351        | (28,791)                       | 0                      | 844,560               | 60.51%                   | 61.99%             | 339,168                    | 20,769,058                      | 6,902,117                       | 511,043                         |  |
| 361                                   | Advanced Mains                | 13,789         | 0                         | 13,789                          | 2.52%               | 2,491             | (174)                 | 0                                 | 2,317             | 348            | 0                              | 0                      | 348                   | 0.00%                    | 0.00%              | 0                          | 0                               | 0                               | 0                               |  |
| 361                                   | Advanced Mains                | 16,452         | (731)                     | 15,721                          | 2.33%               | 685               | (192)                 | 0                                 | 493               | 394            | (17)                           | 0                      | 367                   | 0.00%                    | 0.00%              | 0                          | 0                               | 0                               | 0                               |  |
| 362                                   | Services                      | 2,964,847      | 0                         | 2,964,847                       | 2.63%               | 1,286,818         | (39,006)              | 0                                 | 1,247,812         | 78,012         | 0                              | 0                      | 78,012                | 65.71%                   | 67.38%             | 28,674                     | 1,948,201                       | 819,937                         | 51,262                          |  |
| 365.2                                 | Flow Measuring Installation   | 0              | 0                         | 0                               | 0.00%               | 0                 | 0                     | 0                                 | 0                 | 0              | 0                              | 0                      | 0                     | 0.00%                    | 0.00%              | 0                          | 0                               | 0                               | 0                               |  |
| 389.2                                 | Other Plant & Misc.           | 0              | 0                         | 0                               | 0.00%               | 0                 | 0                     | 0                                 | 0                 | 0              | 0                              | 0                      | 0                     | 0.00%                    | 0.00%              | 0                          | 0                               | 0                               | 0                               |  |
| <b>SYSTEM PUMPING PLANT</b>           |                               |                |                           |                                 |                     |                   |                       |                                   |                   |                |                                |                        |                       |                          |                    |                            |                                 |                                 |                                 |  |
| 353.3                                 | Land & Land Rights            | 207,043        | 0                         | 207,043                         | NA                  | 43                | 30                    | 0                                 | 73                | 0              | 0                              | 0                      | 0                     | 0.00%                    | 0.00%              | 0                          | 0                               | 0                               | 0                               |  |
| 354.3                                 | Structures & Improvements     | 101,995        | 0                         | 101,995                         | 3.12%               | 44,381            | (1,591)               | 0                                 | 42,790            | 3,180          | 0                              | 0                      | 3,180                 | 61.27%                   | 63.35%             | 1,231                      | 62,492                          | 26,217                          | 1,948                           |  |
| 370.3                                 | Receiving Wells               | 0              | 0                         | 0                               | 0.00%               | 0                 | 0                     | 0                                 | 0                 | 0              | 0                              | 0                      | 0                     | 0.00%                    | 0.00%              | 0                          | 0                               | 0                               | 0                               |  |
| 371.3                                 | Pumping Equipment             | 4,233,215      | (86,495)                  | 4,146,720                       | 5.52%               | 1,939,909         | (115,758)             | 0                                 | 1,824,151         | 233,472        | (4,770)                        | 0                      | 228,702               | 61.27%                   | 63.35%             | 48,309                     | 2,540,895                       | 1,117,667                       | 140,125                         |  |
| 389.3                                 | Other Plant & Misc.           | 0              | 0                         | 0                               | 0.00%               | 0                 | 0                     | 0                                 | 0                 | 0              | 0                              | 0                      | 0                     | 0.00%                    | 0.00%              | 0                          | 0                               | 0                               | 0                               |  |
| <b>TREATMENT &amp; DISPOSAL PLANT</b> |                               |                |                           |                                 |                     |                   |                       |                                   |                   |                |                                |                        |                       |                          |                    |                            |                                 |                                 |                                 |  |
| 353.4                                 | Land & Land Rights            | 946,489        | 0                         | 946,489                         | NA                  | 40                | 0                     | 0                                 | 40                | 0              | 0                              | 0                      | 0                     | 0.00%                    | 0.00%              | 0                          | 0                               | 0                               | 0                               |  |
| 354.4                                 | Structures & Improvements     | 6,402,440      | (1,002,942)               | 5,399,498                       | 3.13%               | 1,329,271         | (93,820)              | 0                                 | 1,235,451         | 200,348        | (31,365)                       | 0                      | 168,963               | 52.76%                   | 56.76%             | 166,562                    | 2,848,775                       | 651,824                         | 89,145                          |  |
| 380.4                                 | Treatment and Disposal Equip. | 6,707,269      | (1,493,240)               | 5,214,029                       | 5.53%               | 1,480,907         | (162,330)             | 0                                 | 1,318,577         | 370,836        | (82,599)                       | 0                      | 288,277               | 43.98%                   | 49.19%             | 202,953                    | 2,293,130                       | 579,910                         | 126,784                         |  |
| 381.4                                 | Plant Sewers                  | 0              | 0                         | 0                               | 2.66%               | 0                 | 0                     | 0                                 | 0                 | 0              | 0                              | 0                      | 0                     | 0.00%                    | 0.00%              | 0                          | 0                               | 0                               | 0                               |  |
| 382.4                                 | Outfall Sewer Lines           | 0              | 0                         | 0                               | 3.33%               | 0                 | 0                     | 0                                 | 0                 | 0              | 0                              | 0                      | 0                     | 0.00%                    | 0.00%              | 0                          | 0                               | 0                               | 0                               |  |
| 389.4                                 | Other Plant & Misc.           | 0              | 0                         | 0                               | 5.56%               | 0                 | 0                     | 0                                 | 0                 | 0              | 0                              | 0                      | 0                     | 0.00%                    | 0.00%              | 0                          | 0                               | 0                               | 0                               |  |
| <b>GENERAL PLANT</b>                  |                               |                |                           |                                 |                     |                   |                       |                                   |                   |                |                                |                        |                       |                          |                    |                            |                                 |                                 |                                 |  |
| 353                                   | Land & Land Rights            | 0              | 0                         | 0                               | NA                  | 0                 | 0                     | 0                                 | 0                 | 0              | 0                              | 0                      | 0                     | NA                       | NA                 | NA                         | NA                              | NA                              | NA                              |  |
| 354                                   | Structures & Improvements     | 534,224        | 0                         | 534,224                         | 2.47%               | 137,789           | 0                     | 0                                 | 137,789           | 13,213         | 0                              | 0                      | 13,213                | 9.02%                    | 13.20%             | 16,571                     | 48,187                          | 12,429                          | 1,192                           |  |
| 390                                   | Office Furniture & Equipment  | 391,033        | (40,961)                  | 350,072                         | 7.67%               | 201,390           | (9,629)               | 0                                 | 191,762           | 30,011         | (3,144)                        | 0                      | 26,867                | 9.02%                    | 13.20%             | 6,617                      | 31,577                          | 17,297                          | 2,423                           |  |
| 390                                   | Computer Equipment            | 0              | 0                         | 0                               | 16.67%              | 0                 | 0                     | 0                                 | 0                 | 0              | 0                              | 0                      | 0                     | NA                       | NA                 | NA                         | NA                              | NA                              | NA                              |  |
| 391                                   | Transportation Equipment      | 678,806        | (58,397)                  | 620,409                         | 11.73%              | 497,925           | (40,068)              | 0                                 | 457,857           | 79,610         | (6,849)                        | 0                      | 72,761                | NA                       | NA                 | NA                         | NA                              | NA                              | NA                              |  |
| 392                                   | Stores Equipment              | 6,057          | 19                        | 6,076                           | 4.08%               | 4,189             | (104)                 | 0                                 | 4,085             | 247            | 1                              | 0                      | 248                   | NA                       | NA                 | NA                         | NA                              | NA                              | NA                              |  |
| 393                                   | Tools, Shop & Garage          | 188,947        | (28,973)                  | 159,974                         | 4.69%               | 70,616            | (4,373)               | 0                                 | 66,243            | 8,869          | (1,360)                        | 0                      | 7,509                 | NA                       | NA                 | NA                         | NA                              | NA                              | NA                              |  |
| 394                                   | Laboratory Equipment          | 20,739         | 157                       | 20,896                          | 6.80%               | 9,997             | (546)                 | 0                                 | 9,451             | 1,410          | 11                             | 0                      | 1,421                 | NA                       | NA                 | NA                         | NA                              | NA                              | NA                              |  |
| 395                                   | Power Operated Equipment      | 253,942        | (42,419)                  | 211,523                         | 5.51%               | 93,183            | (2,967)               | 0                                 | 90,216            | 13,990         | (2,337)                        | 0                      | 11,653                | NA                       | NA                 | NA                         | NA                              | NA                              | NA                              |  |
| 396                                   | Communication Equipment       | 52,925         | 0                         | 52,925                          | 7.63%               | 36,599            | (2,018)               | 0                                 | 34,581            | 4,037          | 0                              | 0                      | 4,037                 | NA                       | NA                 | NA                         | NA                              | NA                              | NA                              |  |
| 397                                   | Miscellaneous Equipment       | 1,527          | (0)                       | 1,527                           | 0.00%               | 1,540             | 20,837                | 0                                 | 22,377            | 0              | 0                              | 0                      | 0                     | NA                       | NA                 | NA                         | NA                              | NA                              | NA                              |  |
| 106                                   | Undistributed Plant           | 0              | 173,869                   | 173,869                         | 0.00%               | 0                 | 0                     | 0                                 | 0                 | 0              | 0                              | 0                      | 0                     | NA                       | NA                 | NA                         | NA                              | NA                              | NA                              |  |
| <b>OTHER</b>                          |                               |                |                           |                                 |                     |                   |                       |                                   |                   |                |                                |                        |                       |                          |                    |                            |                                 |                                 |                                 |  |
| 103                                   | Future Use Plant              | 179,081        | 31,720                    | 210,801                         | 0.00%               | 0                 | 0                     | 0                                 | 0                 | 0              | 0                              | 0                      | 0                     | 100.00%                  | 100.00%            | 0                          | 210,801                         | 0                               | 0                               |  |
| 107                                   | Advanced Property             | 0              | 0                         | 0                               | 0.00%               | 0                 | 0                     | 0                                 | 0                 | 0              | 0                              | 0                      | 0                     | 100.00%                  | 100.00%            | 0                          | 0                               | 0                               | 0                               |  |
| <b>INTANGIBLE PLANT</b>               |                               |                |                           |                                 |                     |                   |                       |                                   |                   |                |                                |                        |                       |                          |                    |                            |                                 |                                 |                                 |  |
|                                       |                               | 130,200        | 0                         | 130,200                         |                     | 108,919           | (2,672)               | 0                                 | 106,247           | 5,344          | 0                              | 0                      | 5,344                 | 0.00%                    | NA                 | NA                         | 0                               | 0                               | 0                               |  |
| <b>COLLECTION PLANT</b>               |                               |                |                           |                                 |                     |                   |                       |                                   |                   |                |                                |                        |                       |                          |                    |                            |                                 |                                 |                                 |  |
|                                       |                               | 38,495,091     | (1,170,828)               | 37,324,263                      |                     | 13,137,171        | (477,130)             | 0                                 | 12,660,041        | 952,299        | (28,808)                       | 0                      | 923,491               | 60.86%                   | NA                 | NA                         | 22,717,259                      | 7,722,065                       | 562,305                         |  |
| <b>SYSTEM PUMPING PLANT</b>           |                               |                |                           |                                 |                     |                   |                       |                                   |                   |                |                                |                        |                       |                          |                    |                            |                                 |                                 |                                 |  |
|                                       |                               | 4,542,253      | (86,495)                  | 4,455,758                       |                     | 1,984,333         | (117,319)             | 0                                 | 1,867,014         | 236,652        | (4,770)                        | 0                      | 231,882               | 58.42%                   | NA                 | NA                         | 2,603,188                       | 1,143,875                       | 142,074                         |  |
| <b>TREATMENT &amp; DISPOSAL PLANT</b> |                               |                |                           |                                 |                     |                   |                       |                                   |                   |                |                                |                        |                       |                          |                    |                            |                                 |                                 |                                 |  |
|                                       |                               | 14,056,198     | (2,496,182)               | 11,034,461                      |                     | 2,810,218         | (256,150)             | 0                                 | 2,554,068         | 571,184        | (113,944)                      | 0                      | 457,240               | 46.60%                   | NA                 | NA                         | 5,141,905                       | 1,231,734                       | 215,929                         |  |
| <b>GENERAL PLANT</b>                  |                               |                |                           |                                 |                     |                   |                       |                                   |                   |                |                                |                        |                       |                          |                    |                            |                                 |                                 |                                 |  |
|                                       |                               | 2,128,200      | 3,295                     | 2,131,495                       |                     | 1,053,228         | (38,886)              | 0                                 | 1,014,362         | 151,387        | (13,678)                       | 0                      | 137,709               | 3.74%                    | NA                 | NA                         | 79,764                          | 29,726                          | 3,616                           |  |
| <b>OTHER PLANT</b>                    |                               |                |                           |                                 |                     |                   |                       |                                   |                   |                |                                |                        |                       |                          |                    |                            |                                 |                                 |                                 |  |
|                                       |                               | 179,081        | 31,720                    | 210,801                         |                     | 0                 | 0                     | 0                                 | 0                 | 0              | 0                              | 0                      | 0                     | 100.00%                  | 100.00%            | 0                          | 210,801                         | 0                               | 0                               |  |
| <b>TOTALS - WASTEWATER</b>            |                               |                |                           |                                 |                     |                   |                       |                                   |                   |                |                                |                        |                       |                          |                    |                            |                                 |                                 |                                 |  |
|                                       |                               | 59,531,023     | (3,718,488)               | 55,286,980                      |                     | 19,093,869        | (892,137)             | 0                                 | 18,201,732        | 1,916,866      | (161,200)                      | 0                      | 1,755,666             | 55.62%                   | NA                 | NA                         | 30,752,916                      | *****                           | 923,923                         |  |

| IMPUTATION OF CIAC ON MARGIN RESERVE               | Treatment Plant | Colection Plant | Total   | RATD OF NON-USED & USEFUL PLANT TO PLAN 1 | 55.62% |
|--|-----------------|-----------------|---------|---|--------|
| 1 Service Availability Charge (GCC or MEF)         | 334             | 1,266           | 1,600   |   |        |
| 2 ERCs included in MR (Note 1)                     | 1,138           | 774             |         |   |        |
| 3 SAC * ERCs in MR (Line 1*Line3)                  | 380,417         | 979,653         | 680,040 |   |        |
| Net plant included as a result of MR               |                 |                 |         |   |        |
| 4 Treat & Disposal Plant                           | 369,515         |                 |         |   |        |
| 5 Colection Plant                                  |                 | 367,843         |         |   |        |
| 6 System Pumping Plant                             |                 | 49,541          |         |   |        |
| Total Collection and Pumping                       |                 | 417,384         | 786,899 |   |        |
| 8 Amount of CIAC to impute (Lower of lines 3 or 4) |                 |                 | 680,040 |   |        |
| 9 Composite CIAC Amortization rate (Sch B-13 p2)   |                 |                 | 3.07%   |   |        |
| 10 Amortization Expense (CIAC * rate)              |                 |                 | 20,877  |   |        |
| 11 Accum Amort (50% of amortization)               |                 |                 | 10,439  |   |        |

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RECONSID.WK3

1. Water Distribution Mains

Investment in Distribution Mains: \$18,096,693

|   | <u>Commission<br/>Approved</u> | <u>PCUC<br/>Reconsideration</u> | <u>Staff<br/>Recommended</u> |
|---|--------------------------------|---------------------------------|------------------------------|
| Number of Connections (Residential)                         | 10,415                         | 10,155                          | 10,155                       |
| Number of Connections (General<br>Service and Multi-family) | 0                              | 377                             | 0                            |
| Number of Connections (Beachside)                           | 0                              | 0                               | 0                            |
| Margin Reserve  | 767                            | 767                             | 767                          |
| Total   | 11,182                         | 11,299                          | 10,922                       |
| Used and Useful Percentage<br>(Divide total by 46,764)      | 23.91%                         | 24.16%                          | 23.36%                       |
| Used and Useful Investment                                  | \$4,327,201                    | \$4,372,477                     | \$4,226,586                  |
| Difference  |                                |                                 | (\$100,615)                  |

2. Water Transmission Mains

Investment in Transmission Mains: \$7,799,367

|   | <u>Commission<br/>Approved</u> | <u>PCUC<br/>Reconsideration</u> | <u>Staff<br/>Recommended</u> |
|---|--------------------------------|---------------------------------|------------------------------|
| Number of Connections (Residential)                         | 10,415                         | 10,155                          | 10,155                       |
| Number of Connections (General<br>Service and Multi-family) | 0                              | 377                             | 377                          |
| Number of Connections (Beachside)                           | 0                              | 877                             | 877                          |
| Margin Reserve  | 767                            | 767                             | 767                          |
| Total   | 11,182                         | 12,176                          | 12,176                       |
| Used and Useful Percentage<br>(Divide total by 34,651)      | 32.27%                         | 35.14%                          | 35.14%                       |
| Used and Useful Investment                                  | \$2,516,883                    | \$2,740,616                     | \$2,740,616                  |
| Difference  |                                |                                 | \$223,733                    |

3. Water Services

|   |                                |                                 |                              |
|---|--------------------------------|---------------------------------|------------------------------|
| Investment in Water Services:                               | \$1,035,265                    |                                 |                              |
|   | <u>Commission<br/>Approved</u> | <u>PCUC<br/>Reconsideration</u> | <u>Staff<br/>Recommended</u> |
| Number of Connections (Residential)                         | 10,415                         | 10,155                          | 10,155                       |
| Number of Connections (General<br>Service and Multi-family) | 0                              | 377                             | 377                          |
| Number of Connections (Beachside)                           | 0                              | 877                             | 0                            |
| Margin Reserve  | 767                            | 767                             | 767                          |
| Total   | 11,182                         | 12,176                          | 11,299                       |
| Used and Useful Percentage<br>(Divide total by 15,172)      | 73.70%                         | 80.25%                          | 74.47%                       |
| Used and Useful Investment                                  | \$763,006                      | \$830,832                       | \$770,990                    |
| Difference  |                                |                                 | \$7,984                      |

4. Wastewater Gravity Mains

|   |                                |                                 |                              |
|---|--------------------------------|---------------------------------|------------------------------|
| Investment in Gravity Mains:                                | \$22,727,333                   |                                 |                              |
|   | <u>Commission<br/>Approved</u> | <u>PCUC<br/>Reconsideration</u> | <u>Staff<br/>Recommended</u> |
| Number of Connections (Residential)                         | 8,175                          | 8,591                           | 8,591                        |
| Number of Connections (General<br>Service and Multi-family) | 0                              | 334                             | 0                            |
| Number of Connections (Beachside)                           | 0                              | 0                               | 0                            |
| Margin Reserve  | 418                            | 418                             | 418                          |
| Total   | 8,593                          | 9,343                           | 9,009                        |
| Used and Useful Percentage<br>(Divide total by 25,062)      | 34.29%                         | 37.28%                          | 35.95%                       |
| Used and Useful Investment                                  | \$7,793,202                    | \$8,472,750                     | \$8,170,476                  |
| Difference  |                                |                                 | \$377,274                    |

| Reallocation of Acct. 361.2 |              |              | With Margin Reserve |                                    | Without Margin Reserve |                                      |
|-----------------------------|--------------|--------------|---------------------|------------------------------------|------------------------|--------------------------------------|
|                             | Year-End     | 13-month avg | U&U %               | U&U \$                             | U&U %                  | U&U \$                               |
| Gravity Mains               | \$22,940,448 | \$22,184,181 | 35.95%              | \$7,975,213                        | 34.28%                 | \$7,604,737                          |
| Force Mains                 | \$4,570,541  | \$4,419,866  | 69.99%              | \$3,093,464                        | 69.07%                 | \$3,052,802                          |
| PEP Tanks                   | \$2,119,907  | \$2,050,021  | 100.00%             | \$2,050,021                        | 100.00%                | \$2,050,021                          |
| PEP Mains                   | \$5,862,547  | \$5,669,279  | 7.66%               | \$434,267                          | 5.99%                  | \$339,590                            |
|                             |              | \$34,323,348 |                     | \$13,552,965                       |                        | \$13,047,150                         |
|                             | \$35,493,443 | \$34,323,348 |                     | Non U&U \$ (w/MR)<br>\$20,770,383  |                        | Non U&U \$ (w/o MR)<br>\$21,276,198  |
|                             |              |              |                     | Composite U&U (w/MR)<br>39.49%     |                        | Composite U&U (w/o MR)<br>38.01%     |
|                             |              |              |                     | Composite non-U&U (w/MR)<br>60.51% |                        | Composite non-U&U (w/o MR)<br>61.99% |

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PALM COAST UTILITY CORPORATION  
 COUNTY: FLAGLER  
 DOCKET NO: 951056-WS  
 TEST YEAR: YEAR ENDING: DECEMBER 31, 1996

BASE FACILITY CHARGE AND GALLONAGE COMPONENT COST  
 (CLASS A, B OR C WATER UTILITY)

|                  |         |
|------------------|---------|
| FACTORED ERC'S   | 173,016 |
| FACTORED GALLONS | 689,919 |
| NO. OF BILLS     | 159,422 |

BASE FACILITY CHARGE  
 COMPONENT CONSTRUCTION  
 -WATER-

|   | PERCENT ASSIGNMENT |                      | FACTORED ERC'S   |                    | FACTORED GALLONS |                  |               |
|---|--------------------|----------------------|------------------|--------------------|------------------|------------------|---------------|
|   | TEST YEAR (Staff)  | BASE FACILITY CHARGE | GALLONAGE CHARGE | BASE FACILITY COST | CHARGE           | GALLONAGE COST   | CHARGE        |
| (601.0) Salaries and Wages - Employees                    | 716,162            | 50%                  | 50%              | 358,081            | 2,0696           | 358,081          | 0.4024        |
| (603.0) Salaries and Wages - Officers                     | 0                  | 0%                   | 100%             | 0                  | 0.0000           | 0                | 0.0000        |
| (604.0) Employee Pensions and Benefits                    | 221,843            | 50%                  | 50%              | 110,922            | 0.8411           | 110,922          | 0.1248        |
| (610.0) Purchased Water                                   | 0                  | 0%                   | 100%             | 0                  | 0.0000           | 0                | 0.0000        |
| (615.0) Purchased Power                                   | 228,310            | 0%                   | 100%             | 0                  | 0.0000           | 228,310          | 0.2566        |
| (618.0) Chemicals   | 157,218            | 0%                   | 100%             | 0                  | 0.0000           | 157,218          | 0.1767        |
| (620.0) Materials and Supplies                            | 421,268            | 50%                  | 50%              | 210,634            | 1.2174           | 210,634          | 0.2367        |
| (63X.0) Contractual Services                              | 75,395             | 100%                 | 0%               | 75,395             | 0.4358           | 0                | 0.0000        |
| (641.0) Rental of Building/Real Property                  | 0                  | 100%                 | 0%               | 0                  | 0.0000           | 0                | 0.0000        |
| (642.0) Rental of Equipment                               | 0                  | 100%                 | 0%               | 0                  | 0.0000           | 0                | 0.0000        |
| (650.0) Transportation Expense                            | 45,463             | 50%                  | 50%              | 22,727             | 0.1314           | 22,727           | 0.0255        |
| (659.0) Insurance   | 21,211             | 100%                 | 0%               | 21,211             | 0.1226           | 0                | 0.0000        |
| (667.0) Regulatory Commission Expense                     | 18,086             | 100%                 | 0%               | 18,086             | 0.1045           | 0                | 0.0000        |
| (675.0) Miscellaneous Expense                             | 0                  | 0%                   | 50%              | 0                  | 0.0000           | 0                | 0.0000        |
| <b>Total Expenses Required to Have Service Available:</b> | <b>1,904,946</b>   |                      |                  | <b>817,055</b>     | <b>4.7224</b>    | <b>1,087,891</b> | <b>1.2225</b> |

Cost of providing service, including customer accounts:  
 (690) Services (net)

|  |                  |      |      |                 |                 |                  |                 |
|--|------------------|------|------|-----------------|-----------------|------------------|-----------------|
|  | (214,917)        | 42%  | 58%  | (90,265)        | (0.5662)        | (124,652)        | (0.1401)        |
|  | 0                | 75%  | 25%  | 0               | 0.0000          | 0                | 0.0000          |
|  | 0                | 75%  | 25%  | 0               | 0.0000          | 0                | 0.0000          |
|  | 0                | 0%   | 100% | 0               | 0.0000          | 0                | 0.0000          |
|  | 0                | 50%  | 50%  | 0               | 0.0000          | 0                | 0.0000          |
|  | 0                | 75%  | 25%  | 0               | 0.0000          | 0                | 0.0000          |
|  | 0                | 100% | 0%   | 0               | 0.0000          | 0                | 0.0000          |
|  | 0                | 100% | 0%   | 0               | 0.0000          | 0                | 0.0000          |
|  | 0                | 75%  | 25%  | 0               | 0.0000          | 0                | 0.0000          |
|  | 0                | 100% | 0%   | 0               | 0.0000          | 0                | 0.0000          |
|  | 0                | 100% | 0%   | 0               | 0.0000          | 0                | 0.0000          |
|  | 0                | 50%  | 50%  | 0               | 0.0000          | 0                | 0.0000          |
|  | 0                | 50%  | 50%  | 0               | 0.0000          | 0                | 0.0000          |
| <b>Total Cost of providing service, including customer accounts:</b> | <b>(214,917)</b> |      |      | <b>(90,265)</b> | <b>(0.5662)</b> | <b>(124,652)</b> | <b>(0.1401)</b> |

Administrative  
 Administration

|  |                  |      |      |                |               |                |               |
|--|------------------|------|------|----------------|---------------|----------------|---------------|
|  | 1,070,158        | 42%  | 58%  | 449,466        | 2.5978        | 620,692        | 0.6975        |
|  | 0                | 75%  | 25%  | 0              | 0.0000        | 0              | 0.0000        |
|  | 0                | 75%  | 25%  | 0              | 0.0000        | 0              | 0.0000        |
|  | 0                | 0%   | 100% | 0              | 0.0000        | 0              | 0.0000        |
|  | 0                | 50%  | 50%  | 0              | 0.0000        | 0              | 0.0000        |
|  | 0                | 75%  | 25%  | 0              | 0.0000        | 0              | 0.0000        |
|  | 0                | 100% | 0%   | 0              | 0.0000        | 0              | 0.0000        |
|  | 0                | 100% | 0%   | 0              | 0.0000        | 0              | 0.0000        |
|  | 0                | 75%  | 25%  | 0              | 0.0000        | 0              | 0.0000        |
|  | 0                | 100% | 0%   | 0              | 0.0000        | 0              | 0.0000        |
|  | 0                | 100% | 0%   | 0              | 0.0000        | 0              | 0.0000        |
|  | 0                | 100% | 0%   | 0              | 0.0000        | 0              | 0.0000        |
|  | 0                | 50%  | 50%  | 0              | 0.0000        | 0              | 0.0000        |
|  | 0                | 50%  | 50%  | 0              | 0.0000        | 0              | 0.0000        |
|  | <b>1,070,158</b> |      |      | <b>449,466</b> | <b>2.5978</b> | <b>620,692</b> | <b>0.6975</b> |

Depreciation and Amortization:

|   |                |      |    |                |               |          |               |
|---|----------------|------|----|----------------|---------------|----------|---------------|
| (403.0) Depreciation                        | 817,310        | 100% | 0% | 817,310        | 4.7239        | 0        | 0.0000        |
| (407.0) Amortization (negative)             | (82,781)       | 100% | 0% | (82,781)       | (0.4785)      | 0        | 0.0000        |
| <b>Total Depreciation and Amortization:</b> | <b>734,529</b> |      |    | <b>734,529</b> | <b>4.2455</b> | <b>0</b> | <b>0.0000</b> |

Taxes Other Than Income Taxes:

|   |                |      |     |                |               |                |               |
|---|----------------|------|-----|----------------|---------------|----------------|---------------|
| (408.10) Regulatory Assessment Fees         | 241,792        | 40%  | 60% | 96,717         | 0.5590        | 145,075        | 0.1630        |
| (408.11) Property taxes                     | 163,258        | 100% | 0%  | 163,258        | 0.9436        | 0              | 0.0000        |
| (408.12) Payroll Taxes                      | 115,491        | 47%  | 53% | 54,666         | 0.3160        | 60,825         | 0.0683        |
| (408.13) Other Taxes and Licenses           | 5,459          | 50%  | 50% | 2,730          | 0.0158        | 2,730          | 0.0031        |
| <b>Total Taxes Other Than Income Taxes:</b> | <b>526,000</b> |      |     | <b>317,370</b> | <b>1.8343</b> | <b>208,630</b> | <b>0.2344</b> |

INCOME TAXES:

|  |                |    |      |          |               |                |               |
|--|----------------|----|------|----------|---------------|----------------|---------------|
| (409.0) Federal, State, and Local Income Taxes | 265,817        | 0% | 100% | 0        | 0.0000        | 265,817        | 0.2987        |
| <b>TOTAL INCOME TAXES</b>                      | <b>265,817</b> |    |      | <b>0</b> | <b>0.0000</b> | <b>265,817</b> | <b>0.2987</b> |

RETURN ON INVESTMENT

|  |           |    |      |   |        |           |        |
|--|-----------|----|------|---|--------|-----------|--------|
|  | 1,086,625 | 0% | 100% | 0 | 0.0000 | 1,086,625 | 1.2210 |
|--|-----------|----|------|---|--------|-----------|--------|

TOTAL REVENUE REQUIREMENT

|  |           |  |  |           |         |           |        |
|--|-----------|--|--|-----------|---------|-----------|--------|
|  | 5,373,161 |  |  | 2,228,155 | 12.8339 | 3,145,006 | 3.5340 |
|--|-----------|--|--|-----------|---------|-----------|--------|

LESS: MISCELLANEOUS REVENUES

|  |                  |      |     |                  |              |                  |             |
|--|------------------|------|-----|------------------|--------------|------------------|-------------|
| (42,469)                               | (42,469)         | 100% | 0%  | (42,469)         | (0.2455)     | 0                | 0.0000      |
| (54,199)                               | (54,199)         | 4%   | 96% | (2,337)          | (0.0135)     | (51,861)         | (0.0583)    |
| <b>TOTAL REVENUES FOR RATE SETTING</b> | <b>5,276,493</b> |      |     | <b>2,183,349</b> | <b>12.57</b> | <b>3,093,144</b> | <b>3.48</b> |

BASE FACILITY CHARGE  
 GALLONAGE CHARGE

Hammock Dunes Bulk Revenues

|         |          |       |           |            |
|---------|----------|-------|-----------|------------|
| BFC     | \$194.79 | 12    | 2337.4977 | 0.04312825 |
| Gallons | \$1.00   | 51611 | 51861.262 | 0.95687175 |
|         |          |       | 54198.759 |            |

PALM COAST UTILITY CORPORATION  
 DOCKET NO: 951056 - W3  
 TEST YEAR: YEAR ENDING: DECEMBER 31, 1995

\*\*\* WATER \*\*\*\*

| RESIDENTIAL     | NUMBER BILLS | GALLONS (000's) | PRESENT RATE | REVENUE | INTERIM RATE | REVENUE | REQUESTED RATE | REVENUE | RECOMMENDED RATE | REVENUE     | pres. rate % of tl revs | recom rate % of tl revs |
|-----------------|--------------|-----------------|--------------|---------|--------------|---------|----------------|---------|------------------|-------------|-------------------------|-------------------------|
| 5/8 x 3/4" GAL. | 132,376      | 580,616         | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00         | \$0     | \$12.57          | \$1,664,614 | ERR                     | 39%                     |
| 3/4" GAL.       | 0            | 0               | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00         | \$0     | \$3.48           | \$2,018,082 | ERR                     | 47%                     |
| 1" GAL.         | 0            | 0               | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00         | \$0     | \$18.86          | \$0         |                         |                         |
| 1-1/2" GAL.     | 0            | 0               | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00         | \$0     | \$3.48           | \$0         | ERR                     | 86%                     |
| 2" GAL.         | 0            | 0               | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00         | \$0     | \$31.44          | \$0         |                         |                         |
| 3" GAL.         | 0            | 0               | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00         | \$0     | \$3.48           | \$0         |                         |                         |
| 4" GAL.         | 0            | 0               | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00         | \$0     | \$62.87          | \$0         |                         |                         |
| 6" GAL.         | 0            | 0               | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00         | \$0     | \$3.48           | \$0         |                         |                         |
| 8" GAL.         | 0            | 0               | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00         | \$0     | \$100.60         | \$0         |                         |                         |
| 9" GAL.         | 0            | 0               | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00         | \$0     | \$3.48           | \$0         |                         |                         |
| TOTAL RES.      | 132,376      | 580,616         |              | \$0     |              | \$0     |                | \$0     |                  | \$3,682,696 |                         |                         |

| GENL. SERV.     | NO. BILLS | NO. GALS. | PRESENT RATE | REVENUE | INTERIM RATE | REVENUE | PROPOSED RATE | REVENUE | RECOMMENDED RATE | REVENUE   | present rates | staff recom | util proposed |
|-----------------|-----------|-----------|--------------|---------|--------------|---------|---------------|---------|------------------|-----------|---------------|-------------|---------------|
| 5/8 x 3/4" GAL. | 3,118     | 20,222    | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$12.57          | \$39,221  |               |             |               |
| 3/4" GAL.       | 0         | 0         | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$3.48           | \$70,287  |               |             |               |
| 1" GAL.         | 720       | 0         | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$18.86          | \$0       |               |             |               |
| 1-1/2" GAL.     | 99        | 19,161    | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$3.48           | \$0       | ERR           | 0.60%       | ERR           |
| 2" GAL.         | 424       | 24,229    | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$62.87          | \$6,225   | ERR           | 1.00%       | ERR           |
| 3" GAL.         | 118       | 40,416    | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$3.48           | \$84,214  | ERR           | 1.60%       | ERR           |
| 4" GAL.         | 36        | 12,372    | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$100.60         | \$42,654  |               |             |               |
| 6" GAL.         | 0         | 20,685    | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$3.48           | \$140,476 |               |             |               |
| 8" GAL.         | 0         | 0         | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$220.06         | \$25,967  |               |             |               |
| 9" GAL.         | 0         | 0         | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$3.48           | \$43,002  |               |             |               |
| TOTAL GS.       | 4,516     | 137,085   |              | \$0     |              | \$0     |               | \$0     |                  | \$624,494 |               |             |               |

|               |         |         |        |             |
|---------------|---------|---------|--------|-------------|
| AV. FES. BILL | \$0.00  | \$0.00  | \$0.00 | \$27.82     |
| AV. GS. BILL  | \$0.00  | \$0.00  | \$0.00 | \$138.28    |
| GRAND TOTAL   | 136,892 | 717,701 | \$0    | \$4,307,190 |

| PVT. FIRE  | NO. BILLS | PRESENT RATE | REVENUE | INTERIM RATE | REVENUE | PROPOSED RATE | REVENUE | RECOMMENDED RATE | REVENUE  |
|------------|-----------|--------------|---------|--------------|---------|---------------|---------|------------------|----------|
| 2"         | 0         | N/A          | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$6.38           | \$0      |
| 3"         | 0         | N/A          | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$16.77          | \$0      |
| 4"         | 48        | N/A          | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$26.20          | \$1,257  |
| 6"         | 312       | N/A          | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$52.40          | \$16,347 |
| 8"         | 228       | N/A          | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$83.83          | \$19,114 |
| 10"        | 36        | N/A          | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$120.51         | \$4,338  |
| 12"        | 0         | N/A          | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$225.30         | \$0      |
| TOTAL PFPs | 624       | N/A          | \$0     |              | \$0     |               | \$0     |                  | \$41,057 |

| OTHER           | NO. BILLS | NO. GALS. | PRESENT RATE | REVENUE | PRESENT RATE | REVENUE | PROPOSED RATE | REVENUE | RECOMMENDED RATE | REVENUE   |
|-----------------|-----------|-----------|--------------|---------|--------------|---------|---------------|---------|------------------|-----------|
| 5/8 x 3/4" GAL. | 20,837    | 113,228   | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$12.57          | \$262,017 |
| 3/4" GAL.       | 0         | 0         | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$3.48           | \$393,553 |
| 1" GAL.         | 560       | 0         | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$18.86          | \$0       |
| 1-1/2" GAL.     | 93        | 18,437    | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$3.48           | \$0       |
| 2" GAL.         | 404       | 4,668     | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$31.44          | \$17,605  |
| 3" GAL.         | 12        | 31,347    | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$3.48           | \$64,083  |
| 4" GAL.         | 0         | 4,538     | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$62.87          | \$5,847   |
| 6" GAL.         | 0         | 0         | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$3.48           | \$16,225  |
| 8" GAL.         | 0         | 0         | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$100.60         | \$40,642  |
| 9" GAL.         | 0         | 0         | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$3.48           | \$108,955 |
| TOTAL OTHER     | 21,906    | 172,218   |              | \$0     |              | \$0     |               | \$0     |                  | \$927,114 |

|                    |         |         |        |             |
|--------------------|---------|---------|--------|-------------|
| AV. OTHER BILL     | \$0.00  | \$0.00  | \$0.00 | \$42.32     |
| ALL TOTAL          | 159,422 | 889,919 | \$0    | \$5,275,360 |
| gals. sold per F-1 |         | 0       | \$0    | \$0         |
| ERC EXPANSION      | ERR     | ERR     | ERR    | ERR         |

REVENUE COMPARISON  
 -----  
 \$5,373,161  
 \$97,801  
 2%

SINGLE FAMILY 1.0 ERC/UNIT  
 MULTI-FAMILY 0.8 ERC/UNIT  
 MOBILE HOME 0.8 ERC/UNIT

diff due to rate inc. not reflected in mtrs

| METER SIZE   | ERC   | BILLS   | EXP. ERC'S | FACTORED BFC |
|--------------|-------|---------|------------|--------------|
| 5/8"x3/4"    | 1.0   | 156,332 | 156,332    | \$12.57      |
| 3/4"         | 1.5   | 0       | 0          | \$18.86      |
| 1"           | 2.5   | 1,280   | 3,200      | \$31.44      |
| 1-1/2"       | 5.0   | 192     | 960        | \$62.87      |
| 2"           | 8.0   | 828     | 6,624      | \$100.60     |
| 3" COMPOUND  | 16.0  | 130     | 2,080      | \$201.20     |
| 3" TURBINE   | 17.5  | 0       | 0          | \$220.06     |
| 4" COMPOUND  | 25.0  | 40      | 1,000      | \$314.37     |
| 4" TURBINE   | 30.0  | 0       | 0          | \$377.25     |
| 6" COMPOUND  | 50.0  | 26      | 1,300      | \$628.74     |
| 6" TURBINE   | 62.5  | 0       | 0          | \$785.93     |
| 8" COMPOUND  | 80.0  | 19      | 1,520      | \$1,005.99   |
| 8" TURBINE   | 90.0  | 0       | 0          | \$1,131.74   |
| 10" COMPOUND | 115.0 | 0       | 0          | \$1,446.11   |
| 10" TURBINE  | 145.0 | 0       | 0          | \$1,823.36   |
| 12" TURBINE  | 215.0 | 0       | 0          | \$2,703.60   |
| TOTAL        |       | 158,847 | 173,016    |              |

| RESIDENTIAL BILL SCHEDULE | GALLONS | PRESENT | INTERIM | PROPOSED | RECOMMENDED |
|---------------------------|---------|---------|---------|----------|-------------|
|                           | 3,000   | \$0.00  | \$0.00  | \$0.00   | \$23.00 ERR |
|                           | 5,000   | \$0.00  | \$0.00  | \$0.00   | \$29.95 ERR |
|                           | 10,000  | \$0.00  | \$0.00  | \$0.00   | \$47.33 ERR |



A:A107.G133

**PALM COAST UTILITY CORPORATION**

**ERR**

**COUNTY: FLAGLER  
DOCKET NO: 951056-WS**

FACTORED BASE FACILITY CHARGE

MONTHLY

BI-MONTHLY

|                      |            |            |
|----------------------|------------|------------|
| 5/8" X 3/4"          | \$12.57    | \$25.15    |
| 3/4"                 | \$18.86    | \$37.72    |
| 1"                   | \$31.44    | \$62.87    |
| 1 1/2"               | \$62.87    | \$125.75   |
| 2"                   | \$100.60   | \$201.20   |
| 3"                   | \$201.20   | \$402.40   |
| 4"                   | \$314.37   | \$628.74   |
| 6"                   | \$628.74   | \$1,257.49 |
| 8"                   | \$1,005.99 | \$2,011.98 |
| <br>GALLONAGE CHARGE | <br>\$3.48 | <br>\$3.48 |

RESIDENTIAL BILLS

5/8" X 3/4"

|                |    |       |
|----------------|----|-------|
| 3,000 gallons  | \$ | 23.01 |
| 5,000 gallons  | \$ | 29.97 |
| 10,000 gallons | \$ | 47.37 |

**1635**

951056S2.WK3

1636

31

PALM COAST UTILITY CORPORATION  
 COUNTY: FLAGLER  
 DOCKET NO: 951056-WS  
 TEST YEAR: YEAR ENDING: DECEMBER 31, 1996

BASE FACILITY CHARGE AND GALLONAGE  
 (CLASS A, B OR C SEWER UTILITY)

Enter Cap 0 t gallons  
 COMPONENT COST FACTORED ERC'S 128,014  
 FACTORED GALLONS 577,068  
 NO. OF BILLS (monthly) 122,468

| BASE FACILITY CHARGE<br>COMPONENT CONSTRUCTION<br>-SEWER-            | TEST YEAR<br>(Staff) | BASE<br>FACILITY<br>CHARGE | GALLONAGE<br>CHARGE | BASE FACILITY CHARGE |                | GALLONAGE CHARGE   |                |
|--|----------------------|----------------------------|---------------------|----------------------|----------------|--------------------|----------------|
|  |                      |                            |                     | COST                 | CHARGE         | COST               | CHARGE         |
| <b>Expenses Required to Have the Service Available:</b>              |                      |                            |                     |                      |                |                    |                |
| (701.0) Salaries and Wages - Employees                               | 514,580              | 50%                        | 50%                 | 257,290              | 2.0099         | 257,290            | 0.4459         |
| (703.0) Salaries and Wages - Officers                                | 0                    | 75%                        | 25%                 | 0                    | 0.0000         | 0                  | 0.0000         |
| (704.0) Employee Pensions and Benefits                               | 165,423              | 50%                        | 50%                 | 82,712               | 0.6461         | 82,712             | 0.1433         |
| (710.0) Purchased Sewage Treatment                                   | 0                    | 0%                         | 100%                | 0                    | 0.0000         | 0                  | 0.0000         |
| (711.0) Sludge Removal Expense                                       | 113,703              | 0%                         | 100%                | 0                    | 0.0000         | 113,703            | 0.1970         |
| (715.0) Purchased Power  | 162,245              | 0%                         | 100%                | 0                    | 0.0000         | 162,245            | 0.2812         |
| (718.0) Chemicals  | 31,942               | 0%                         | 100%                | 0                    | 0.0000         | 31,942             | 0.0554         |
| (720.0) Materials and Supplies                                       | 200,539              | 50%                        | 50%                 | 100,270              | 0.7833         | 100,270            | 0.1738         |
| (73X.0) Contractual Services   | 74,122               | 100%                       | 0%                  | 74,122               | 0.5790         | 0                  | 0.0000         |
| (741.0) Rental of Building/Real Property                             | 0                    | 100%                       | 0%                  | 0                    | 0.0000         | 0                  | 0.0000         |
| (742.0) Rental of Equipment  | 0                    | 100%                       | 0%                  | 0                    | 0.0000         | 0                  | 0.0000         |
| (750.0) Transportation Expense                                       | 66,394               | 50%                        | 50%                 | 33,197               | 0.2593         | 33,197             | 0.0575         |
| (759.0) Insurance  | 12,784               | 100%                       | 0%                  | 12,784               | 0.0999         | 0                  | 0.0000         |
| (767.0) Regulatory Commission Expense                                | 7,814                | 50%                        | 50%                 | 3,907                | 0.0305         | 3,907              | 0.0068         |
| (775.0) Miscellaneous Expense  | 0                    | 50%                        | 50%                 | 0                    | 0.0000         | 0                  | 0.0000         |
| <b>Total Expenses Required to Have the Service Available:</b>        | <b>1,349,546</b>     |                            |                     | <b>584,281</b>       | <b>4.4080</b>  | <b>785,265</b>     | <b>1.3608</b>  |
| <b>Cost of providing service, including customer accounts:</b>       |                      |                            |                     |                      |                |                    |                |
| (690) Services (net)   | (138,900)            | 41%                        | 59%                 | (56,949)             | (0.4449)       | (81,951)           | (0.1420)       |
| (703.7) Salaries and Wages - Officers                                | 0                    | 75%                        | 25%                 | 0                    | 0.0000         | 0                  | 0.0000         |
| (704.7) Employee Pensions and Benefits                               | 0                    | 75%                        | 25%                 | 0                    | 0.0000         | 0                  | 0.0000         |
| (715.7) Purchased Power  | 0                    | 0%                         | 100%                | 0                    | 0.0000         | 0                  | 0.0000         |
| (720.7) Materials and Supplies                                       | 0                    | 50%                        | 50%                 | 0                    | 0.0000         | 0                  | 0.0000         |
| (73X.7) Contractual Services   | 0                    | 75%                        | 25%                 | 0                    | 0.0000         | 0                  | 0.0000         |
| (741.7) Rental of Building/Real Property                             | 0                    | 100%                       | 0%                  | 0                    | 0.0000         | 0                  | 0.0000         |
| (742.7) Rental of Equipment  | 0                    | 100%                       | 0%                  | 0                    | 0.0000         | 0                  | 0.0000         |
| (750.7) Transportation Expense                                       | 0                    | 75%                        | 25%                 | 0                    | 0.0000         | 0                  | 0.0000         |
| (759.7) Insurance  | 0                    | 100%                       | 0%                  | 0                    | 0.0000         | 0                  | 0.0000         |
| (767.7) Regulatory Commission Expense                                | 0                    | 100%                       | 0%                  | 0                    | 0.0000         | 0                  | 0.0000         |
| (770.7) Bad Debt Expense   | 0                    | 50%                        | 50%                 | 0                    | 0.0000         | 0                  | 0.0000         |
| (775.7) Miscellaneous Expense  | 0                    | 0%                         | 100%                | 0                    | 0.0000         | 0                  | 0.0000         |
| <b>Total Cost of providing service, including customer accounts:</b> | <b>(138,900)</b>     |                            |                     | <b>(56,949)</b>      | <b>-0.4449</b> | <b>(81,951)</b>    | <b>-0.1420</b> |
| <b>Administrative and General Expenses:</b>                          |                      |                            |                     |                      |                |                    |                |
| (701.8) Salaries and Wages - Employees                               | 0                    | 75%                        | 25%                 | 0                    | 0.0000         | 0                  | 0.0000         |
| (703.8) Salaries and Wages - Officers                                | 0                    | 75%                        | 25%                 | 0                    | 0.0000         | 0                  | 0.0000         |
| (704.8) Employee Pensions and Benefits                               | 0                    | 75%                        | 25%                 | 0                    | 0.0000         | 0                  | 0.0000         |
| (715.8) Purchased Power  | 0                    | 0%                         | 100%                | 0                    | 0.0000         | 0                  | 0.0000         |
| (720.8) Materials and Supplies                                       | 0                    | 50%                        | 50%                 | 0                    | 0.0000         | 0                  | 0.0000         |
| (73X.8) Contractual Services   | 0                    | 75%                        | 25%                 | 0                    | 0.0000         | 0                  | 0.0000         |
| (741.8) Rental of Building/Real Property                             | 0                    | 100%                       | 0%                  | 0                    | 0.0000         | 0                  | 0.0000         |
| (742.8) Rental of Equipment  | 0                    | 100%                       | 0%                  | 0                    | 0.0000         | 0                  | 0.0000         |
| (750.8) Transportation Expense                                       | 0                    | 75%                        | 25%                 | 0                    | 0.0000         | 0                  | 0.0000         |
| (759.8) Insurance  | 0                    | 100%                       | 0%                  | 0                    | 0.0000         | 0                  | 0.0000         |
| (760.7) Advertising  | 0                    | 100%                       | 0%                  | 0                    | 0.0000         | 0                  | 0.0000         |
| (767.8) Regulatory Commission Expense                                | 0                    | 100%                       | 0%                  | 0                    | 0.0000         | 0                  | 0.0000         |
| (775.8) Miscellaneous Expense  | 703,974              | 41%                        | 59%                 | 288,629              | 2.2547         | 415,345            | 0.7197         |
| <b>Total Administrative and General Expenses:</b>                    | <b>703,974</b>       |                            |                     | <b>288,629</b>       | <b>2.2547</b>  | <b>415,345</b>     | <b>0.7197</b>  |
| <b>Depreciation and Amortization:</b>                                |                      |                            |                     |                      |                |                    |                |
| (403.0) Depreciation   | 439,807              | 100%                       | 0%                  | 439,807              | 3.4356         | 0                  | 0.0000         |
| (407.0) Amortization   | (57,525)             | 100%                       | 0%                  | (57,525)             | (0.4494)       | 0                  | 0.0000         |
| <b>Total Depreciation and Amortization:</b>                          | <b>382,282</b>       |                            |                     | <b>382,282</b>       | <b>2.9863</b>  | <b>0</b>           | <b>0.0000</b>  |
| <b>Taxes Other Than Income Taxes:</b>                                |                      |                            |                     |                      |                |                    |                |
| (408.10) Regulatory Assessment Fees                                  | 143,393              | 40%                        | 60%                 | 57,357               | 0.4481         | 86,036             | 0.1491         |
| (408.11) Property Taxes  | 93,189               | 100%                       | 0%                  | 93,189               | 0.7280         | 0                  | 0.0000         |
| (408.12) Payroll Taxes   | 77,706               | 100%                       | 0%                  | 77,706               | 0.6070         | 0                  | 0.0000         |
| (408.13) Other Taxes and Licenses                                    | 3,424                | 100%                       | 0%                  | 3,424                | 0.0267         | 0                  | 0.0000         |
| <b>Total Taxes Other Than Income Taxes:</b>                          | <b>317,712</b>       |                            |                     | <b>231,676</b>       | <b>1.8098</b>  | <b>86,036</b>      | <b>0.1491</b>  |
| <b>INCOME TAXES:</b>   |                      |                            |                     |                      |                |                    |                |
| (409.0) Federal, State, and Local Income Taxes                       | 112,403              | 0%                         | 100%                | 0                    | 0.0000         | 112,403            | 0.1948         |
| <b>TOTAL INCOME TAXES</b>  | <b>112,403</b>       |                            |                     | <b>0</b>             | <b>0.0000</b>  | <b>112,403</b>     | <b>0.1948</b>  |
| <b>RETURN ON INVESTMENT</b>  | <b>459,492</b>       | <b>0%</b>                  | <b>100%</b>         | <b>0</b>             | <b>0.0000</b>  | <b>459,492</b>     | <b>0.7963</b>  |
| <b>TOTAL REVENUE REQUIREMENT</b>                                     | <b>3,186,509</b>     |                            |                     | <b>1,409,920</b>     | <b>11.01</b>   | <b>1,776,589</b>   | <b>3.08</b>    |
| <b>LESS: MISCELLANEOUS REVENUES</b>                                  |                      |                            |                     |                      |                |                    |                |
| REUSE REVENUES   | (59,023)             | 100%                       | 0%                  | (59,023)             | (0.4611)       | 0                  | 0.0000         |
|  | (25,550)             | 0%                         | 100%                | 0                    | 0.0000         | (25,550)           | -0.0443        |
|  | <b>(84,573)</b>      |                            |                     | <b>(59,023)</b>      | <b>-0.4611</b> | <b>(25,550)</b>    | <b>-0.0443</b> |
| <b>TOTAL REVENUES FOR RATE SETTING</b>                               | <b>\$3,101,936</b>   |                            |                     | <b>\$1,350,897</b>   | <b>10.5527</b> | <b>\$1,751,039</b> | <b>3.0344</b>  |

BASE FACILITY CHARGE      GALLONAGE CHARGE

**PALM COAST UTILITY CORPORATION**  
**DOCKET NO: 951056-WS**  
**TEST YEAR: YEAR ENDING: DECEMBER 31, 1995**

FACTORED BASE FACILITY CHARGE

|             | <u>MONTHLY</u> | <u>BI-MONTHLY<br/>IF APPLICABLE</u> |
|-------------|----------------|-------------------------------------|
| 5/8" X 3/4" | \$ 10.55       | 21.11                               |
| 3/4"        | \$ 15.83       | 31.66                               |
| 1"          | \$ 26.38       | 52.76                               |
| 1 1/2"      | \$ 52.76       | 105.53                              |
| 2"          | \$ 84.42       | 168.84                              |
| 3"          | \$ 168.84      | 337.69                              |
| 4"          | \$ 263.82      | 527.64                              |
| 6"          | \$ 527.64      | 1,055.27                            |
| 8"          | \$ 844.22      | 1,688.44                            |

GALLONAGE RATE

|                   |         |          |
|-------------------|---------|----------|
| Residential (cap) | \$ 2.92 | 0 t gals |
| General Service   | \$ 3.51 |          |

RESIDENTIAL BILLS

|                | <u>5/8" X 3/4"</u>      | <u>BI-MONTHLY</u> |
|----------------|-------------------------|-------------------|
| 3,000 gallons  | \$ 19.64                | 30.19             |
| 5,000 gallons  | \$ 25.70                | 36.25             |
| 10,000 gallons | cap, T GALS.: *\$ 40.85 | 51.40             |

A:S1.X10

| DIFFERENTIATED GALLONAGE RATE |         |              |
|-------------------------------|---------|--------------|
| RES. GAL.                     | 465,767 |              |
| GS. GAL.                      | 111,301 | FACTORED     |
| OTHER GAL.                    | 0       | PERCENTAGE   |
| TOTAL GAL.                    | 577,068 | 96.2858%     |
| BASIC RATE                    | \$3.03  |              |
| RES. RATE                     | \$2.92  | DIFFERENTIAL |
| GS. RATE                      | \$3.51  | 20.00%       |

avg. rate increase:

PALM COAST UTILITY CORPORATION  
 TEST YEAR: YEAR ENDING: DECEMBER 31, 1995

\*\* WASTEWATER \*\*

FROM GAL

FROM BFC

| RESIDENTIAL    | BILLS NUMBER | GALLONS (000's) | PRESENT RATE | REVENUE | INTERIM RATE | REVENUE | PROPOSED RATE | REVENUE | RECOMMENDED RATE | REVENUE     | FROM GAL  | FROM BFC |
|----------------|--------------|-----------------|--------------|---------|--------------|---------|---------------|---------|------------------|-------------|-----------|----------|
| ALL METER SIZE | 118,468      |                 | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$10.55          | \$1,250,139 |           | 1250139  |
| CONSOL. GAL    |              | 485,787         | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$2.92           | \$1,360,818 | 1,360,818 | ERR      |
| TOTAL RES.     | 118,468      | 485,787         |              | \$0     |              | \$0     |               | \$0     |                  | \$2,610,957 | ERR       | ERR      |

| COMMERCIAL      | BILLS NUMBER | GALLONS (000's) | PRESENT RATE | REVENUE | INTERIM RATE | REVENUE | PROPOSED RATE | REVENUE | RECOMMENDED RATE | REVENUE   | FROM GAL | FROM BFC |
|-----------------|--------------|-----------------|--------------|---------|--------------|---------|---------------|---------|------------------|-----------|----------|----------|
| 5/8 x 3/4" GAL. | 2,827        | 14,578          | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$10.55          | \$29,833  |          | 29,833   |
| 3/4" GAL.       | 0            | 0               | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$3.51           | \$51,111  | 51,111   |          |
| 1" GAL.         | 646          | 0               | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$15.83          | \$0       |          |          |
| 1-1/2" GAL.     | 98           | 16,384          | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$3.51           | \$57,442  | 57,442   | 17,043   |
| 2" GAL.         | 312          | 24,040          | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$52.76          | \$5,171   |          | 5,171    |
| 3" GAL.         | 95           | 31,799          | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$84.42          | \$26,340  |          | 26,340   |
| 4" GAL.         | 24           | 9,439           | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$3.51           | \$111,487 | 111,487  |          |
| 6" GAL.         | 0            | 15,061          | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$168.84         | \$16,040  |          | 16,040   |
| 8" GAL.         | 0            | 0               | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$3.51           | \$33,093  | 33,093   | 6,332    |
| 10" GAL.        | 0            | 0               | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$263.82         | \$6,332   |          |          |
| 12" GAL.        | 0            | 0               | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$3.51           | \$52,804  | 52,804   | 0        |
| TOTAL G.S.      | 4,002        | 111,301         |              | \$0     |              | \$0     |               | \$0     |                  | \$490,979 | 390,222  | 111,301  |

|               |         |         |  |        |  |        |  |        |  |             |           |           |
|---------------|---------|---------|--|--------|--|--------|--|--------|--|-------------|-----------|-----------|
| AV. RES. BILL |         |         |  | \$0.00 |  | \$0.00 |  | \$0.00 |  | \$22.04     |           |           |
| AV. G.S. BILL |         |         |  | \$0.00 |  | \$0.00 |  | \$0.00 |  | \$122.68    | ERR       | ERR       |
| GRAND TOTAL   | 122,468 | 577,068 |  | \$0    |  | \$0    |  | \$0    |  | \$3,101,936 | 1,751,039 | 1,350,897 |

| FACTORED GALLONS | BILLS NUMBER | GALLONS (000's) | PRESENT RATE | REVENUE | INTERIM RATE | REVENUE | PROPOSED RATE | REVENUE | RECOMMENDED RATE | REVENUE | FROM GAL | FROM BFC |
|------------------|--------------|-----------------|--------------|---------|--------------|---------|---------------|---------|------------------|---------|----------|----------|
| OTHER            |              | 599,328         |              | \$0     |              | \$0     |               | \$0     |                  | \$0     | ERR      | ERR      |
| 5/8 x 3/4" GAL.  | 0            | 0               | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | 10.55273         | \$0     |          |          |
| 3/4" GAL.        | 0            | 0               | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$3.03           | \$0     |          |          |
| 1" GAL.          | 0            | 0               | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | 15.82909         | \$0     |          |          |
| 1-1/2" GAL.      | 0            | 0               | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$3.03           | \$0     |          |          |
| 2" GAL.          | 0            | 0               | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | 26.38181         | \$0     |          |          |
| 3" GAL.          | 0            | 0               | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$3.03           | \$0     |          |          |
| 4" GAL.          | 0            | 0               | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | 52.76363         | \$0     |          |          |
| 6" GAL.          | 0            | 0               | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$3.03           | \$0     |          |          |
| 8" GAL.          | 0            | 0               | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | 84.4218          | \$0     |          |          |
| 10" GAL.         | 0            | 0               | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | \$3.03           | \$0     |          |          |
| 12" GAL.         | 0            | 0               | \$0.00       | \$0     | \$0.00       | \$0     | \$0.00        | \$0     | 168.8436         | \$0     |          |          |
| TOTAL OTHER      | 0            | 0               |              | \$0     |              | \$0     |               | \$0     |                  | \$3.03  |          |          |

|                     |              |         |  |        |     |        |  |        |     |             |         |     |
|---------------------|--------------|---------|--|--------|-----|--------|--|--------|-----|-------------|---------|-----|
| AV. OTHER BILL      |              |         |  | \$0.00 |     | \$0.00 |  | \$0.00 |     | \$0.00      |         |     |
| MISC. SERV. CHARGES |              |         |  | 0      |     | 0      |  | 0      |     | -59023      |         |     |
| ALL TOTAL           | 122,468      | 577,068 |  | \$0    |     | \$0    |  | \$0    |     | \$3,042,913 | ERR     | ERR |
| PER MFRS/%          |              |         |  | 0      | ERR | 0      |  | 0      | ERR | 3188509     | 95.494% |     |
| ERC EXPANSION       |              |         |  | 0      |     | 0      |  | 0      |     | 0           |         |     |
| SINGLE FAMILY       | 1.0 ERC/UNIT |         |  | ERR    |     | 0      |  | 0      |     | 3,042,913   |         |     |
| MULTI-FAMILY        | 0.8 ERC/UNIT |         |  | ERR    |     | ERR    |  | ERR    |     | 1.00        |         |     |
| MOBILE HOME         | 0.8 ERC/UNIT |         |  | ERR    |     | ERR    |  | ERR    |     |             |         |     |

| METER SIZE  | ERC   | BILLS   | EXP. ERC'S | BFC        |
|-------------|-------|---------|------------|------------|
| 5/8x3/4"    | 1.0   | 121,293 | 121,293    | \$10.55    |
| 3/4"        | 1.5   | 0       | 0          | \$15.83    |
| 1"          | 2.5   | 646     | 1,615      | \$26.38    |
| 1-1/2"      | 5.0   | 98      | 490        | \$52.76    |
| 2"          | 8.0   | 312     | 2,496      | \$84.42    |
| 3" COMPOUND | 16.0  | 95      | 1,520      | \$168.84   |
| 3" TURBINE  | 17.5  | 0       | 0          | \$184.87   |
| 4"          | 25.0  | 24      | 600        | \$263.82   |
| 4" TURBINE  | 30.0  | 0       | 0          | \$318.58   |
| 6"          | 50.0  | 0       | 0          | \$527.84   |
| 6" TURBINE  | 62.5  | 0       | 0          | \$659.55   |
| 8"          | 80.0  | 0       | 0          | \$844.22   |
| 8" TURBINE  | 90.0  | 0       | 0          | \$949.75   |
| 10"         | 115.0 | 0       | 0          | \$1,213.56 |
| 10" TURBINE | 145.0 | 0       | 0          | \$1,530.15 |
| 12"         | 215.0 | 0       | 0          | \$2,288.84 |

TOTAL 122,468 128,014

| RESIDENTIAL BILL SCHEDULE | GALLONS | PRESENT | INTERIM | PROPOSED | RECOMMENDED |
|---------------------------|---------|---------|---------|----------|-------------|
|                           | 3,000   | \$0.00  | \$0.00  | \$0.00   | \$19.32     |
|                           | 5,000   | \$0.00  | \$0.00  | \$0.00   | \$25.18     |
|                           | 10,000  | \$0.00  | \$0.00  | \$0.00   | \$39.77     |

PCUC-W3.WK3

PALM COAST UTILITY CORPORATION  
 FLAGLER COUNTY  
 Docket No. 951056-WS  
 Test Year Ended: December 31, 1995

Schedule No. 4-A

**WATER  
 RATE SCHEDULE**

**Monthly Service Rates**

|   | Rates<br>Prior to<br>Filing | Commission<br>Approved<br>Interim | Utility<br>Requested<br>Final | Per<br>Order<br><del>96-1338</del> | Commission<br>Approved<br>Final |        |
|---|-----------------------------|-----------------------------------|-------------------------------|------------------------------------|---------------------------------|--------|
| <b>Residential, General Service, and Multi-Family</b> |                             |                                   |                               |                                    |                                 |        |
| Base Facility Charge:                                 |                             |                                   |                               |                                    |                                 |        |
| Meter Size:   |                             |                                   |                               |                                    |                                 |        |
| 5/8" x 3/4"   | \$10.55                     | \$11.49                           | \$15.36                       | \$12.53                            | \$12.57                         |        |
| 1"  | \$26.34                     | \$28.71                           | \$38.39                       | \$31.32                            | \$31.44                         |        |
| 1-1/2"  | \$52.69                     | \$57.42                           | \$76.79                       | \$62.63                            | \$62.87                         | meter  |
| 2"  | \$84.29                     | \$91.87                           | \$122.86                      | \$100.21                           | \$100.80                        | equiv. |
| 3"  | \$188.58                    | \$183.73                          | \$245.71                      | \$200.42                           | \$201.20                        | 1.00   |
| 4"  | \$263.41                    | \$287.09                          | \$383.93                      | \$313.15                           | \$314.37                        | 2.50   |
| 6"  | \$526.81                    | \$574.16                          | \$767.84                      | \$626.31                           | \$628.74                        | 5.00   |
| Gallage Charge, per 1,000 Gallons                     | \$3.60                      | \$3.92                            | \$4.52                        | \$2.87                             | \$3.48                          | 8.00   |
|   |                             |                                   |                               |                                    |                                 | 18.00  |
|   |                             |                                   |                               |                                    |                                 | 25.00  |
|   |                             |                                   |                               |                                    |                                 | 50.00  |
| <b>Bulk Service</b>                                   |                             |                                   |                               |                                    |                                 |        |
| 6" - Hammock Dunes - BFC                              | \$195.79                    | \$213.39                          | \$285.64                      | \$184.59                           | \$184.79                        |        |
| Gallage Charge, per 1,000 Gallons                     | \$1.01                      | \$1.10                            | \$1.26                        | \$0.95                             | \$1.00                          |        |
| <b>Irrigation Service - All Classes</b>               |                             |                                   |                               |                                    |                                 |        |
| Base Facility Charge:                                 |                             |                                   |                               |                                    |                                 |        |
| Meter Size:   |                             |                                   |                               |                                    |                                 |        |
| 5/8" x 3/4"   | \$5.27                      | \$5.75                            | \$7.68                        | \$6.26                             | \$6.29                          |        |
| 1"  | \$26.34                     | \$28.71                           | \$38.39                       | \$31.32                            | \$31.44                         |        |
| 1-1/2"  | \$52.69                     | \$57.42                           | \$76.79                       | \$62.63                            | \$62.87                         |        |
| 2"  | \$84.29                     | \$91.87                           | \$122.86                      | \$100.21                           | \$100.80                        |        |
| 3"  | \$188.58                    | \$183.73                          | \$245.71                      | \$200.42                           | \$201.20                        |        |
| 4"  | \$263.41                    | \$287.09                          | \$383.93                      | \$313.15                           | \$314.37                        |        |
| 6"  | \$526.81                    | \$574.16                          | \$767.84                      | \$626.31                           | \$628.74                        |        |
| Gallage Charge, per 1,000 Gallons                     | \$3.60                      | \$3.92                            | \$4.52                        | \$2.87                             | \$3.48                          |        |
| <b>Private Fire Protection</b>                        |                             |                                   |                               |                                    |                                 |        |
| <u>Line Size</u>                                      |                             |                                   |                               |                                    |                                 |        |
| 4"  | \$67.89                     | \$95.68                           | \$31.97                       | \$26.10                            | \$26.20                         |        |
| 6"  | \$175.60                    | \$191.38                          | \$63.87                       | \$52.19                            | \$52.40                         |        |
| 8"  | \$280.95                    | \$306.20                          | \$102.18                      | \$83.51                            | \$83.83                         |        |
| 10"   | \$403.83                    | \$440.13                          | \$146.88                      | \$120.04                           | \$120.51                        |        |
| 12"   | \$754.94                    | \$822.80                          | \$274.58                      | \$224.43                           | \$225.30                        |        |
| <b>Public Fire Hydrants</b>                           |                             |                                   |                               |                                    |                                 |        |
| Per Hydrant - Per Year                                | \$100.00                    | \$100.00                          | \$0.00                        | \$0.00                             | \$0.00                          |        |

**Typical Residential Bills**

|                   |         |         |         |         |         |
|-------------------|---------|---------|---------|---------|---------|
| 5/8" x 3/4" meter |         |         |         |         |         |
| 3,000 Gallons     | \$21.35 | \$23.25 | \$28.92 | \$21.14 | \$23.00 |
| 5,000 Gallons     | \$28.55 | \$31.09 | \$37.96 | \$28.89 | \$29.95 |
| 10,000 Gallons    | \$46.55 | \$50.69 | \$60.56 | \$41.26 | \$47.33 |

**WATER**

15-Apr-97

|                                      |           |           |  |
|--------------------------------------|-----------|-----------|--|
| Percentage Increase:                 |           |           |  |
| COMMISSION APPROVED                  |           | 5,373,161 |  |
| TTL CURRENT REVS                     | 5,400,364 |           |  |
| bulk raw water revs for sale to wwtp | 0         |           |  |
| MISC SERVICE CHARGES                 | (42,489)  | (42,489)  |  |
| Est. revs from water sales           | 5,357,896 | 5,330,692 |  |
|                                      |           | -----     |  |
| total rev. increase                  |           | (27,203)  |  |
| % increase in water rates:           |           | -0.51%    |  |

**WASTEWATER**

|                                      |           |           |  |
|--------------------------------------|-----------|-----------|--|
| Percentage Increase:                 |           |           |  |
| COMMISSION APPROVED                  |           | 3,188,512 |  |
| TTL CURRENT REVS                     | 3,287,205 |           |  |
| bulk raw water revs for sale to wwtp | 0         |           |  |
| MISC SERVICE CHARGES                 | 59,023    | 59,023    |  |
| Est. revs from water sales           | 3,346,228 | 3,245,535 |  |
|                                      |           | -----     |  |
| total rev. increase                  |           | (100,693) |  |
| % increase in water rates:           |           | -3.01%    |  |



PALM COAST UTILITY CORPORATION  
 FLAGLER COUNTY  
 Docket No. 951056-WS  
 Test Year Ended: December 31, 1995

Schedule 5-A

**WATER**  
**RATE SCHEDULE**

**Schedule of Rate Decrease After Expiration of  
 Amortization Period for Rate Case Expense**

|  | <b>Commission<br/>Approved<br/>Final</b> | <b>Rate<br/>Decrease</b> |
|--|--|--------------------------|
| <b><u>Residential, General Service, and Multi-Family</u></b> |  |                          |
| Base Facility Charge:  |  |                          |
| Meter Size:  |  |                          |
| 5/8" x 3/4"  | \$12.57                                  | \$0.12                   |
| 1"   | \$31.44                                  | \$0.30                   |
| 1-1/2"   | \$62.87                                  | \$0.60                   |
| 2"   | \$100.60                                 | \$0.97                   |
| 3"   | \$201.20                                 | \$1.93                   |
| 4"   | \$314.37                                 | \$3.02                   |
| 6"   | \$628.74                                 | \$6.04                   |
| <br>   |  |                          |
| Gallonage Charge, per 1,000 Gallons                          | \$3.48                                   | \$0.03                   |
| <b><u>Bulk Service</u></b>                                   |  |                          |
| 6" - Hammock Dunes - BFC                                     | \$194.79                                 | \$1.87                   |
| Gallonage Charge, per 1,000 Gallons                          | \$1.00                                   | \$0.01                   |
| <br>   |  |                          |
| <b><u>Irrigation Service - All Classes</u></b>               |  |                          |
| Base Facility Charge:  |  |                          |
| Meter Size:  |  |                          |
| 5/8" x 3/4"  | \$6.29                                   | \$0.06                   |
| 1"   | \$31.44                                  | \$0.30                   |
| 1-1/2"   | \$62.87                                  | \$0.60                   |
| 2"   | \$100.60                                 | \$0.97                   |
| 3"   | \$201.20                                 | \$1.93                   |
| 4"   | \$314.37                                 | \$3.02                   |
| 6"   | \$628.74                                 | \$6.04                   |
| <br>   |  |                          |
| Gallonage Charge, per 1,000 Gallons                          | \$3.48                                   | \$0.03                   |
| <br>   |  |                          |
| <b><u>Private Fire Protection</u></b>                        |  |                          |
| <b><u>Line Size</u></b>                                      |  |                          |

A:Y1.AD9

|               |           |   |
|---------------|-----------|---|
| staff recom.  | 5,330,692 | remove misc. service charges, \$42,469        |
| 4 yr rate red | 51,176    | gross-up for regulatory assessment fees /.955 |
|               | -----     |   |
| % change      | 0.96%     |   |

**INTERIM REFUND CALCULATION**

**WATER**

\*\*\*\*\*

|   |           |           |
|---|-----------|-----------|
| Percentage Increase:                        |           |           |
| COMMISSION APPROVED – INTERIM RECALCULATION |           | 5,321,985 |
| APPROVED INTERIM REVENUE                    | 5,491,319 |           |
| bulk raw water revs for sale to wwtp        | 0         |           |
| MISC SERVICE CHARGES                        | (42,469)  | (42,469)  |
| Est. revs from water sales                  | 5,448,850 | 5,279,516 |
|   |           | -----     |
| total rev. increase                         |           | (169,334) |
| <br>  |           |           |
| % increase in water rates:                  |           | -3.11%    |

**WASTEWATER**

|   |           |           |
|---|-----------|-----------|
| Percentage Increase:                        |           |           |
| COMMISSION APPROVED – INTERIM RECALCULATION |           | 3,135,336 |
| APPROVED INTERIM REVENUE                    | 3,432,636 |           |
| bulk raw water revs for sale to wwtp        | 0         |           |
| MISC SERVICE CHARGES                        | (59,023)  | (59,023)  |
| Est. revs from water sales                  | 3,373,613 | 3,076,313 |
|   |           | -----     |
| total rev. increase                         |           | (297,300) |
| <br>  |           |           |
| % increase in water rates:                  |           | -8.81%    |

PCUC-S2.WK3

1646

41

RATE SCHEDULE

WASTEWATER

Monthly Service Rates

|  | <u>Rates<br/>Prior to<br/>Filing</u> | <u>Commission<br/>Approved<br/>Interim</u> | <u>Utility<br/>Requested<br/>Final</u> | <u>Per<br/>Order<br/>96-1338</u> | <u>Commission<br/>Approved<br/>Final</u> |                 |
|--|--------------------------------------|--|--|----------------------------------|--|-----------------|
| <u>Residential Service</u>                             |                                      |  |  |                                  |  |                 |
| Base Facility Charge:<br>All meter sizes               | \$11.10                              | \$12.75                                    | \$13.46                                | \$10.42                          | \$10.55                                  |                 |
| Gallage Charge<br>Per 1,000 gallons (8,000 gallon cap) | \$3.61                               | \$3.36                                     | \$4.66                                 | \$2.81                           | \$2.92                                   |                 |
| <u>General Service</u>                                 |                                      |  |  |                                  |  |                 |
| Base Facility Charge:<br>Meter Size:                   |                                      |  |  |                                  |  | meter<br>equiv. |
| 5/8" x 3/4"  | \$11.10                              | \$12.75                                    | \$13.46                                | \$10.42                          | \$10.55                                  | 1.00            |
| 1"   | \$27.72                              | \$31.85                                    | \$33.65                                | \$26.06                          | \$26.38                                  | 2.50            |
| 1-1/2"   | \$55.44                              | \$63.68                                    | \$67.31                                | \$55.46                          | \$52.76                                  | 5.00            |
| 2"   | \$88.69                              | \$101.88                                   | \$107.69                               | \$88.73                          | \$84.42                                  | 8.00            |
| 3"   | \$177.39                             | \$203.77                                   | \$215.38                               | \$177.46                         | \$168.84                                 | 16.00           |
| 4"   | \$277.18                             | \$318.40                                   | \$336.53                               | \$277.29                         | \$263.82                                 | 25.00           |
| 6"   | \$554.35                             | \$636.79                                   | \$673.05                               | \$554.58                         | \$527.64                                 | 50.00           |
| 8"   |                                      |  |  |                                  |  |                 |
| Gallage Charge, per 1,000 Gallons                      | \$3.52                               | \$4.04                                     | \$5.60                                 | \$3.55                           | \$3.51                                   |                 |

Reuse

|                   | <u>Rates<br/>Prior to<br/>Filing</u> | <u>Commission<br/>Approved<br/>Interim</u> | <u>Utility<br/>Requested<br/>Final</u> | <u>Per<br/>Order<br/>96-1338</u> | <u>Per<br/>Order<br/>96-1338</u> |
|-------------------|--------------------------------------|--|--|----------------------------------|----------------------------------|
| Per 1,000 gallons | \$0.00                               | \$0.00                                     | \$0.67                                 | \$0.07                           | \$0.07                           |

Typical Residential Bill

| <u>5/8" x 3/4" meter</u>                      |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|
| 3,000 Gallons                                 | \$21.93 | \$22.83 | \$27.44 | \$18.87 | \$19.32 |
| 5,000 Gallons                                 | \$29.15 | \$29.55 | \$36.76 | \$24.49 | \$25.16 |
| 10,000 Gallons<br>(Sewer Cap - 8,000 Gallons) | \$32.76 | \$32.91 | \$41.42 | \$27.31 | \$28.08 |

|                                      |           | 15-Apr-97 |  |
|--------------------------------------|-----------|-----------|--|
| Percentage Increase:                 |           |           |  |
| STAFF RECOMM                         |           | 3,232,996 |  |
| TTL CURRENT REVS                     | 3,287,205 |           |  |
| bulk raw water revs for sale to wwtp | 0         |           |  |
| MISC SERVICE CHARGES                 | 59,023    | 59,023    |  |
| Est. revs from water sales           | 3,346,228 | 3,292,019 |  |
|                                      |           | -----     |  |
| total rev. increase                  |           | (54,209)  |  |
| % increase in water rates:           |           | -1.62%    |  |

**PALM COAST UTILITY CORPORATION  
 FLAGLER COUNTY  
 Docket No. 951056-WS  
 Test Year Ended: December 31, 1995**

**Schedule 5-B**

**RATE SCHEDULE**

**Schedule of Rate Decrease After Expiration of  
 Amortization Period for Rate Case Expense**

**Wastewater**

**Monthly Rates**

|  | <b>Commission<br/>Approved<br/><u>Final</u></b> | <b>Rate<br/><u>Decrease</u></b> |
|--|---|---------------------------------|
|--|---|---------------------------------|

**Residential Service**

|  |         |        |
|--|---------|--------|
| Base Facility Charge:<br>All meter sizes                 | \$10.55 | \$0.17 |
| Gallorage Charge<br>Per 1,000 gallons (8,000 gallon cap) | \$2.92  | \$0.05 |

**General Service**

|                                      |          |        |
|--------------------------------------|----------|--------|
| Base Facility Charge:<br>Meter Size: |          |        |
| 5/8" x 3/4"                          | \$10.55  | \$0.17 |
| 1"                                   | \$26.38  | \$0.44 |
| 1-1/2"                               | \$52.76  | \$0.87 |
| 2"                                   | \$84.42  | \$1.39 |
| 3"                                   | \$168.84 | \$2.79 |
| 4"                                   | \$263.82 | \$4.35 |
| 6"                                   | \$527.64 | \$8.70 |
| 8"                                   |          |        |
| Gallorage Charge, per 1,000 Gallons  | \$3.51   | \$0.06 |

**1648**

A:W1.AB4

|               |           |  |
|---------------|-----------|--|
| staff recom.  | 3,101,939 | remove misc. service charges and reuse |
| 4 yr rate red | 51,176    |  |
|               | -----     |  |
| % change      | 1.65%     |  |

PCREFUND.WK3

1650

45



**PCUC RECONSIDERATION/REFUND  
CAPITAL STRUCTURE  
TEST YEAR ENDED 12/31/95**

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

| DESCRIPTION                              | TOTAL CAPITAL        | SPECIFIC ADJUSTMENTS (EXPLAIN) | PRO RATA ADJUSTMENTS | CAPITAL RECONCILED TO RATE BASE | RATIO          | COST RATE | WEIGHTED COST |
|--|----------------------|--------------------------------|----------------------|---------------------------------|----------------|-----------|---------------|
| <b>PER UTILITY 1995 - YEAR-END</b>       |                      |                                |                      |                                 |                |           |               |
| 1 LONG TERM DEBT                         | \$ 12,125,000        | \$ 0                           | \$(643,582)          | 11,481,418                      | 30.73%         | 7.24%     | 2.23%         |
| 2 SHORT-TERM DEBT                        | 4,312,000            | 0                              | (228,876)            | 4,083,124                       | 10.93%         | 7.73%     | 0.84%         |
| 3 PREFERRED STOCK                        | 0                    | 0                              | 0                    | 0                               | 0.00%          | 0.00%     | 0.00%         |
| 4 COMMON EQUITY                          | 20,265,735           | 0                              | (1,075,683)          | 19,190,052                      | 51.37%         | 11.10%    | 5.70%         |
| 5 CUSTOMER DEPOSITS                      | 485,000              | 0                              | (25,743)             | 459,257                         | 1.23%          | 6.00%     | 0.07%         |
| 6 DEFERRED INCOME TAXES                  | 0                    | 0                              | 0                    | 0                               | 0.00%          | 0.00%     | 0.00%         |
| 7 DEFERRED ITC'S-ZERO COST               | 2,266,072            | 0                              | (120,281)            | 2,145,791                       | 5.74%          | 0.00%     | 0.00%         |
| 8 OTHER                                  | 0                    | 0                              | 0                    | 0                               | 0.00%          | 0.00%     | 0.00%         |
| 9 TOTAL CAPITAL                          | \$ <u>39,453,807</u> | \$ 0                           | \$(2,094,165)        | <u>37,359,642</u>               | <u>100.00%</u> |           | <u>8.85%</u>  |
| <b>PER STAFF 1995 - 13-MONTH AVERAGE</b> |                      |                                |                      |                                 |                |           |               |
| 10 LONG TERM DEBT                        | \$ 12,557,692        | \$ 0                           | \$(6,959,922)        | 5,597,770                       | 29.42%         | 7.24%     | 2.13%         |
| 11 SHORT-TERM DEBT                       | 3,668,231            | 0                              | (2,033,065)          | 1,635,166                       | 8.59%          | 7.73%     | 0.66%         |
| 12 PREFERRED STOCK                       | 0                    | 0                              | 0                    | 0                               | 0.00%          | 0.00%     | 0.00%         |
| 13 COMMON EQUITY                         | 19,943,543           | 0                              | (11,053,424)         | 8,890,119                       | 46.72%         | 11.10%    | 5.19%         |
| 14 CUSTOMER DEPOSITS                     | 458,926              | 0                              | 0                    | 458,926                         | 2.41%          | 6.00%     | 0.14%         |
| 15 DEFERRED INCOME TAXES                 | 0                    | 0                              | 0                    | 0                               | 0.00%          | 0.00%     | 0.00%         |
| 15 DEFERRED ITC'S-ZERO COST              | 2,316,226            | 129,534                        | 0                    | 2,445,760                       | 12.85%         | 0.00%     | 0.00%         |
| 16 OTHER                                 | 0                    | 0                              | 0                    | 0                               | 0.00%          | 0.00%     | 0.00%         |
| 17 TOTAL CAPITAL                         | \$ <u>38,944,618</u> | \$ <u>129,534</u>              | \$(20,046,411)       | <u>19,027,741</u>               | <u>100.00%</u> |           | <u>8.13%</u>  |

| RANGE OF REASONABLENESS | LOW           | HIGH          |
|-------------------------|---------------|---------------|
| RETURN ON EQUITY        | <u>10.10%</u> | <u>12.10%</u> |
| OVERALL RATE OF RETURN  | <u>7.66%</u>  | <u>8.59%</u>  |

46  
1651

| <b>PALM COAST UTILITY CORP</b>  |                   |                    |                   |           |                  |         |                  |                  |                  |           |                |                |                 |                |               |         |         |
|---|-------------------|--------------------|-------------------|-----------|------------------|---------|------------------|------------------|------------------|-----------|----------------|----------------|-----------------|----------------|---------------|---------|---------|
| <b>Used &amp; Useful Adjustments to CIAC &amp; Accumulated Amortization of CIAC</b> |                   |                    |                   |           |                  |         |                  |                  |                  |           |                |                |                 |                |               |         |         |
| <u>WATER</u>  |                   |                    |                   | Composite |                  |         |                  |                  |                  |           |                |                |                 | Test Year      |               |         | NON-U/U |
| <u>Classification</u>   | Year En           | 13-Mo Avg          | 13-Mo Avg         | NON-U/U   | NON-U/U          | MFR Sch | AA CIAC/         | 13-Mo Avg        | 13-Mo Avg        | 13-Mo Avg | NON-U/U        | NON-U/U        | Per MFR S       | Staff          | Staff         | NON-U/U |         |
|   | CIAC per          | Staff              | Staff             |           |                  |         |                  |                  |                  |           |                |                |                 |                |               |         | %-CIAC  |
|   | MFRs Sch          | Recom.             | Adjusted          |           |                  |         |                  |                  |                  |           |                |                |                 |                |               |         |         |
|   |                   | Adjustment         | Balance           |           |                  |         |                  |                  |                  |           |                |                |                 | Adjustment     | Balance       | CIAC    |         |
| Plant Capacity Fees   | 9,513,590         | (405,598)          | 9,107,992         | 0.00%     | 0                | 3.19%   | 2,029,065        | (168,216)        | 1,860,849        | 0.00%     | 0              | 303,198        | (12,926)        | 290,272        | 0             |         |         |
| Line/Main Extensions  | 0                 | 0                  | 0                 | 0.00%     | 0                | 3.19%   | 0                | 0                | 0                | 0.00%     | 0              | 0              | 0               | 0              | 0             |         |         |
| Meter Installation Fees   | 2,812,617         | (102,004)          | 2,710,613         | 0.00%     | 0                | 3.19%   | 596,807          | (45,333)         | 551,474          | 0.00%     | 0              | 89,838         | (3,251)         | 86,387         | 0             |         |         |
| Contributed Lines   | 2,449,876         | (292,755)          | 2,157,121         | 73.10%    | 1,576,855        | 3.19%   | 442,778          | (18,960)         | 423,818          | 73.10%    | 309,811        | 78,078         | (9,330)         | 68,747         | 50,254        |         |         |
| Other - Advance Capacity Charge   | 1,614,000         | (571,154)          | 1,042,846         | 30.00%    | 312,854          | 3.19%   | 172,930          | (19,911)         | 153,019          | 30.00%    | 45,906         | 51,438         | (18,203)        | 33,236         | 9,971         |         |         |
| Service Installation Fees   | 0                 | 0                  | 0                 | 0.00%     | 0                | 3.19%   | 0                | 0                | 0                | 0.00%     | 0              | 0              | 0               | 0              | 0             |         |         |
| <b>Total</b>  | <b>16,390,083</b> | <b>(1,371,511)</b> | <b>15,018,572</b> |           | <b>1,889,709</b> |         | <b>3,241,580</b> | <b>(252,420)</b> | <b>2,989,160</b> |           | <b>355,717</b> | <b>522,352</b> | <b>(43,710)</b> | <b>478,642</b> | <b>60,225</b> |         |         |

| <u>WASTEWATER</u>       |                   |                    |                   | Composite |                   |         |                   |                  |                   |           |                   |                  |                 | Test Year        |                  |         | NON-U/U |
|-------------------------|-------------------|--------------------|-------------------|-----------|-------------------|---------|-------------------|------------------|-------------------|-----------|-------------------|------------------|-----------------|------------------|------------------|---------|---------|
| <u>Classification</u>   | 13-Mo Avg         | 13-Mo Avg          | 13-Mo Avg         | NON-U/U   | NON-U/U           | MFR Sch | AA CIAC/          | 13-Mo Avg        | 13-Mo Avg         | 13-Mo Avg | NON-U/U           | NON-U/U          | Per MFR S       | Staff            | Staff            | NON-U/U |         |
|                         | CIAC per          | Staff              | Staff             |           |                   |         |                   |                  |                   |           |                   |                  |                 |                  |                  |         | %-CIAC  |
|                         | MFRs Sch          | Recom.             | Adjusted          |           |                   |         |                   |                  |                   |           |                   |                  |                 |                  |                  |         |         |
|                         |                   | Adjustments        | Balance           |           |                   |         |                   |                  |                   |           |                   |                  |                 | Adjustment       | Balance          | CIAC    |         |
| Plant Capacity Fees     | 16,106,163        | (608,171)          | 15,497,992        | 0.00%     | 0                 | 3.07%   | 4,846,216         | (260,840)        | 4,585,376         | 0.00%     | 0                 | 494,733          | (18,681)        | 476,052          | 0                |         |         |
| Line/Main Extensions    | 0                 | 0                  | 0                 | 0.00%     | 0                 | 0.00%   | 0                 | 0                | 0                 | 0.00%     | 0                 | 0                | 0               | 0                | 0                |         |         |
| Meter Installation Fees | 0                 | 0                  | 0                 | 0.00%     | 0                 | 0.00%   | 0                 | 0                | 0                 | 0.00%     | 0                 | 0                | 0               | 0                | 0                |         |         |
| Contributed Lines       | 2,374,667         | (297,705)          | 2,076,962         | 60.51%    | 1,256,770         | 3.07%   | 620,081           | (18,126)         | 601,955           | 60.51%    | 364,243           | 72,943           | (9,145)         | 63,798           | 38,604           |         |         |
| Other - Trust           | 8,124,376         | (141,941)          | 7,982,435         | 100.00%   | 7,982,435         | 0.00%   | 0                 | 0                | 0                 | 100.00%   | 0                 | 0                | 0               | 0                | 0                |         |         |
| Other - Prepaid         | 34,440,537        | (102,999)          | 34,337,538        | 100.00%   | 34,337,538        | 3.07%   | 11,045,078        | (520,805)        | 10,524,273        | 100.00%   | 10,524,473        | 1,057,910        | (3,164)         | 1,054,746        | 1,054,746        |         |         |
| <b>Total</b>            | <b>61,045,743</b> | <b>(1,150,816)</b> | <b>59,894,927</b> |           | <b>43,576,743</b> |         | <b>16,511,375</b> | <b>(799,571)</b> | <b>15,711,804</b> |           | <b>10,888,716</b> | <b>1,625,586</b> | <b>(30,990)</b> | <b>1,594,596</b> | <b>1,093,350</b> |         |         |

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A:DT

**CALCULATION OF USED AND USEFUL NET DEBIT DEFERRED TAXES  
13-MONTH AVERAGE  
TYE 12/31/95**

|                         | <u>1988</u>  | <u>1995</u>  | <u>CHANGE</u> | <u>%OF TOTAL</u> | <u>%NON-USEI</u> |
|-------------------------|--------------|--------------|---------------|------------------|------------------|
| <b>WATER</b>            |              |              |               |                  |                  |
| CIAC-USED               | 6,159        | 13,817       | 7,658         |                  |                  |
| CIAC-NON-USED           | 1,451        | 1,890        | 439           |                  |                  |
| ADVANCES-NON-USED       | <u>1,838</u> | <u>2,385</u> | <u>547</u>    |                  |                  |
| TOTAL WATER             | 9,448        | 18,092       | <u>8,644</u>  | 38.20%           | 11.40%           |
| <b>WASTEWATER</b>       |              |              |               |                  |                  |
| CIAC-USED               | 8,854        | 16,998       | 8,144         |                  |                  |
| CIAC-NON-USED           | 33,618       | 35,594       | 1,976         |                  |                  |
| CIAC IN TRUST- NON-USED | 4,416        | 7,982        | 3,566         |                  |                  |
| ADVANCES-NON-USED       | <u>362</u>   | <u>660</u>   | <u>298</u>    |                  |                  |
| TOTAL WATER             | 47,250       | 61,235       | <u>13,985</u> | <u>61.80%</u>    | 41.76%           |
| TOTAL WAW               |              |              | 22,629        | 100.00%          |                  |

| <b>PREPAID POST '86, AVG</b> | <b>TOTAL</b>     | <b>WATER</b>     | <b>WASTEWATER</b> |
|------------------------------|------------------|------------------|-------------------|
| 13-MONTH AVG PER PCUC        | 11,674,629       | 4,459,592        | 7,215,037         |
| STAFF ADJUSTMENT             | <u>(378,629)</u> | <u>(218,090)</u> | <u>(160,539)</u>  |
| ADJUSTED POST '86            | 11,296,000       | 4,241,502        | 7,054,498         |
| NON-USED AND USEFUL          | 3,429,953        | 483,682          | 2,946,272         |

**13 MONTH AVERAGE 1995- GROSS DEBITS**

|                         | <u>TOTAL</u>       | <u>WATER</u>       | <u>WASTEWATER</u>  |
|-------------------------|--------------------|--------------------|--------------------|
| PRE 87                  | 2,388,952          | 0                  | 2,388,952          |
| POST 86                 | 11,296,000         | 4,241,502          | 7,054,498          |
| CIAC TAX GROSS-UP       | <u>(4,256,932)</u> | <u>(2,518,588)</u> | <u>(1,738,344)</u> |
| TOTAL GROSS DEBITS      | 9,428,020          | 1,722,914          | 7,705,106          |
| ADJUSTMENTS             |                    |                    |                    |
| A. DISALLOWED PER ORDER | <u>(2,388,952)</u> | 0                  | <u>(2,388,952)</u> |
| B. NON-USED             | <u>(3,429,953)</u> | <u>(483,682)</u>   | <u>(2,946,272)</u> |
| TOTAL ADJUSTMENTS       | <u>(5,818,905)</u> | <u>(483,682)</u>   | <u>(5,335,224)</u> |
| ADJUSTED USED DEBITS    | <u>3,609,115</u>   | <u>1,239,232</u>   | <u>2,369,883</u>   |

**GROSS DEFERRED CREDITS**

|                           | <u>TOTAL</u>     | <u>WATER</u>   | <u>WASTEWATER</u> |
|---------------------------|------------------|----------------|-------------------|
| PLANT IN SERVICE          | 116,079,017      | 60,792,037     | 55,286,980        |
| % TO TOTAL                | 100.00%          | 52.37%         | 47.63%            |
| 13-MONTH AVERAGE CRDITS   | 1,654,529        | 866,498        | 788,031           |
| TOTAL NON-USED PLANT %    |                  | 43.70%         | 55.62%            |
| NON-USED CREDIT DITS      | <u>817,030</u>   | <u>378,694</u> | <u>438,336</u>    |
| NET USED DIT CREDITS      | <u>837,499</u>   | <u>487,803</u> | <u>349,696</u>    |
| NET DEBIT AND CREDIT USED | <u>2,771,616</u> | <u>751,429</u> | <u>2,020,187</u>  |

|                        | <u>USED DR</u> | <u>USED CR</u> | <u>NET USED</u> |
|------------------------|----------------|----------------|-----------------|
| <b>WATER</b>           |                |                |                 |
| PER UTILITY 13-MO. AVG | 1,875,326      | (694,679)      | 1,180,647       |
| PER STAFF 13-MO. AVG   | 1,239,232      | (487,803)      | 751,429         |
| <b>WASTEWATER</b>      |                |                |                 |
| PER UTILITY 13-MO. AVG | 2,402,495      | (504,354)      | 1,898,141       |
| PER STAFF 13-MO. AVG   | 2,369,883      | (349,696)      | 2,020,187       |

A: EQUITY

Cost of Equity Capital – Per Current Leverage Graph  
(UPDATE EVERYTIME THE LEVERAGE GRAPH IS CHANGED)

Cost of Equity Leverage Formula  $0.0905 + (.01131/ER)$

$ER = \text{Equity Ratio} = \frac{\text{Common Equity}}{\text{Common} + \text{Preferred} + \text{LT Debt} + \text{ST Debt}}$

|                       |        |
|-----------------------|--------|
| Equity Ratio          | 55.14% |
| Cost of Equity        | 11.10% |
| Leverage Formula      | 11.10% |
| Ceiling for ROE @ 40% | 11.88% |

A:ITC

**Cost of Deferred Investment Tax Credits**

Option 1= zero cost, no amortization included in above the line income tax expense.

Option 2= Overall weighted cost of investor sources of capital and amortization included as a reduction to above the line income tax expense.

Calculation of Overall Weighted Cost of Investor Sources of Capital

|                                 | <u>Amount</u>     | <u>Ratio</u>   | <u>Cost</u> | <u>Weighted Cost</u> |
|---------------------------------|-------------------|----------------|-------------|----------------------|
| Long-term Debt                  | 5,597,770         | 34.72%         | 7.24%       | 2.51%                |
| Short-term Debt                 | 1,635,166         | 10.14%         | 7.73%       | 0.78%                |
| Preferred Stock                 | 0                 | 0.00%          | 0.00%       | 0.00%                |
| Common Stock                    | <u>8,890,119</u>  | <u>55.14%</u>  | 11.10%      | <u>6.12%</u>         |
| Total Investor Sources of Funds | <u>16,123,055</u> | <u>100.00%</u> |             | <u>9.42%</u>         |

PCUC RECONSIDERATION/REFUND  
ADJUSTMENTS TO OPERATING STATEMENTS  
TEST YEAR ENDED 12/31/95

SCHEDULE NO. 3-C  
DOCKET NO. 951056-W8

| EXPLANATION  | WATER                     | WASTEWATER                 |
|--|---------------------------|----------------------------|
| <b><u>OPERATING REVENUES</u></b>                                 |                           |                            |
| 1 Remove requested final revenue increase                        | (1,479,626)               | (1,575,817)                |
| 2 To include non-utility income                                  | 1,802                     | 50,834                     |
| 3 To remove year end adjustment                                  | <u>(93,459)</u>           | <u>(94,662)</u>            |
| Total  | <u><u>(1,571,283)</u></u> | <u><u>(1,619,645)</u></u>  |
| <b><u>OPERATION &amp; MAINTENANCE EXPENSE</u></b>                |                           |                            |
| 1 Adjustment per stipulation No. 2 (Audit Exception No. 4)       | (6,276)                   | 896                        |
| 2 Remove unsupported affiliate charges                           | (15,153)                  | (10,259)                   |
| 3 Remove non-recurring personnel services expenses               | (10,204)                  | (6,909)                    |
| 4 Remove non-recurring legal fees                                | (4,457)                   | (3,017)                    |
| 5 To remove rate case expense                                    | (37,688)                  | (37,688)                   |
| 6 To reduce chamber dues & rental expenses per Stipulation No. 3 | (828)                     | (36,981)                   |
| 7 To remove year end adjustment for power & chemicals            | <u>(18,399)</u>           | <u>(8,945)</u>             |
| Total  | <u><u>(93,005)</u></u>    | <u><u>(102,903)</u></u>    |
| <b><u>DEPRECIATION EXPENSE-NET</u></b>                           |                           |                            |
| 1 Imputation of CIAC-MR I-48                                     | (21,936)                  | (20,877)                   |
| 2 Net used and useful adjustment                                 | <u>(345,024)</u>          | <u>(303,396)</u>           |
| Total  | <u><u>(366,960)</u></u>   | <u><u>(324,273)</u></u>    |
| <b><u>AMORTIZATION, CIAC TAX GROSS UP</u></b>                    |                           |                            |
| To remove year end adjustment                                    | <u>5,469</u>              | <u>1,309</u>               |
| <b><u>TAXES OTHER THAN INCOME</u></b>                            |                           |                            |
| 1 Remove RAF's on revenue adjustment                             | (70,708)                  | (72,884)                   |
| 2 Non-used and useful property taxes I-108                       | <u>(95,390)</u>           | <u>(50,482)</u>            |
| Total  | <u><u>(166,097)</u></u>   | <u><u>(123,366)</u></u>    |
| <b><u>INCOME TAXES</u></b>                                       |                           |                            |
| To adjust to test year income tax expense                        | <u>(197,647)</u>          | <u>(202,509)</u>           |
| <b><u>OPERATING REVENUES</u></b>                                 |                           |                            |
| Adjustment to reflect revenue requirement                        | \$ <u><u>(78,379)</u></u> | \$ <u><u>(151,869)</u></u> |
| <b><u>TAXES OTHER THAN INCOME TAXES</u></b>                      |                           |                            |
| Regulatory assessment taxes on additional revenues               | \$ <u><u>(3,527)</u></u>  | \$ <u><u>(6,834)</u></u>   |
| <b><u>INCOME TAXES</u></b>                                       |                           |                            |
| Income taxes related to revenue requirement                      | \$ <u><u>(28,167)</u></u> | \$ <u><u>(54,577)</u></u>  |

**PCUC RECONSIDERATION/REFUND  
ADJUSTMENTS TO OPERATING STATEMENTS  
TEST YEAR ENDED 12/31/95**

**SCHEDULE NO. 3-C  
DOCKET NO. 951056-WS  
PAGE 2 OF 2**

| EXPLANATION   | WATER              | WASTEWATER          |
|---|--------------------|---------------------|
| (1) <b>DEPRECIATION</b><br>a) To correspond with non-used and useful plant                        | \$ 0               | \$ 0                |
| (6) <b>OPERATING REVENUES</b><br>a) Adjustment to reflect recommended revenue requirement         | \$ <u>(78,379)</u> | \$ <u>(151,869)</u> |
| (7) <b>TAXES OTHER THAN INCOME TAXES</b><br>a) Regulatory assessment taxes on additional revenues | \$ <u>(3,527)</u>  | \$ <u>(6,834)</u>   |
| (8) <b>INCOME TAXES</b><br>a) Income taxes related to recommended income amount                   | \$ <u>(28,167)</u> | \$ <u>(54,577)</u>  |

PCUC RECONSIDERATION/REFUND  
 STATEMENT OF WASTEWATER OPERATIONS  
 TEST YEAR ENDED 12/31/95

SCHEDULE NO. 3-B  
 DOCKET NO. 951056-WS

| DESCRIPTION                 | TEST YEAR<br>PER UTILITY<br>1995 | UTILITY<br>ADJUSTMENTS | ADJUSTED<br>TEST YEAR/<br>UTILITY 1995 | STAFF<br>ADJUSTMENTS | STAFF<br>ADJUSTED<br>TEST YEAR | REVENUE<br>INCREASE | REVENUE<br>REQUIREMENT |
|-----------------------------|----------------------------------|------------------------|--|----------------------|--------------------------------|---------------------|------------------------|
| 1 OPERATING REVENUES        | \$ 3,150,538                     | \$ 1,756,312           | \$ 4,906,850                           | \$ (1,619,645)       | \$ 3,287,205                   | \$ (151,869)        | \$ 3,135,336           |
| OPERATING EXPENSES          |                                  |                        |  |                      |                                | -4.62%              |                        |
| 2 OPERATION AND MAINTENANCE | \$ 2,049,154                     | \$ (80,503)            | \$ 1,968,651                           | \$ (102,903)         | \$ 1,865,748                   | \$                  | \$ 1,865,748           |
| 3 DEPRECIATION              | 35,244                           | 728,836                | 764,080                                | (324,273)            | 439,807                        |                     | 439,807                |
| 4 AMORTIZATION              | (57,525)                         | (1,309)                | (58,834)                               | 1,309                | (57,525)                       |                     | (57,525)               |
| 5 TAXES OTHER THAN INCOME   | 258,285                          | 187,325                | 445,610                                | (123,366)            | 322,244                        | (6,834)             | 315,410                |
| 6 INCOME TAXES              | 131,947                          | 237,542                | 369,489                                | (202,509)            | 166,980                        | (54,577)            | 112,403                |
| 7 TOTAL OPERATING EXPENSES  | \$ 2,417,105                     | \$ 1,071,891           | \$ 3,488,996                           | \$ (751,742)         | \$ 2,737,254                   | \$ (61,411)         | \$ 2,675,844           |
| 8 OPERATING INCOME          | \$ 733,433                       | \$ 684,421             | \$ 1,417,854                           | \$ (867,903)         | \$ 549,951                     | \$ (90,458)         | \$ 459,492             |
| 9 RATE BASE                 | \$ 14,057,238                    |                        | \$ 16,031,208                          |                      | \$ 5,654,867                   |                     | \$ 5,654,867           |
| RATE OF RETURN              | 5.22%                            |                        | 8.84%                                  |                      | 9.73%                          |                     | 8.13%                  |



| PCUC RECONSIDERATION/REFUND<br>STATEMENT OF WATER OPERATIONS<br>TEST YEAR ENDED 12/31/95 |                                  |                        | SCHEDULE NO. 3-A<br>DOCKET NO. 951056-W6 |                      |                                |                     |                        |
|--|----------------------------------|------------------------|--|----------------------|--------------------------------|---------------------|------------------------|
| DESCRIPTION  | TEST YEAR<br>PER UTILITY<br>1995 | UTILITY<br>ADJUSTMENTS | ADJUSTED<br>TEST YEAR/<br>UTILITY 1995   | STAFF<br>ADJUSTMENTS | STAFF<br>ADJUSTED<br>TEST YEAR | REVENUE<br>INCREASE | REVENUE<br>REQUIREMENT |
| 1 OPERATING REVENUES   | \$ 5,384,699                     | \$ 1,586,948           | \$ 6,971,647                             | \$(1,571,283)        | \$ 5,400,364                   | \$(78,379)          | 5,321,985              |
| OPERATING EXPENSES:  |                                  |                        |  |                      |                                | -1.45%              |                        |
| 2 OPERATION AND MAINTENANCE  | \$ 3,026,338                     | \$(222,018)            | \$ 2,804,320                             | \$(93,005)           | \$ 2,711,315                   | \$                  | 2,711,315              |
| 3 DEPRECIATION   | 1,621,374                        | (437,104)              | 1,184,270                                | (366,960)            | 817,310                        |                     | 817,310                |
| 4 AMORTIZATION   | (82,781)                         | (5,469)                | (88,250)                                 | 5,469                | (82,781)                       |                     | (82,781)               |
| 5 TAXES OTHER THAN INCOME  | 874,220                          | (180,899)              | 693,321                                  | (166,097)            | 527,224                        | (3,527)             | 523,696                |
| 6 INCOME TAXES   | (289,553)                        | 781,183                | 491,630                                  | (197,647)            | 293,983                        | (28,167)            | 265,817                |
| 7 TOTAL OPERATING EXPENSES   | \$ 5,149,598                     | \$(64,307)             | \$ 5,085,291                             | \$(818,240)          | \$ 4,267,051                   | \$(31,694)          | 4,235,357              |
| 8 OPERATING INCOME   | \$ 235,101                       | \$ 1,651,255           | \$ 1,886,356                             | \$(753,043)          | \$ 1,133,313                   | \$(46,685)          | 1,086,628              |
| 9 RATE BASE  | \$ 23,702,639                    |                        | \$ 21,328,434                            |                      | \$ 13,372,875                  |                     | \$ 13,372,875          |
| RATE OF RETURN   | 0.99%                            |                        | 8.84%                                    |                      | 8.47%                          |                     | 8.13%                  |

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**ADJUSTMENTS TO RATE BASE**  
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SCHEDULE NO. 1-C

\*\*

| EXPLANATION                                      | WATER              | WASTEWATER         |
|--|--------------------|--------------------|
| <b><u>PLANT IN SERVICE</u></b>                   |                    |                    |
| To reflect 13-month average test year            | <u>(1,089,914)</u> | <u>(3,718,488)</u> |
| <b><u>LAND</u></b>                               |                    |                    |
| 1 Adjust cost from affiliate for sprayfield site | 0                  | (207,233)          |
| 2 Adjust cost from affiliate for Rib site        | 0                  | (318,322)          |
| Total  | <u>0</u>           | <u>(525,555)</u>   |
| <b><u>NON-USED AND USEFUL</u></b>                |                    |                    |
| To reflect net non-used and useful adjustment    | <u>(7,896,742)</u> | <u>(6,710,060)</u> |
| <b><u>ACCUMULATED DEPRECIATION</u></b>           |                    |                    |
| 1 To reflect 13-month average test year          | <u>957,830</u>     | <u>892,137</u>     |
| <b><u>CIAC</u></b>                               |                    |                    |
| 1 To reflect 13-month average test year          | 1,371,511          | 1,150,816          |
| 2 Imputation of CIAC-MR                          | (688,310)          | (680,040)          |
| Total  | <u>683,201</u>     | <u>470,776</u>     |
| <b><u>ACCUM. AMORT. OF CIAC</u></b>              |                    |                    |
| 1 To reflect 13-month average test year          | (252,420)          | (799,571)          |
| 2 Imputation of CIAC on margin reserve           | 10,968             | 10,439             |
| Total  | <u>(241,452)</u>   | <u>(789,132)</u>   |
| <b><u>DEFERRED INCOME TAXES</u></b>              |                    |                    |
| To reflect 13-month average test year            | <u>(368,482)</u>   | <u>79,784</u>      |
| Total  |                    |                    |
| <b><u>ADVANCES FOR CONSTRUCTION</u></b>          |                    |                    |
| To reflect 13-month average test year            | <u>0</u>           | <u>(75,803)</u>    |

PCUC RECONSIDERATION/REFUND  
ADJUSTMENTS TO RATE BASE  
TEST YEAR ENDED 12/31/95

SCHEDULE NO. 1-B  
T1.5  
PAGE 2 OF 2

| EXPLANATION | WATER | WASTEWATER |
|-------------|-------|------------|
|-------------|-------|------------|

(12) a) Adjust to reflect 1994 Test Year  
To remove

(12)

(13) OTHER

A:RBS

| PCUC RECONSIDERATION/REFUND<br>SCHEDULE OF WASTEWATER RATE BASE<br>TEST YEAR ENDED 12/31/95 |                                      |                        | SCHEDULE NO. 1-B<br>DOCKET NO. 951056-WS |                       |                                    |
|---|--------------------------------------|------------------------|--|-----------------------|------------------------------------|
| COMPONENT   | TEST YEAR<br>PER UTILITY<br>YEAR-END | UTILITY<br>ADJUSTMENTS | ADJUSTED<br>TEST YEAR<br>PER UTILITY     | STAFF<br>ADJUSTMENTS  | STAFF ADJ.<br>AVERAGE<br>TEST YEAR |
| 1 UTILITY PLANT IN SERVICE  | \$ 56,249,291                        | \$ 2,128,199           | \$ 58,377,490                            | \$(3,718,488)         | 54,659,002                         |
| 2 LAND & LAND RIGHTS  | 1,153,532                            | 0                      | 1,153,532                                | (525,555)             | 627,977                            |
| 3 NON-USED & USEFUL COMPONENTS  | 18,345,687                           | 426,872                | 18,772,559                               | (6,710,060)           | 12,062,499                         |
| 4 CWIP  | 0                                    | 0                      | 0  | 0                     | 0                                  |
| 5 ACCUMULATED DEPRECIATION  | (18,107,234)                         | (986,635)              | (19,093,869)                             | 892,137               | (18,201,732)                       |
| 6 CIAC  | (61,045,743)                         | 0                      | (61,045,743)                             | 470,776               | (60,574,967)                       |
| 7 AMORTIZATION OF CIAC  | 16,511,375                           | 0                      | 16,511,375                               | (789,132)             | 15,722,243                         |
| 8 DEBIT DEFERRED INCOME TAXES   | 1,940,403                            | 0                      | 1,940,403                                | 79,784                | 2,020,187                          |
| 9   | 0                                    | 0                      | 0  | 0                     | 0                                  |
| 10 ADVANCES FOR CONSTRUCTION  | (990,073)                            | 405,534                | (584,539)                                | (75,803)              | (660,342)                          |
| 11 WORKING CAPITAL ALLOWANCE  | 0                                    | 0                      | 0  | 0                     | 0                                  |
| 12 OTHER  | 0                                    | 0                      | 0  | 0                     | 0                                  |
| <b>RATE BASE</b>  | <b>\$ 14,057,238</b>                 | <b>\$ 1,973,970</b>    | <b>\$ 16,031,208</b>                     | <b>\$(10,376,341)</b> | <b>5,654,867</b>                   |

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**PCUC RECONSIDERATION/REFUND  
SCHEDULE OF WATER RATE BASE  
TEST YEAR ENDED 12/31/95**

**SCHEDULE NO. 1-A  
DOCKET NO. 951056-WS**

| <b>COMPONENT</b>                  | <b>TEST YEAR<br/>PER UTILITY<br/>YEAR-END</b> | <b>UTILITY<br/>ADJUSTMENTS</b> | <b>ADJUSTED<br/>TEST YEAR<br/>PER UTILITY</b> | <b>STAFF<br/>ADJUSTMENTS</b> | <b>STAFF ADJ.<br/>AVERAGE<br/>TEST YEAR</b> |
|-----------------------------------|---|--------------------------------|---|------------------------------|---|
| 1 UTILITY PLANT IN SERVICE        | \$ 63,505,519                                 | \$ (2,128,199)                 | \$ 61,377,320                                 | \$ (1,089,914)               | 60,287,406                                  |
| 2 LAND & LAND RIGHTS              | 504,632                                       | 0                              | 504,632                                       | 0                            | 504,632                                     |
| 3 NON-USED & USEFUL COMPONENTS    | (8,602,553)                                   | 0                              | (8,602,553)                                   | (7,896,742)                  | (16,499,295)                                |
| 4 CWIP                            | 3,992,210                                     | (3,992,210)                    | 0   | 0                            | 0   |
| 5 ACCUMULATED DEPRECIATION        | (20,996,438)                                  | 1,074,065                      | (19,922,373)                                  | 957,830                      | (18,964,543)                                |
| 6 CIAC                            | (16,390,083)                                  | 0                              | (16,390,083)                                  | 683,201                      | (15,706,882)                                |
| 7 AMORTIZATION OF CIAC            | 3,241,580                                     | 0                              | 3,241,580                                     | (241,452)                    | 3,000,128                                   |
| 8 NET DEBIT DEFERRED TAXES (USED) | 1,119,911                                     | 0                              | 1,119,911                                     | (368,482)                    | 751,429                                     |
| 9                                 | 0   | 0                              | 0   | 0                            | 0   |
| 10 ADVANCES FOR CONSTRUCTION      | (2,672,139)                                   | 2,672,139                      | 0   | 0                            | 0   |
| 11 WORKING CAPITAL ALLOWANCE      | 0   | 0                              | 0   | 0                            | 0   |
| 12 OTHER                          | 0   | 0                              | 0   | 0                            | 0   |
| <b>RATE BASE</b>                  | <b>\$ 23,702,639</b>                          | <b>\$ (2,374,205)</b>          | <b>\$ 21,328,434</b>                          | <b>\$ (7,955,559)</b>        | <b>13,372,875</b>                           |

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| PCUC RECONSIDERATION/REFUND<br>TEST YEAR ENDED 12/31/95<br>REVENUE REQUIREMENT CALCULATION  |                    | DOCKET NO. 951056-WS |                   |                   |  |
|---|--------------------|----------------------|-------------------|-------------------|--|
| TAX CALCULATIONS  | TEST YEAR          |                      | REVENUE REQUIRED  |                   |  |
|   | WATER              | SEWER                | WATER             | SEWER             |  |
| TEST YEAR REVENUES  | \$ 5,400,364       | \$ 3,287,205         | \$ 5,321,985      | \$ 3,135,336      |  |
| TOTAL O&M EXPENSE   | 2,711,315          | 1,865,748            | 2,711,315         | 1,865,748         |  |
| NET DEPRECIATION EXPENSE  | 817,310            | 439,807              | 817,310           | 439,807           |  |
| AMORTIZATION  | (82,781)           | (57,525)             | (82,781)          | (57,525)          |  |
| TAXES OTHER THAN INCOME   | 527,224            | 322,244              | 523,696           | 315,410           |  |
| INTEREST EXPENSE (Rate Base X Wtd<br>Cost of Interest + ITC Synchronization)  | <u>393,020</u>     | <u>166,193</u>       | <u>393,020</u>    | <u>166,193</u>    |  |
| TAXABLE INCOME  | 1,034,276          | 550,738              | 959,424           | 405,703           |  |
| COMPOSITE TAX RATE (State & Federal)  | <u>37.630%</u>     | <u>37.630%</u>       | <u>37.630%</u>    | <u>37.630%</u>    |  |
| GROSS PROVISION FOR INCOME TAXES  | 389,198            | 207,243              | 361,031           | 152,666           |  |
| SPECIFIC ADJUSTMENTS TO INCOME TAXES (IF REQUIRED)  |                    |                      |                   |                   |  |
| PARENT DEBT ADJUSTMENT  | (95,215)           | (40,263)             | (95,215)          | (40,263)          |  |
| ITC AMORTIZATION  | 0                  | 0                    | 0                 | 0                 |  |
| WRITE-DOWN OF TAXES   | 0                  | 0                    | 0                 | 0                 |  |
| OTHER   | 0                  | 0                    | 0                 | 0                 |  |
| TOTAL SPECIFIC ADJUSTMENTS  | <u>(95,215)</u>    | <u>(40,263)</u>      | <u>(95,215)</u>   | <u>(40,263)</u>   |  |
| ADJUSTED PROVISION FOR INCOME TAXES   | \$ <u>293,983</u>  | \$ <u>166,980</u>    | \$ <u>265,817</u> | \$ <u>112,403</u> |  |
| CALCULATION OF INTEREST SYNCHRONIZATION ADJUSTMENT FOR WTD COST ITCs<br>(% of debt to total investor sources of funds (LT-D,ST-D,CE,Pfd) X wtd cost of ITCs in capital structure)           |                    |                      |                   |                   |  |
| Included in Interest Exp Calculation Above (BI15)   | 0.0000%            |                      |                   |                   |  |
| <br>  |                    |                      |                   |                   |  |
| <u>CALCULATION OF REVENUE REQUIREMENT INCREASE</u>  |                    | <u>WATER</u>         | <u>SEWER</u>      |                   |  |
| TEST YEAR REVENUES  | \$ 5,400,364       | \$ 3,287,205         |                   |                   |  |
| TOTAL O&M EXPENSE   | 2,711,315          | 1,865,748            |                   |                   |  |
| NET DEPRECIATION EXPENSE  | 817,310            | 439,807              |                   |                   |  |
| AMORTIZATION  | (82,781)           | (57,525)             |                   |                   |  |
| TAXES OTHER THAN INCOME (TEST YEAR)   | 527,224            | 322,244              |                   |                   |  |
| INCOME TAXES (TEST YEAR)  | <u>293,983</u>     | <u>166,980</u>       |                   |                   |  |
| NOI GENERATED   | 1,133,313          | 549,951              |                   |                   |  |
| RETURN ALLOWED (WRB • ORR)  | <u>1,086,628</u>   | <u>459,492</u>       |                   |                   |  |
| NOI DEFICIENCY  | 46,685             | 90,458               |                   |                   |  |
| ESCALATION FACTOR FOR INCOME TAXES & RAFS<br>(See calculation below)  | <u>1.67888</u>     | <u>1.67888</u>       |                   |                   |  |
| REVENUE INCREASE  | \$ <u>(78,379)</u> | \$ <u>(151,869)</u>  |                   |                   |  |
| <br>  |                    |                      |                   |                   |  |
| <b>NOTE: NEVER INCREASE REVENUE REQUIREMENT OVER THE AMOUNT<br/>REQUESTED BY THE UTILITY FOR EACH SYSTEM. @IF STATEMENTS IN<br/>(AL13) &amp; (AL52) SHOULD PREVENT THIS FROM OCCURRING.</b> |                    |                      |                   |                   |  |
| <br>  |                    |                      |                   |                   |  |
| 35% Fed Tax Composite Rate (State & Fed) is 38.57%  |                    |                      |                   |                   |  |
| <br>  |                    |                      |                   |                   |  |
| ESCALATION FACTOR CALCULATION   |                    |                      |                   |                   |  |
| Income Tax Rate (FIT and SIT)   | 0.37630            |                      |                   |                   |  |
| Expansion factor  | 1.60333            |                      |                   |                   |  |
| Expansion factor w/ RAF   | 1.678885           |                      |                   |                   |  |

| PCUC RECONSIDERATION/REFUND<br>OPERATION AND MAINTENANCE EXPENSES - WASTEWATER<br>TEST YEAR ENDED 12/31/95 |  | DOCKET NO. 951056 - WS   |                        |                                  |                      |                                |
|--|--|--------------------------|------------------------|----------------------------------|----------------------|--------------------------------|
| ACCT<br>NO.  | ACCOUNT TITLE  | TEST YEAR<br>PER UTILITY | UTILITY<br>ADJUSTMENTS | UTILITY<br>ADJUSTED<br>TEST YEAR | STAFF<br>ADJUSTMENTS | STAFF<br>ADJUSTED<br>TEST YEAR |
| 701  | SALARIES AND WAGES - EMPLOYEES                             | \$ 0                     | \$ 0                   | \$ 0                             | \$ 0                 | 0                              |
| 703  | SALARIES AND WAGES -<br>OFFICERS, DIRECTORS, ETC.          | 0                        | 0                      | 0                                | 0                    | 0                              |
| 704  | EMPLOYEE PENSIONS AND BENEFITS                             | 0                        | 0                      | 0                                | 0                    | 0                              |
| 710  | PURCHASED SEWAGE TREATMENT                                 | 0                        | 0                      | 0                                | 0                    | 0                              |
| 711  | SLUDGE REMOVAL EXPENSE                                     | 0                        | 0                      | 0                                | 0                    | 0                              |
| 715  | PURCHASED POWER  | 0                        | 0                      | 0                                | 0                    | 0                              |
| 716  | FUEL FOR POWER PRODUCTION                                  | 0                        | 0                      | 0                                | 0                    | 0                              |
| 718  | CHEMICALS  | 0                        | 0                      | 0                                | 0                    | 0                              |
| 720  | MATERIALS AND SUPPLIES                                     | 0                        | 0                      | 0                                | 0                    | 0                              |
| 731  | CONTRACTUAL SERVICES - ENGR.                               | 0                        | 0                      | 0                                | 0                    | 0                              |
| 732  | CONTRACTUAL SERVICES - ACCT.                               | 0                        | 0                      | 0                                | 0                    | 0                              |
| 733  | CONTRACTUAL SERVICES - LEGAL                               | 0                        | 0                      | 0                                | 0                    | 0                              |
| 734  | CONTRACTUAL SERVICES - MGMT. FEES                          | 0                        | 0                      | 0                                | 0                    | 0                              |
| 735  | CONTRACTUAL SERVICES - OTHER                               | 0                        | 0                      | 0                                | 0                    | 0                              |
| 741  | RENTAL OF BUILDING/REAL PROPERTY                           | 0                        | 0                      | 0                                | 0                    | 0                              |
| 742  | RENTAL OF EQUIPMENT  | 0                        | 0                      | 0                                | 0                    | 0                              |
| 750  | TRANSPORTATION EXPENSES                                    | 0                        | 0                      | 0                                | 0                    | 0                              |
| 756  | INSURANCE - VEHICLE  | 0                        | 0                      | 0                                | 0                    | 0                              |
| 757  | INSURANCE - GENERAL LIABILITY                              | 0                        | 0                      | 0                                | 0                    | 0                              |
| 758  | INSURANCE - WORKMAN'S COMPENSATION                         | 0                        | 0                      | 0                                | 0                    | 0                              |
| 759  | INSURANCE - OTHER  | 0                        | 0                      | 0                                | 0                    | 0                              |
| 760  | ADVERTISING EXPENSE  | 0                        | 0                      | 0                                | 0                    | 0                              |
| 766  | REGULATORY COMM. EXPENSES -<br>AMORT. OF RATE CASE EXPENSE | 0                        | 0                      | 0                                | 0                    | 0                              |
| 767  | REGULATORY COMM. EXPENSES - OTHER                          | 0                        | 0                      | 0                                | 0                    | 0                              |
| 770  | BAD DEBT EXPENSE   | 0                        | 0                      | 0                                | 0                    | 0                              |
| 775  | MISCELLANEOUS EXPENSES                                     | 0                        | 0                      | 0                                | 0                    | 0                              |
|  | SERVICES NET   | 0                        |                        |                                  |                      |                                |
|  | TOTAL OPERATION AND MAINTENANCE                            | \$ 0                     | \$ 0                   | \$ 0                             | \$ 0                 | 0                              |

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1665

| PALM COAST UTILITY CORP<br>NON-USED AND USEFUL SUMMARY | <u>Sched A-7</u>         |                        |                        |
|--|--------------------------|------------------------|------------------------|
|  | AMOUNT<br>PER<br>UTILITY | AMOUNT<br>PER<br>STAFF | ADJUST<br>PER<br>STAFF |
| <b>WATER</b>   |                          |                        |                        |
| PLANT  | (13,615,786)             | (26,568,579)           | (12,952,793)           |
| LAND   | 0                        | 0                      | 0                      |
| ACCUMULATED DEPRECIATION                               | 3,896,893                | 8,535,292              | 4,638,399              |
| CIAC   | 1,319,118                | 1,889,709              | 570,591                |
| ACCUMULATED AMORT CIAC                                 | (202,778)                | (355,717)              | (152,939)              |
| ADVANCES FOR CONSTRUCTION                              | 0                        | 0                      | 0                      |
| OTHER  | 0                        | 0                      | 0                      |
| <b>TOTAL NON-USED AND USEFUL</b>                       | <u>(8,602,553)</u>       | <u>(16,499,295)</u>    | <u>(7,896,742)</u>     |
| NON-USED AND USEFUL DEPR EXP                           | 296,334                  | 670,908                | 374,574                |
| NON-USED AND USEFUL AMORT EXP                          | 30,675                   | 60,225                 | 29,550                 |
| <b>NET ADJUSTMENT-WATER</b>                            | <u>(265,659)</u>         | <u>(610,683)</u>       | <u>(345,024)</u>       |
| <b>PROPERTY TAX EXPENSE-GROSS (Sch B-15)</b>           | 290000                   | 290000                 | <u>0</u>               |
| Ratio of non-used plant to total (per staff)           |                          | 43.70%                 |                        |
| Non-used property tax                                  | 31352                    | 126,742                | <u>(95,390)</u>        |
| <b>WASTEWATER</b>                                      |                          |                        |                        |
| PLANT  | (20,225,569)             | (30,752,916)           | (10,527,347)           |
| LAND   | 0                        | 0                      | 0                      |
| ACCUMULATED DEPRECIATION                               | 6,759,615                | 10,127,389             | 3,367,774              |
| CIAC   | 43,537,577               | 43,576,743             | 39,166                 |
| ACCUMULATED AMORT CIAC                                 | (11,299,063)             | (10,888,716)           | 410,347                |
| ADVANCES FOR CONSTRUCTION                              | 0                        | 0                      | 0                      |
| OTHER  | 0                        | 0                      | 0                      |
| <b>TOTAL NON-USED AND USEFUL</b>                       | <u>18,772,560</u>        | <u>12,062,500</u>      | <u>(6,710,060)</u>     |
| NON-USED AND USEFUL DEPR EXP                           | 587,624                  | 923,923                | 336,299                |
| NON-USED AND USEFUL AMORT EXP                          | 1,060,447                | 1,093,350              | 32,903                 |
| <b>NET ADJUSTMENT-WASTEWATER</b>                       | <u>472,823</u>           | <u>169,427</u>         | <u>(303,396)</u>       |
| <b>PROPERTY TAX EXPENSE-GROSS (Sch B-15)</b>           | 210,000                  | 210000                 | <u>0</u>               |
| Ratio of non-used plant to total (per staff)           |                          | 55.62%                 |                        |
| Non-used property tax                                  | 66,329                   | 116,811                | <u>(50,482)</u>        |



**PCUC RECONSIDERATION/REFUND  
TAXES OTHER THAN INCOME  
TEST YEAR ENDED 12/31/95**

**DOCKET NO. 951056-WS**

| <u>WATER</u>               | <u>TEST<br/>YEAR</u> | <u>UTILITY<br/>ADJUSTMENTS</u> | <u>UTILITY<br/>ADJUSTED<br/>TEST YEAR</u> | <u>STAFF<br/>ADJUSTMENTS</u> | <u>STAFF<br/>ADJUSTED<br/>TEST YEAR</u> | <u>REVENUE<br/>INCREASE</u> | <u>REVENUE<br/>REQUIREMENT</u> |
|----------------------------|----------------------|--------------------------------|---|------------------------------|---|-----------------------------|--------------------------------|
| PERSONAL PROPERTY          | 290,000              | (31,352)                       | 258,648                                   | (95,390)                     | 163,258                                 |                             | 163,258                        |
| PAYROLL                    | 147,208              | (31,717)                       | 115,491                                   | 0                            | 115,491                                 |                             | 115,491                        |
| REGULATORY ASSESSMENT FEES | 430,425              | (116,701)                      | 313,724                                   | (70,708)                     | 243,016                                 | (3,527)                     | 239,489                        |
| OTHER                      | 6,587                | (1,128)                        | 5,459                                     | 0                            | 5,459                                   |                             | 5,459                          |
| <b>TOTAL</b>               | <b>874,220</b>       | <b>(180,898)</b>               | <b>693,322</b>                            | <b>(166,097)</b>             | <b>527,225</b>                          | <b>(3,527)</b>              | <b>523,697</b>                 |

| <u>WASTEWATER</u>          | <u>TEST<br/>YEAR</u> | <u>UTILITY<br/>ADJUSTMENTS</u> | <u>UTILITY<br/>ADJUSTED<br/>TEST YEAR</u> | <u>STAFF<br/>ADJUSTMENTS</u> | <u>STAFF<br/>ADJUSTED<br/>TEST YEAR</u> | <u>REVENUE<br/>INCREASE</u> | <u>REVENUE<br/>REQUIREMENT</u> |
|----------------------------|----------------------|--------------------------------|---|------------------------------|---|-----------------------------|--------------------------------|
| PERSONAL PROPERTY          | 210,000              | (66,329)                       | 143,671                                   | (50,482)                     | 93,189                                  |                             | 93,189                         |
| PAYROLL                    | 45,989               | 31,717                         | 77,706                                    | 0                            | 77,706                                  |                             | 77,706                         |
| REGULATORY ASSESSMENT FEES | 0                    | 220,808                        | 220,808                                   | (72,884)                     | 147,924                                 | (6,834)                     | 141,090                        |
| OTHER                      | 2,296                | 1,128                          | 3,424                                     | 0                            | 3,424                                   |                             | 3,424                          |
| <b>TOTAL</b>               | <b>258,285</b>       | <b>187,324</b>                 | <b>445,609</b>                            | <b>(123,366)</b>             | <b>322,243</b>                          | <b>(6,834)</b>              | <b>315,409</b>                 |

| PCUC RECONSIDERATION/REFUND<br>OPERATION AND MAINTENANCE EXPENSES - WATER<br>TEST YEAR ENDED 12/31/95 |  | DOCKET NO. 951056-WS     |                        |                                  |                      |                                |  |
|---|--|--------------------------|------------------------|----------------------------------|----------------------|--------------------------------|--|
| ACCT<br>NO.   | ACCOUNT TITLE  | TEST YEAR<br>PER UTILITY | UTILITY<br>ADJUSTMENTS | UTILITY<br>ADJUSTED<br>TEST YEAR | STAFF<br>ADJUSTMENTS | STAFF<br>ADJUSTED<br>TEST YEAR |  |
| 601   | SALARIES AND WAGES - EMPLOYEES                             | \$ 0                     | \$ 0                   | \$ 0                             | \$ 0                 | 0                              |  |
| 603   | SALARIES AND WAGES -<br>OFFICERS, DIRECTORS, ETC.          | 0                        | 0                      | 0                                | 0                    | 0                              |  |
| 604   | EMPLOYEE PENSIONS AND BENEFITS                             | 0                        | 0                      | 0                                | 0                    | 0                              |  |
| 610   | PURCHASED WATER  | 0                        | 0                      | 0                                | 0                    | 0                              |  |
| 615   | PURCHASED POWER  | 0                        | 0                      | 0                                | 0                    | 0                              |  |
| 616   | FUEL FOR POWER PRODUCTION                                  | 0                        | 0                      | 0                                | 0                    | 0                              |  |
| 618   | CHEMICALS  | 0                        | 0                      | 0                                | 0                    | 0                              |  |
| 620   | MATERIALS AND SUPPLIES                                     | 0                        | 0                      | 0                                | 0                    | 0                              |  |
| 631   | CONTRACTUAL SERVICES - ENGR.                               | 0                        | 0                      | 0                                | 0                    | 0                              |  |
| 632   | CONTRACTUAL SERVICES - ACCT.                               | 0                        | 0                      | 0                                | 0                    | 0                              |  |
| 633   | CONTRACTUAL SERVICES - LEGAL                               | 0                        | 0                      | 0                                | 0                    | 0                              |  |
| 634   | CONTRACTUAL SERVICES - MGMT. FEES                          | 0                        | 0                      | 0                                | 0                    | 0                              |  |
| 635   | CONTRACTUAL SERVICES - OTHER                               | 0                        | 0                      | 0                                | 0                    | 0                              |  |
| 641   | RENTAL OF BUILDING/REAL PROPERTY                           | 0                        | 0                      | 0                                | 0                    | 0                              |  |
| 642   | RENTAL OF EQUIPMENT  | 0                        | 0                      | 0                                | 0                    | 0                              |  |
| 650   | TRANSPORTATION EXPENSES                                    | 0                        | 0                      | 0                                | 0                    | 0                              |  |
| 656   | INSURANCE - VEHICLE  | 0                        | 0                      | 0                                | 0                    | 0                              |  |
| 657   | INSURANCE - GENERAL LIABILITY                              | 0                        | 0                      | 0                                | 0                    | 0                              |  |
| 658   | INSURANCE - WORKMAN'S COMP.                                | 0                        | 0                      | 0                                | 0                    | 0                              |  |
| 659   | INSURANCE - OTHER  | 0                        | 0                      | 0                                | 0                    | 0                              |  |
| 660   | ADVERTISING EXPENSE  | 0                        | 0                      | 0                                | 0                    | 0                              |  |
| 666   | REGULATORY COMM. EXPENSES -<br>AMORT. OF RATE CASE EXPENSE | 0                        | 0                      | 0                                | 0                    | 0                              |  |
| 667   | REGULATORY COMM. EXPENSES - OTHER                          | 0                        | 0                      | 0                                | 0                    | 0                              |  |
| 670   | BAD DEBT EXPENSE   | 0                        | 0                      | 0                                | 0                    | 0                              |  |
| 675   | MISCELLANEOUS EXPENSES                                     | 0                        | 0                      | 0                                | 0                    | 0                              |  |
|   | SERVICES NET   | 0                        |                        |                                  |                      |                                |  |
|   | TOTAL OPERATION AND MAINTENANCE                            | \$ 0                     | \$ 0                   | \$ 0                             | \$ 0                 | 0                              |  |



PALM COAST UTILITY CORP

| WASTEWATER UTILITY PLANT ACCT. NO.          | ACCOUNT NAME                                     | Year End   | 13-Mo Avg              | 13-Mo Avg                       | Depr Rates Per MFRs     | Year End          | STAFF          | 13-Mo Avg  | 13-Mo Avg              | Depr Exp Per MFRs | Staff             | STAFF          | STAFF         | NET PLANT              |                   |                      |                         |                           |                          |                       |
|---|--|------------|------------------------|---------------------------------|-------------------------|-------------------|----------------|--|------------------------|-------------------|-------------------|----------------|---------------|------------------------|-------------------|----------------------|-------------------------|---------------------------|--------------------------|-----------------------|
|   |  | Per MFRs   | STAFF Reconn.          | STAFF Specific Adjusted Balance |                         | Acc Depr Per MFRs | Adjuster TO    | STAFF Specific A                                     | STAFF Adjusted Balance |                   | Depr Exp Per MFRs | Staff Depr Exp | STAFF Reconn. | STAFF Adjusted Balance | NON-U/UNON-U/with | NON-U/UNON-U/without | UINCL IN MARGIN RESERVE | NON-U/UNON-U/Adj to Plant | NON-U/UNON-U/Adj to Ass. | NON-U/UNON-U/Depr exp |
| <b>INTANGIBLE PLANT</b>                     |  |            |                        |                                 |                         |                   |                |  |                        |                   |                   |                |               |                        |                   |                      |                         |                           |                          |                       |
| 351.1                                       | Organization                                     | 6,130      | 0                      | 6,130                           | 3.33%                   | 4,874             | (102)          | 0  | 4,772                  | 204               | 0                 | 0              | 204           | NA                     | NA                | NA                   | NA                      | NA                        | NA                       |                       |
| 352.1                                       | Franchises                                       | 2,884      | 0                      | 2,884                           | 3.20%                   | 2,150             | (43)           | 0  | 2,107                  | 86                | 0                 | 0              | 86            | NA                     | NA                | NA                   | NA                      | NA                        | NA                       |                       |
| 389.1                                       | Other Plant & Misc.                              | 121,386    | 0                      | 121,386                         | 4.16%                   | 101,895           | (2,527)        | 0  | 99,368                 | 5,054             | 0                 | 0              | 5,054         | NA                     | NA                | NA                   | NA                      | NA                        | NA                       |                       |
| <b>COLLECTION PLANT</b>                     |  |            |                        |                                 |                         |                   |                |  |                        |                   |                   |                |               |                        |                   |                      |                         |                           |                          |                       |
| 353.2                                       | Land and Land Rights                             | 0          | 0                      | 0                               | 0.00%                   | 0                 | 0              | 0  | 0                      | 0                 | 0                 | 0              | 0             | 0.00%                  | 0.00%             | 0                    | 0                       | 0                         | 0                        |                       |
| 354.2                                       | Structures and Improvements                      | 6,560      | 0                      | 6,560                           | 3.11%                   | 2,948             | (102)          | 0  | 2,846                  | 204               | 0                 | 0              | 204           | 0.00%                  | 0.00%             | 0                    | 0                       | 0                         | 0                        |                       |
| 360.2                                       | Collection Sewers - Force                        | 0          | 0                      | 0                               | 0.00%                   | 0                 | 0              | 0  | 0                      | 0                 | 0                 | 0              | 0             | 0.00%                  | 0.00%             | 0                    | 0                       | 0                         | 0                        |                       |
| 361.2                                       | Collection Sewers - Gravity                      | 35,493,443 | (1,170,095)            | 34,323,348                      | 2.46%                   | 11,844,229        | (437,656)      | 0  | 11,406,573             | 873,351           | (28,791)          | 0              | 844,560       | 80.51%                 | 61.99%            | 339,188              | 20,769,058              | 6,902,117                 | 511,043                  |                       |
| 361   | Advanced Mains                                   | 13,789     | 0                      | 13,789                          | 2.52%                   | 2,481             | (174)          | 0  | 2,317                  | 348               | 0                 | 0              | 348           | 0.00%                  | 0.00%             | 0                    | 0                       | 0                         | 0                        |                       |
| 361   | Advanced Mains                                   | 16,452     | (731)                  | 15,721                          | 2.33%                   | 685               | (192)          | 0  | 493                    | 384               | (17)              | 0              | 367           | 0.00%                  | 0.00%             | 0                    | 0                       | 0                         | 0                        |                       |
| 362   | Services   | 2,964,847  | 0                      | 2,964,847                       | 2.63%                   | 1,286,818         | (39,008)       | 0  | 1,247,812              | 78,012            | 0                 | 0              | 78,012        | 65.71%                 | 67.38%            | 28,674               | 1,948,201               | 819,937                   | 51,262                   |                       |
| 365.2                                       | Fib w Measuring Installation                     | 0          | 0                      | 0                               | 0.00%                   | 0                 | 0              | 0  | 0                      | 0                 | 0                 | 0              | 0             | 0.00%                  | 0.00%             | 0                    | 0                       | 0                         | 0                        |                       |
| 389.2                                       | Other Plant & Misc.                              | 0          | 0                      | 0                               | 0.00%                   | 0                 | 0              | 0  | 0                      | 0                 | 0                 | 0              | 0             | 0.00%                  | 0.00%             | 0                    | 0                       | 0                         | 0                        |                       |
| <b>SYSTEM PUMPING PLANT</b>                 |  |            |                        |                                 |                         |                   |                |  |                        |                   |                   |                |               |                        |                   |                      |                         |                           |                          |                       |
| 353.3                                       | Land & Land Rights                               | 207,043    | 0                      | 207,043                         | NA                      | 43                | 30             | 0  | 73                     | 0                 | 0                 | 0              | 0             | 0.00%                  | 0.00%             | 0                    | 0                       | 0                         | 0                        |                       |
| 354.3                                       | Structures & Improvements                        | 101,995    | 0                      | 101,995                         | 3.12%                   | 44,381            | (1,591)        | 0  | 42,790                 | 3,180             | 0                 | 0              | 3,180         | 61.27%                 | 63.35%            | 1,231                | 62,492                  | 26,217                    | 1,948                    |                       |
| 370.3                                       | Receiving Wells                                  | 0          | 0                      | 0                               | 0.00%                   | 0                 | 0              | 0  | 0                      | 0                 | 0                 | 0              | 0             | 0.00%                  | 0.00%             | 0                    | 0                       | 0                         | 0                        |                       |
| 371.3                                       | Pumping Equipment                                | 4,233,215  | (86,495)               | 4,146,720                       | 5.52%                   | 1,939,909         | (115,758)      | 0  | 1,824,151              | 233,472           | (4,774)           | 0              | 228,702       | 61.27%                 | 63.35%            | 48,309               | 2,540,695               | 1,117,657                 | 140,125                  |                       |
| 389.3                                       | Other Plant & Misc.                              | 0          | 0                      | 0                               | 0.00%                   | 0                 | 0              | 0  | 0                      | 0                 | 0                 | 0              | 0             | 0.00%                  | 0.00%             | 0                    | 0                       | 0                         | 0                        |                       |
| <b>TREATMENT &amp; DISPOSAL PLANT</b>       |  |            |                        |                                 |                         |                   |                |  |                        |                   |                   |                |               |                        |                   |                      |                         |                           |                          |                       |
| 353.4                                       | Land & Land Rights                               | 946,489    | 0                      | (525,555)                       | NA                      | 40                | 0              | 0  | 40                     | 0                 | 0                 | 0              | 0             | 0.00%                  | 0.00%             | 0                    | 0                       | 0                         | 0                        |                       |
| 354.4                                       | Structures & Improvements                        | 6,402,440  | (1,002,942)            | 5,399,498                       | 3.13%                   | 1,329,271         | (93,820)       | 0  | 1,235,451              | 200,348           | (31,385)          | 0              | 168,963       | 52.76%                 | 56.76%            | 166,562              | 2,848,775               | 651,824                   | 89,145                   |                       |
| 380.4                                       | Treatment and Disposal Equip.                    | 6,707,389  | (1,493,248)            | 5,214,029                       | 5.53%                   | 1,480,907         | (162,330)      | 0  | 1,318,577              | 370,836           | (82,559)          | 0              | 288,277       | 43.98%                 | 49.19%            | 202,953              | 2,293,130               | 579,910                   | 126,784                  |                       |
| 381.4                                       | Plant Sewers                                     | 0          | 0                      | 0                               | 2.86%                   | 0                 | 0              | 0  | 0                      | 0                 | 0                 | 0              | 0             | 0.00%                  | 0.00%             | 0                    | 0                       | 0                         | 0                        |                       |
| 382.4                                       | Outfall Sewer Lines                              | 0          | 0                      | 0                               | 3.33%                   | 0                 | 0              | 0  | 0                      | 0                 | 0                 | 0              | 0             | 0.00%                  | 0.00%             | 0                    | 0                       | 0                         | 0                        |                       |
| 389.4                                       | Other Plant & Misc.                              | 0          | 0                      | 0                               | 5.56%                   | 0                 | 0              | 0  | 0                      | 0                 | 0                 | 0              | 0             | 0.00%                  | 0.00%             | 0                    | 0                       | 0                         | 0                        |                       |
| <b>GENERAL PLANT</b>                        |  |            |                        |                                 |                         |                   |                |  |                        |                   |                   |                |               |                        |                   |                      |                         |                           |                          |                       |
| 353   | Land & Land Rights                               | 0          | 0                      | 0                               | NA                      | 0                 | 0              | 0  | 0                      | 0                 | 0                 | 0              | 0             | NA                     | NA                | NA                   | NA                      | NA                        | NA                       |                       |
| 354   | Structures & Improvements                        | 534,224    | 0                      | 534,224                         | 2.47%                   | 137,789           | 0              | 0  | 137,789                | 13,213            | 0                 | 0              | 13,213        | 9.02%                  | 13.20%            | 16,571               | 48,187                  | 12,429                    | 1,192                    |                       |
| 390   | Office Furniture & Equipment                     | 391,033    | (40,981)               | 350,072                         | 7.67%                   | 201,390           | (9,628)        | 0  | 191,762                | 30,011            | (3,144)           | 0              | 28,867        | 9.02%                  | 13.20%            | 6,617                | 31,577                  | 17,297                    | 2,423                    |                       |
| 390   | Computer Equipment                               | 0          | 0                      | 0                               | 16.67%                  | 0                 | 0              | 0  | 0                      | 0                 | 0                 | 0              | 0             | NA                     | NA                | NA                   | NA                      | NA                        | NA                       |                       |
| 391   | Transportation Equipment                         | 678,806    | (58,397)               | 620,409                         | 11.73%                  | 497,925           | (40,068)       | 0  | 457,857                | 79,610            | (6,849)           | 0              | 72,761        | NA                     | NA                | NA                   | NA                      | NA                        | NA                       |                       |
| 392   | Stores Equipment                                 | 6,057      | 19                     | 6,076                           | 4.08%                   | 4,189             | (104)          | 0  | 4,085                  | 247               | 1                 | 0              | 248           | NA                     | NA                | NA                   | NA                      | NA                        | NA                       |                       |
| 393   | Tools, Shop & Garage                             | 188,947    | (28,973)               | 159,974                         | 4.89%                   | 70,618            | (4,373)        | 0  | 66,243                 | 8,659             | (1,360)           | 0              | 7,509         | NA                     | NA                | NA                   | NA                      | NA                        | NA                       |                       |
| 394   | Laboratory Equipment                             | 20,739     | 157                    | 20,896                          | 6.80%                   | 9,967             | (546)          | 0  | 9,451                  | 1,410             | 11                | 0              | 1,421         | NA                     | NA                | NA                   | NA                      | NA                        | NA                       |                       |
| 395   | Power Operated Equipment                         | 253,942    | (42,419)               | 211,523                         | 5.51%                   | 93,163            | (2,967)        | 0  | 90,216                 | 13,990            | (2,337)           | 0              | 11,653        | NA                     | NA                | NA                   | NA                      | NA                        | NA                       |                       |
| 396   | Communication Equipment                          | 52,925     | 0                      | 52,925                          | 7.63%                   | 38,599            | (2,019)        | 0  | 34,581                 | 4,037             | 0                 | 0              | 4,037         | NA                     | NA                | NA                   | NA                      | NA                        | NA                       |                       |
| 397   | Miscellaneous Equipment                          | 1,527      | (0)                    | 1,527                           | 0.00%                   | 1,540             | 20,837         | 0  | 22,377                 | 0                 | 0                 | 0              | 0             | NA                     | NA                | NA                   | NA                      | NA                        | NA                       |                       |
| 108   | Undistributed Plant                              | 0          | 173,869                | 173,869                         | 0.00%                   | 0                 | 0              | 0  | 0                      | 0                 | 0                 | 0              | 0             | NA                     | NA                | NA                   | NA                      | NA                        | NA                       |                       |
| <b>OTHER</b>                                |  |            |                        |                                 |                         |                   |                |  |                        |                   |                   |                |               |                        |                   |                      |                         |                           |                          |                       |
| 103   | Future Use Plant                                 | 179,081    | 31,720                 | 0                               | 0.00%                   | 0                 | 0              | 0  | 0                      | 0                 | 0                 | 0              | 0             | 100.00%                | 100.00%           | 0                    | 210,801                 | 0                         | 0                        |                       |
| 107   | Advanced Property                                | 0          | 0                      | 0                               | 0.00%                   | 0                 | 0              | 0  | 0                      | 0                 | 0                 | 0              | 0             | 100.00%                | 100.00%           | 0                    | 0                       | 0                         | 0                        |                       |
| <b>INTANGIBLE PLANT</b>                     |  |            |                        |                                 |                         |                   |                |  |                        |                   |                   |                |               |                        |                   |                      |                         |                           |                          |                       |
| 130.200                                     |  | 130,200    | 0                      | 130,200                         |                         | 108,919           | (2,672)        | 0  | 106,247                | 5,344             | 0                 | 0              | 5,344         | 0.00%                  | NA                | NA                   | 0                       | 0                         | 0                        |                       |
| <b>COLLECTION PLANT</b>                     |  |            |                        |                                 |                         |                   |                |  |                        |                   |                   |                |               |                        |                   |                      |                         |                           |                          |                       |
| 38,495,091                                  | (1,170,829)                                      | 37,324,265 |                        | 13,137,171                      | (477,130)               | 0                 | 12,660,041     | 952,299  | (28,808)               | 0                 | 923,491           | 60,86%         | NA            | NA                     | 22,717,259        | 7,722,065            | 562,305                 |                           |                          |                       |
| <b>SYSTEM PUMPING PLANT</b>                 |  |            |                        |                                 |                         |                   |                |  |                        |                   |                   |                |               |                        |                   |                      |                         |                           |                          |                       |
| 4,542,253                                   | (86,495)   | 4,455,758  |                        | 1,984,333                       | (117,319)               | 0                 | 1,867,014      | 236,652  | (4,770)                | 0                 | 231,882           | 58.42%         | NA            | NA                     | 2,603,188         | 1,143,875            | 142,074                 |                           |                          |                       |
| <b>TREATMENT &amp; DISPOSAL PLAN 1</b>      |  |            |                        |                                 |                         |                   |                |  |                        |                   |                   |                |               |                        |                   |                      |                         |                           |                          |                       |
| 14,056,198                                  | (2,496,182)                                      | 11,034,461 | (525,555)              | 2,810,218                       | (256,150)               | 0                 | 2,554,068      | 571,184  | (113,944)              | 0                 | 457,240           | 46.60%         | NA            | NA                     | 5,141,905         | 1,231,734            | 215,929                 |                           |                          |                       |
| <b>GENERAL PLANT</b>                        |  |            |                        |                                 |                         |                   |                |  |                        |                   |                   |                |               |                        |                   |                      |                         |                           |                          |                       |
| 2,128,200                                   | 3,295  | 2,131,495  |                        | 1,053,228                       | (38,866)                | 0                 | 1,014,362      | 151,387  | (13,678)               | 0                 | 137,709           | 3.74%          | NA            | NA                     | 79,764            | 29,726               | 3,615                   |                           |                          |                       |
| <b>OTHER PLANT</b>                          |  |            |                        |                                 |                         |                   |                |  |                        |                   |                   |                |               |                        |                   |                      |                         |                           |                          |                       |
| 179,081                                     | 31,720   | 210,801    |                        | 0                               | 0                       | 0                 | 0              | 0  | 0                      | 0                 | 0                 | 0              | 0             | 100.00%                | 100.00%           | 210,801              | 0                       | 0                         |                          |                       |
| <b>TOTALS - WASTEWATER</b>                  |  |            |                        |                                 |                         |                   |                |  |                        |                   |                   |                |               |                        |                   |                      |                         |                           |                          |                       |
| 59,531,023                                  | (3,718,488)                                      | 55,286,980 | (525,555)              | 19,093,869                      | (892,137)               | 0                 | 18,201,732     | 1,916,866  | (161,200)              | 0                 | 1,755,666         | 55.62%         | NA            | NA                     | 30,752,916        | *****                | 823,823                 |                           |                          |                       |
| <b>IMPUTATION OF CIAC ON MARGIN RESERVE</b> |  |            |                        |                                 |                         |                   |                |  |                        |                   |                   |                |               |                        |                   |                      |                         |                           |                          |                       |
|   |  |            | <u>Treatment Plant</u> |                                 | <u>Collection Plant</u> |                   | <u>Total</u>   | <b>RATD OF NON-USED &amp; USEFUL PLANT TO PLAN 1</b> |                        |                   |                   |                |               |                        |                   |                      |                         |                           |                          | <b>55.62%</b>         |
| 1   | Service Availability Charge (PCC or MEF)         |            | 334                    |                                 | 1,266                   |                   | 1,600          |  |                        |                   |                   |                |               |                        |                   |                      |                         |                           |                          |                       |
| 2   | ERICs included in MR (Note 1)                    |            | 1,138                  |                                 | 774                     |                   | 1,912          |  |                        |                   |                   |                |               |                        |                   |                      |                         |                           |                          |                       |
| 3   | SAC * ERICs in MR (Line 1*Line3)                 |            | <u>380,417</u>         |                                 | <u>979,663</u>          |                   | <u>680,040</u> |  |                        |                   |                   |                |               |                        |                   |                      |                         |                           |                          |                       |
| <b>Net plant included as a result of MR</b> |  |            |                        |                                 |                         |                   |                |  |                        |                   |                   |                |               |                        |                   |                      |                         |                           |                          |                       |
| 4   | Treat & Disposal Plant                           |            | 369,515                |                                 |                         |                   |                |  |                        |                   |                   |                |               |                        |                   |                      |                         |                           |                          |                       |
| 5   | Collection Plant                                 |            |                        |                                 | 367,843                 |                   |                |  |                        |                   |                   |                |               |                        |                   |                      |                         |                           |                          |                       |
| 6   | System Pumping Plant                             |            |                        |                                 | 49,541                  |                   |                |  |                        |                   |                   |                |               |                        |                   |                      |                         |                           |                          |                       |
|   | Total Collection and Pumping                     |            |                        |                                 | <u>417,384</u>          |                   | <u>786,889</u> |  |                        |                   |                   |                |               |                        |                   |                      |                         |                           |                          |                       |
| 8   | Amount of CIAC to impute (Lower of lines 3 or 4) |            |                        |                                 |                         |                   | <u>680,040</u> |  |                        |                   |                   |                |               |                        |                   |                      |                         |                           |                          |                       |
| 9   | Composite CIAC Amortization rate (Sch B-13 p2)   |            |                        |                                 |                         |                   | 3.07%          |  |                        |                   |                   |                |               |                        |                   |                      |                         |                           |                          |                       |
| 10  | Amortization Expense (CIAC * rate)               |            |                        |                                 |                         |                   | <u>20,877</u>  |  |                        |                   |                   |                |               |                        |                   |                      |                         |                           |                          |                       |
| 11  | Accum Amort (50% of amortization)                |            |                        |                                 |                         |                   | <u>10,439</u>  |  |                        |                   |                   |                |               |                        |                   |                      |                         |                           |                          |                       |

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