

ORIGINAL

**RUDEN**  
**MCCLOSKEY**  
**SMITH**  
**SCHUSTER &**  
**RUSSELL, P.A.**  
ATTORNEYS AT LAW

RECEIVED FPSC  
50 JAN -8 PM 2:10  
RECORDS AND REPORTING

215 SOUTH MONROE STREET  
SUITE 815  
TALLAHASSEE, FLORIDA 32301

TELEPHONE: (850) 681-9027  
FAX: (850) 224-2032

E-MAIL: BKG@RUDEN.COM

January 8, 1999

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

VIA HAND DELIVERY

Re: Docket No. 950387-SU (Remand)  
Application of Florida Cities Water Company - North Ft. Myers  
Division - for increased wastewater rates in Lee County.

Dear Ms. Bayo:

Enclosed, for filing in the above docket, are an original and fifteen (15) copies of Florida Cities Water Company's Proposed Findings of Fact and Conclusions of Law, Statement of Issues and Positions, and Brief.

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,

B. Kenneth Gatlin

- ACK ✓
- AFA 2
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG BKG/l dv
- LEG 1 Enclosures
- LIN 3
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC 1
- WAS Willis
- OTH \_\_\_\_\_

RECEIVED & FILED  
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE  
00332 JAN-8 99

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for a rate )  
increase for North Ft. Myers )  
Division in Lee County by )  
Florida Cities Water Company -)  
Lee County Division. )

DOCKET NO. 950387-SU

Filed: January 8, 1999

PROPOSED FINDINGS OF FACT AND  
CONCLUSIONS OF LAW,  
STATEMENT OF ISSUES AND POSITIONS,  
AND  
BRIEF  
OF FLORIDA CITIES WATER COMPANY

B. Kenneth Gatlin  
Kathryn G.W. Cowdery  
Ruden, McClosky, Smith  
Schuster & Russell, P.A.  
215 S. Monroe St., Suite 815  
Tallahassee, FL 32301  
(850) 681-9027

Attorneys for Florida Cities  
Water Company

DOCUMENT NUMBER-DATE  
00332 JAN-88  
FPSC-RECORDS/REPORTING 1483

TABLE OF CONTENTS

	<u>Page</u>
Procedural Background	1
Proposed Findings of Fact and Conclusions of Law, and Statement of Issues and Positions	6
<u>Issue 1</u> : Should the Commission ignore average daily flow in the peak month in determining used and useful plant to be included in rate base?	6
<u>ISSUE 2</u> : Does a change in the wording of the DEP permit application so that the permit and application now indicate the time frame for design capacity, i.e. annual average daily flow, maximum monthly average daily flow or three month average daily flow correspond to a real change in operating capacity?	8
<u>ISSUE 3</u> : Where the DEP permits the wastewater treatment plant based on annual average daily flows, what flows should be used in the numerator of the used and useful equation to calculate used and useful plant?	9
<u>ISSUE 4</u> : What is the appropriate provision for rate case expense since the remand by the First District Court of Appeal?	17
<u>ISSUE 5</u> : What is the appropriate provision for appellate non-legal rate case expense?	19
<u>ISSUE 6</u> : What is the appropriate revenue requirement?	20
<u>ISSUE 7</u> : What are the appropriate wastewater rates for Florida Cities Water Company - North Fort Myers Wastewater Division?	22
<u>ISSUE 8</u> : What is the appropriate amount by which rates should be reduced four years after the established effective date to reflect the removal of the amortized rate case expense as required by Section 367.0816, Florida Statutes?	23

TABLE OF CONTENTS  
(continued)

	<u>Page</u>
<u>ISSUE 9</u> : Should the utility be required to refund a portion of the revenues implemented pursuant to Order No. PSC-95-1360-FOF-SU, issued November 2, 1995?	24
Certificate of Service	25

### PROCEDURAL BACKGROUND

This docket opened in 1995 when Florida Cities Water Company, North Ft. Myers Division ("FCWC"), filed an application for a wastewater rate increase in order to recover costs incurred in the expansion and improvement of its Waterway Estates advanced wastewater treatment plant (hereinafter referred to as "the AWTP"). The Florida Public Service Commission ("PSC") issued Proposed Agency Action Order PSC-95-1360-FOF-SU on November 2, 1995 ("PAA"), finding the entire plant to be 100% used and useful. That order was challenged by 12 individual customers, including Cheryl Walla and Jerilyn Victor, who were granted party status. The Office of Public Counsel (OPC) was granted intervenor status by Order No. PSC-96-0356-PCO-SU, issued on March 13, 1996.

After the protest of the PAA, Florida Cities implemented the rates approved in the PSC's PAA Order, pursuant to Sec. 367.081(8), Fla. Stat., subject to refund with interest. The implementation of the rates was acknowledged by Order No. PSC-96-0038-FOF-SU, issued January 10, 1996, which required Florida Cities, pursuant to Sec. 367.081(1), Fla. Stat., to keep accurate, detailed accounts of all amounts received because of the PAA rates becoming effective, specifying by whom and in whose behalf such amounts were paid. The order also required Florida Cities, pursuant to Rule 25-30.360(6), F.A.C., to provide a report by the 20th of each month indicating

the monthly and total revenue collected subject to refund. The PAA rates were implemented pursuant to approved customer notice dated December 5, 1998. See Attachment "A" hereto.

A hearing was held on April 24-25, 1996. PSC Order No. PSC-96-1133-FOF-SU, (Final Order) Denying Application for Increased Wastewater Rates, Reducing Rates, Requiring Refund, and Requiring Reports, was issued on September 10, 1996 ("Final Order"). Florida Cities appealed that order to the First District Court of Appeals.

On appeal, the First District Court of Appeals in Florida Cities Water Company v. State, Fla. Pub. Serv. Com'n., 705 So. 2d 620 (Fla. 1st DCA 1998), stated:

The last time a "used and useful" percentage was calculated for Florida Cities's [sic] North Fort Myers Advanced Wastewater Treatment Plant, the peak month average daily flow figure was employed. The final order under review acknowledged the change that took place in the present proceeding:

'In Docket No. 920756-SU, using the projected test year ended June 30, 1993, the Commission observed that FCWC's investment would be substantially enlarged when it completed construction of a 1.0 mgd advanced wastewater treatment plant. In that proceeding, the Commission found that FCWC's investment was 100 percent used and useful based upon a comparison of average daily flow conditions during a peak month to available capacity. In this proceeding, we are disregarding the peak month measurements and are using annual average daily flow considerations.'

Because this policy shift was essentially unsupported "by expert testimony, documentary opinion, or other evidence appropriate to the nature of the issue involved," Manasota-88, Inc. v. Gardinier, Inc., 481 So. 2d 948, 950 (Fla. 1st DCA 1986), the PSC must, on remand, give a reasonable explanation, if it can, supported by record evidence (which all parties must have an opportunity to address) as to why average daily flow in the peak month was ignored.

Id. at 626.

Additionally, the Court by separate Order issued January 12, 1998, granted Florida Cities' Motion for Attorney's Fees. Although the parties stipulated to the amount of \$74,648.14 in attorney's fees and costs as the lodestar figure, the PSC believed that this amount should be reduced in light of the "results obtained" by Florida Cities. The matter was referred to the Division of Administrative Hearings. On June 17, 1998, the administrative law judge ("ALJ") issued his final order which ordered that the stipulated amount should not be reduced in light of the results obtained. The PSC paid the attorneys fees as determined by the ALJ on July 15, 1998.

On April 14, 1998, the PSC issued Order No. PSC-98-0509-PCO-SU, Order Establishing Procedure and Issues, for the purpose of reopening the record on remand and to schedule an evidentiary hearing. Florida Cities filed a petition for writ of certiorari with the First District Court of Appeals to review that order and two other procedural orders on the grounds that the PSC's decision

to reopen the record was an improper attempt at a "second bite of the apple," which would unfairly subject Florida Cities to bear the hazards, harassment and expense of a second hearing, constituting a departure from the essential requirements of law.

On June 17, 1998 the Court in Florida Cities Water Company v. State, Fla. Pub. Serv. Com'n., 711 So. 2d 644 (Fla. 1st DCA 1998), denied Florida Cities' petition, per curiam, citing to Medivision, Inc. v. Dept. of Health & Rehab. Serv., 488 So. 2d 886 (Fla. 1st DCA 1986), which stands for the general proposition that a petition for writ of certiorari must show injury for which remedy by appeal will be inadequate, and to Continental Equities, Inc. v. Jacksonville Transportation Authority, 558 So. 2d 154 (Fla. 1st DCA 1990), which holds that potential waste of time and money which would be incurred if the interlocutory error is not corrected before trial is not the type of injury prerequisite to grant a writ of certiorari.

The remand hearing was held in Ft. Myers on December 8-9, 1998. Prefiled testimony was filed pursuant to the Orders Establishing Procedure, No. PSC-98-0893-PCO-SU and No. PSC-98-1402-PCO-SU by all the parties except Cheryl Walla. At hearing Ms. Walla testified. Florida Cities objected to Ms. Walla testifying on the basis that she is a party in this proceeding, and was required to submit prefiled testimony. Chairman Johnson overruled



the objection. Florida Cities also moved to strike Ms. Walla's testimony as it related to engineering matters, which motion was denied. T. 848, 858.

Florida Cities' customers have been receiving a rate reduction credit, pursuant to stipulation of the parties approved by the PSC in the Final Order, pp. 5-6. This rate reduction credit was approved by the PSC in lieu of reducing the rates pursuant to Order No. 92-0594-FOF-SU, p. 25, issued June 30, 1992, Docket No. 910756-SU, upon the expiration of rate case expense amortization (\$20,854 annually) in June, 1996. See Schedule No. 6 attached hereto as Attachment "B". The approved customer notice for the rate reduction credit states that: "these monthly credits will continue for the next few months, until the PSC approves final rates in FCWC's current rate case proceeding" and that: "the final rates that will be authorized by the PSC in 1996 will include the adjustment for the rate reduction ordered by the 1992 PSC rate order." See customer notice attached hereto as Attachment "C." However, these proceedings have continued until the present time, and the credit has remained in effect.

PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW,

AND

STATEMENT OF ISSUES AND POSITIONS

Issue 1: Should the Commission ignore average daily flow in the peak month in determining used and useful plant to be included in rate base?

Florida Cities' Position: \*No.\*

FINDINGS OF FACT:

1. All parties agree that the Commission should not ignore average daily flow in the peak month in determining used and useful plant to be included in rate base. Prehearing Order, Order No. PSC-98-1577-PHO-SU (Prehearing Order), p. 8; Direct Testimony M. Acosta, pp. 5-7, T. 876-878; K. Dismukes, T. 1036; R. Crouch, T. 1190; T. Bidy, T. 1290.

2. Mr. Harley Young, P.E., a DEP Section Manager, in the Ft. Myers office of the South Florida Division, supervising, among other things, the permitting of domestic wastewater systems, testified with regard to DEP permitting and with regard to the Waterway Estates AWTP permitting in particular. Florida Cities was required to provide, and did so provide, reasonable assurances that the peak and maximum flows to be received by the AWTP will be treated to meet the DEP water based effluent limitation requirements. Direct Testimony H. Young, pp. 2-4, T. 1001-1003.

Mr. Crouch and Mr. Bidy gave consistent testimony. T. 1192-1193, 1199, 1292.

3. A determination of used and useful must be concerned with the maximum flows the treatment plant may experience in order to allow for such an event. This is the only way to ensure that safe, adequate service is continuously provided. Direct Testimony M. Acosta, p. 8. T. 879.

4. When customer flows on a monthly basis exceed AADF, sufficient plant must be in place and available to receive and treat those flows above AADF. If MMADF is not considered in the used and useful calculation, it would create a situation in which the utility would be required to have plant available to treat the peak flows yet the plant investment required to treat those peak flows would not be recognized for ratemaking purposes. Rebuttal Testimony M. Acosta, p. 2, 12; T. 1301, 1311.

5. Section 367.081(2)(a), Fla. Stat.(1997), requires that the commission set just and reasonable rates. In doing so the PSC is required to consider "the investment of the utility in land acquired or facilities constructed in the public interest," as well as "operating expenses incurred in the operation of all property used and useful in the public service; and a fair return on the investment of the utility in property used and useful in the public service."

6. In expanding the AWTP, Florida Cities was required to and did invest in plant necessary to treat the maximum and peak flows in constructing the AWTP. T. 978, 1190.

**CONCLUSION OF LAW:**

Sec. 367.081(2), Fla. Stat. (1997), requires the PSC in ratemaking to consider the investment of the utility in land acquired or facilities constructed in the public interest which includes plant investment necessary to treat average daily flow in the peak month, that is, MMADF. For this reason, the Commission may not ignore average daily flow in the peak or maximum month in determining used and useful plant. Failure to use the MMADF in the numerator ignores average daily flow in the peak month.

**ISSUE 2:** Does a change in the wording of the DEP permit application so that the permit and application now indicate the time frame for design capacity, i.e. annual average daily flow, maximum monthly average daily flow or three month average daily flow correspond to a real change in operating capacity?

**Florida Cities' Position:** \*No.\*

**FINDINGS OF FACT:**

All parties agree that the change in the wording of the DEP permit application so that the permit and application now indicate the basis for design capacity does not correspond to a real change in operating capacity. Prehearing Order, p. 8; Direct Testimony of M. Acosta, pp. 4-5, T. 875-876; T. 921-922; T. Cummings, T. 950-

951, 979; H. Young, T. 1008, 1019; K. Dismukes, T. 1036; T. Bidy, T. 1291.

**CONCLUSION OF LAW:**

The fact that since 1991 the Department of Environmental Protection has been using different language on its permit application and permits does not justify "matching" Florida Cities' Waterway Estates WWTP AADF design basis (denominator) with use of AADF flows (numerator), because the undisputed evidence in this case is that the change in wording did not correspond to any change in operating capacity. See So. States Util. v. Fla. Pub. Serv. Com'n, 714 So. 2d 1046, 1054-56 (Fla. 1st DCA 1998).

**ISSUE 3:** Where the DEP permits the wastewater treatment plant based on annual average daily flows, what flows should be used in the numerator of the used and useful equation to calculate used and useful plant?

**Florida Cities' Position:** \*Consistent with past Commission policy, the average daily flow in the peak or maximum month should be used. Whatever method is used, all investment in used and useful plant, including investment necessary to treat peak flows, must be considered used and useful and included in rate base.\*

**FINDINGS OF FACT:**

1. In determining the used and useful calculation for the Waterway Estates WWTP, MMADF should be used in the numerator to represent the actual flows going to the WWTP. Use of AADF in the numerator completely misses the seasonal population fluctuations, and does not recognize sufficient capacity to accommodate the

maximum month flows, and is not consistent with DEP Rule 62-600, Fla. Admin. Code. Direct Testimony M. Acosta, pp. 8, 11-12, T. 879, 882-883.

2. The use of AADF in the numerator of the WWTP used and useful calculation vastly understates the used and usefulness of the AWTP, decreasing it from 100% to 80%. Direct Testimony M. Acosta, p. 10, T. 881; Rebuttal Testimony M. Acosta, pp. 8-9, T. 1307-1308.

3. A used and useful calculation using AADF in the numerator and denominator does not recognize, for ratemaking purposes, that additional plant necessary to treat maximum flows. T. 898-899, 901. If MMADF is not considered and used in the numerator of the used and useful calculation, it would create a situation in which the utility would be required to have plant available to treat the peak flows yet the plant investment required to treat those peak flows would not be recognized for ratemaking purposes. Rebuttal Testimony M. Acosta, p. 2, 12; T. 1301, 1308.

4. There is no competent substantial evidence to support Mr. Crouch's testimony that MMADF must be ignored in determining used and useful because the time frame associated with the design capacity of the AWTP was AADF. Mr. Crouch argues that the mathematical principle of "dimensional consistency" is violated if the basis of design associated with the plant design capacity

(denominator) and average daily flow, that is, the total volume of wastewater flowing into a plant (numerator) do not match. Mr. Crouch incorrectly applies dimensional consistency by referring to AADF and MMADF as "units," which they are not. His argument is absolutely wrong.

5. The principle of dimensional consistency is properly observed in dividing MMADF by AADF in calculating used and useful percentage. Dimensional consistency requires "units" to match. The units which are used in measuring flows are "millions of gallons per day" or "mgd." The terms "AADF," "MMADF," and "3MADF," are not units, but are the time periods during which the flows, measured in units of mgd, are measured. M. Acosta, T. 910-912; T. Cummings, T. 971-972. This finding is supported by the physics text relied upon by Mr. Crouch (Exhibit 41, tab 16), by the definitions contained in the DEP rules governing permitting of wastewater treatment plants (Exhibit 41, tab 19), and by the only competent engineering testimony of record. Rebuttal Testimony M. Acosta, pp.6, T. 1305; M. Acosta, T. 910-912; T. Cummings, T. 971-972.

6. If Mr. Crouch's interpretation of dimensional consistency were correct, and it is mathematically unethical not to match the time frames (which he incorrectly labels "units") in the numerator and denominator of the used and useful equation, then the DEP's

capacity analysis rule would violate the principle of dimensional consistency, and all those who use that formula would likewise be labeled as "unethical." DEP Capacity Analysis Report Rule 62-600.405, F.A.C. (Exhibit 34), determines what percentage of a WWTP's facilities are being used by dividing the most recent consecutive three months average daily flows (3MADF) in the numerator by the permitted plant capacity (denominator). In dividing by the permitted plant capacity, there is no consideration made as to the time frame associated with the plant's design capacity. In other words, there is absolutely no consideration of "matching" of time frames in the numerator or denominator. Furthermore, if time frames were units, which they are not, it would be mathematically impossible to determine percentages of other events occurring within a specific time period, which it is not. For instance, calculating the percentage of annual rainfall occurring in June requires dividing one month's rainfall into the 12-month annual average rainfall. Under Mr. Crouch's argument, this calculation is mathematically impossible.

7. Mr. Crouch's understanding of dimensional consistency is wrong. Both the DEP capacity analysis rule and use of MMADF in the numerator and AADF in the denominator of the used and useful calculation are proper mathematical equations where units (mgd) are dimensionally consistent. Apparently, Mr. Crouch's current



understanding of "dimensional consistency" occurred subsequent to the First District Court's entry of its opinion on January 12, 1998, in the Florida Cities' case (705 So. 2d 620). On November 19, 1996, he made a presentation to the re-use coordinating committee indicating the Commission policy was to use ADFMM in the numerator when determining used and useful (Ex. 41, tab 5). He confirmed this fact in testimony in Docket No. 960258-WS on December 10, 1996 (Ex. 41, tab 12 and 14). Then, on December 9, 1997, after the Florida Cities' case had been argued but before the District Court had rendered its opinion, Mr. Crouch, in direct testimony before DOAH, testified that the ADFMM was used in the numerator. Only later, under cross-examination by an attorney from the firm who had represented FCWC in this case, did Mr. Crouch admit that the Commission had started using other than ADFMM (Ex. 41, tab 14).

8. The parties agree that the permitted capacity of a plant is the capacity of that plant, no matter what the basis of design associated with the capacity. The permitted and actual capacity of the Waterway Estates AWTP are one and the same: 1.25 mgd. Rebuttal Testimony of M. Acosta, p. 2, 9; T. 1301, 1308. Witness Harley Young, P.E., testified as follows:

Q. If a plant is permitted based on maximum month average daily flow, would it be permitted at a greater

capacity than if it was permitted based on average annual daily flow?

A. No. The capacity is the capacity. The basis of design simply tells you that it's designed based on a peak seasonal flow.

Direct Testimony H. Young, pp. 4, 5; T. Cummings, T. 951; H. Young, T. 1008-1009; T. Bidy, 1291-1292. In other words, the time frame associated with the design capacity of a plant does not result in any "hidden" or extra capacity over and above the AWTP's 1.25 mgd capacity. Thus, the AADF time frame associated with the 1.25 mgd permitted capacity of the AWTP does not have any bearing whatsoever on the volume of wastewater flows which should be used in the numerator of the used and useful calculation, and certainly does not dictate a "matching" of time frames in the numerator and denominator.

9. Mr. Crouch testified that the surge tank is the equipment necessary to "handle peak flows," and the investment in the surge tank "would be considered in the used and useful equation." T. 1185, 1191. However, the undisputed testimony is that a surge tank "equalizes" flows occurring for period of hours only. The fact that the Waterway Estates AWTP has a surge tank (flow equalization tank) does not give any valid reason for ignoring MMADF in the numerator of the used and useful calculation. A surge tank does not increase capacity above permitted capacity. All plants, no

matter what the time frame associated with their design bases, may have, but are not necessarily required to have, a surge tank. Use of a surge tank is an economical manner in which to allow other components of a plant to be sized smaller. Rebuttal Testimony M. Acosta, pp. 10-11. T. 912-914; T. Cummings, T. 967.

10. No benefit of any sort would accrue to Florida Cities if the PSC were to "match" the AADF time frame associated with the AWTP's design (denominator) with an AADF time frame for measuring the total volume of wastewater flowing into the AWTP (numerator). The staffing requirements of DEP Rule 62-699.310-311, F.A.C., are not in any manner dependent upon average daily flow ("ADF") time periods or design capacity time frames. Rebuttal Testimony M. Acosta, p. 11-13; T. 1310-1312; T. 908-909.

11. Neither the margin reserve calculation nor AFPI allow any recognition into rate base of facilities required to accommodate maximum flows experienced in connection with current customers. Direct Testimony M. Acosta, p. 9, T. 880.

12. Ms. Dismukes is not an engineer, and did not purport to offer testimony for the purpose of addressing the engineering aspects of this case. She intended to address the policy and regulatory aspects of "the annual average daily flow versus peak month flow issues." Direct Testimony K. Dismukes, p. 1; T. 1027. Although Ms. Dismukes advocated "matching" similar time frames in

the numerator and denominator in this case ("apples to apples" at T. 1031), she gave no policy or regulatory reasons for doing so, but relied mainly upon the testimonies of Mr. Bidy and Mr. Crouch to support such "matching". For instance, Ms. Dismukes could not answer on cross examination whether the investment to treat peak flow is not used and useful, deferring to Mr. Bidy. T. 1041.

**CONCLUSIONS OF LAW:**

1. The proposed "matching" of AADF in the numerator with the design basis of Florida Cities' 1.25 AWTP AADF, ignores average daily flow in the peak month (MMADF) in calculating used and useful plant to be included in rate base, and therefore would violate Sec. 367.081(2), Fla. Stat. (1997).

2. The "matching" principle argued by witnesses Crouch, Bidy, and Dismukes is unsupported by any competent substantial evidence, and is unsupported by any scientific principle.

3. The "matching" principle argued by witnesses Crouch, Bidy, and Dismukes is inconsistent with and contrary to the rules of the DEP concerning the design and permitting of wastewater treatment plants, and concerning staffing requirements.

4. If the PSC is going to use a formula for calculating the used and useful percentage for Florida Cities' AWTP, or for any other wastewater treatment plant, it must consider and allow into rate base the investment in plant needed to provide service to the

public. This must include the investment for plant required to treat all wastewater flows coming to the plant, including maximum or peak month flows. Therefore, the PSC must use MMADF in the numerator of the equation calculating the AWTP's used and useful percentage in this case.

**ISSUE 4:** What is the appropriate provision for rate case expense since the remand by the First District Court of Appeal?

**Florida Cities' Position:** \*The total rate case expense that should be allowed is \$ 244,979.20. The separation of rate case expense before and after remand is shown on Exhibit 36.

**FINDINGS OF FACT:**

1. Florida Cities has incurred \$244,979.20 in rate case expense, not including appellate rate case expense for which it has been reimbursed by the Florida Public Service Commission. Direct Testimony L. Coel, pp. 1-4; T. 983-986; Exhibit 36 (LC-1, LC-1a, LC-1b); T. 991.

2. Of this \$244,979.20, the PSC has previously approved as prudently incurred, \$90,863.03, pursuant to Final Order No. PSC-96-1133-FOF-SU. Direct Testimony L. Coel, p. 1, T. 983; Exhibit 36 (LC-1, LC-1a, LC-1b); T. 992.

3. Since the time of the issuance of the First District Court of Appeals decision remanding the case for further proceedings, Florida Cities has incurred a total actual and estimated rate case expense amount of \$154,116.16. This amount of

rate case expense is fully supported by back-up documentation in Exhibit 36 (LC-1, LC-1a, LC-1b). Direct Testimony L. Coel, pp. 2; T. 984.

4. The back-up documentation to the legal fees expense for the remand proceeding shows detailed records for legal work performed by K. Gatlin, K. Cowdery, and W. Schiefelbein. The documents show these attorneys performing separate tasks during the rate case. Exhibit 36; T. 995-996. There was no testimony which attempted to dispute the reasonableness of the attorneys fees and no evidence of duplication of effort. There is no evidence that paralegals should have been used instead of attorneys for any of the attorney's work performed.

**CONCLUSIONS OF LAW:**

1. A public utility is entitled to recover in rates those expenses reasonably necessary to provide service to its customers. Such operating expenses include prudently-incurred rate case expense. West Ohio Gas Company v. Public Utility Commission of Ohio, 294 U.S. 63 (1935); Driscoll v. Edison Light and Power Company, 307 U.S. 104 (1939).

2. The undisputed evidence is that Florida Cities' rate case expense was reasonable and prudently incurred. Additional rate case expense in the amount of \$154,116.16 should therefore be allowed.

**ISSUE 5:** What is the appropriate provision for appellate non-legal rate case expense?

**Florida Cities' Position:** \*The total rate case expense that should be allowed is \$244,979.20. The separation of rate case expense before and after remand is shown on Exhibit 36.\*

**FINDINGS OF FACT:**

1. Since January, 1996, during pendency of the appeal, rate case expenses identified on Exhibit 36 (LC-1b) as \$15,833.60 were incurred primarily for the costs of maintaining duplicate billing registers, pursuant to PSC Order No. PSC-96-0038-FOF-SU, issued Jan. 10, 1996.

2. The duplicate billing register is the only record of each customer's bill calculated at the previously authorized, non-interim, rate structure. The register is used to determine revenues generated using the prior rates which are included in the FCWC North Ft. Myers Division's monthly reports to the PSC required by Order No. PSC-96-0038-FOF-SU. The reports are required to show the amount of revenue billed each month and inception-to-date using interim rates, prior rates, and the difference. Direct Testimony L. Coel, p. 3; T. 990-994.

3. The PSC has previously allowed Florida Cities to recover duplicate billing register costs as rate case expense. Direct Testimony L. Coel, pp. 3-4; T. 985-986.

4. Approximately \$1000 of the total amount is for Florida Cities' in-house rate department time. These expenses are fully supported by undisputed evidence. Exhibit 36 (LC-1, LC-1a, LC-1b); Direct Testimony L. Coel, pp. 2-3, T. 984-985.

**CONCLUSION OF LAW:**

For the same reasons set forth in Issue 4 above, the \$15,833.60 of costs for maintaining duplicate billing registers and for Florida Cities' in-house rate costs (which are included in the \$154,116.16 discussed in Issue 4, above) should be allowed.

**ISSUE 6: What is the appropriate revenue requirement?**

**Florida Cities' Position: \*The revenue requirement is \$2,519,554 based on the test year ending December 31, 1995.\***

**FINDINGS OF FACT:**

1. The revenue requirement in the PAA Order No. PSC-95-1360-FOF-SU, is \$2,489,487 based on the test year ending December 31, 1995. The appropriate revenue requirement in this proceeding must adjust the PAA revenue requirement by \$20,854 annually due to the rate reduction credit, discussed in the procedural background section of this brief, and by \$50,921 annually due to the additional rate case expense, as discussed in Issues 4 and 5 of this brief. See Attachment "D" hereto.

2. FCWC has consistently maintained that its investment is 100% used and useful thereby resulting in the revenue requirement



of \$2,519,554 without the necessity of considering the application of Sec. 367.0817, Fla. Stat. However, Florida Cities appealed the issue of the PSC's failure to include the entire cost of its effluent reuse project in rate base as a violation of the requirements of Sec. 367.0817, Fla. Stat., on its appeal from Order No. PSC-96-1133-FOF-SU. Amended Brief of Appellant, Florida Cities Water Company, pp. 20-21, 45. The Court did not reach this issue on appeal.

3. The choice of effluent reuse site was found to be a prudent decision. Order No. PSC-96-1133-FOF-SU, p. 39. None of the effluent reuse project facilities were found to be unreasonably or imprudently built.

**CONCLUSIONS OF LAW:**

1. Based upon the findings of fact and conclusions of law in Issues 1 - 5 above, the appropriate revenue requirement in this docket, based upon a finding of 100% used and useful, is \$2,519,554 based on the test year ending December 31, 1995.

2. In addition, the PSC must apply the law as it exists at the time it makes its determination. See Hillhaven v. Dept. of Health & Rehab. Serv., 625 So. 2d 1299, 1302 (Fla. 1993), rev. denied 634 So. 2d 623 (Fla. 1994); In re Forfeiture of 1985 Mercedes, 596 So. 2d 1261 (Fla. 1st DCA 1992).

3. In the Final Order, the effluent reuse project investment was inappropriately reduced using a used and useful formula, rather than allowing all investment as prudently constructed. The reuse facilities' used and useful determination should be determined separately from the rest of the facilities, pursuant to the Court's interpretation of Sec. 367.0817, Fla. Stat., in So. States Util. v. Fla. Pub. Serv. Com'n., 714 So. 2d 1046, 1058 (Fla. 1st DCA 1998).

4. The reuse facilities and disposal site must be considered 100% used and useful pursuant to Sec. 367.0817, Fla. Stat., because they were prudently constructed in the public interest.

5. However, because all investment in plant, including the reuse facilities, should be considered 100% used and useful pursuant to the PSC's used and useful formula calculation, application of the Court's interpretation of Sec. 367.0817, Fla. Stat., in So. States Util. v. Florida Public Service Com'n., supra., to the facts of this case, does not affect the final used and useful percentage of 100%.

**ISSUE 7: What are the appropriate wastewater rates for Florida Cities Water Company - North Fort Myers Wastewater Division?**

**Florida Cities' Position: \*The final rates are those shown on Attachment "E" hereto\***

**FINDINGS OF FACT:**

1. The PAA rates which are currently in effect are based upon a finding of the Waterway Estates AWTP facilities, including

reuse, being 100% used and useful. The PAA rates are based upon the rate case MFR revenue requirement as adjusted by Staff. Other than the issues appealed to the First District Court of Appeals, Florida Cities did not contest the Staff adjustments to the revenue requirement.

2. Since the entry of the PAA Order, Florida Cities has prudently incurred an additional \$154,116.16 of rate case expense (not including appellate rate case expenses reimbursed by the PSC pursuant to Court and DOAH Orders). Issues 4 and 5 herein.

3. The rate reduction credit which has been effective since June 30, 1996, has resulted in an annual revenue reduction of \$20,854, which must be properly accounted for in the final rates.

**CONCLUSION OF LAW:**

The appropriate wastewater rates in this case are those as shown in Attachment "E" hereto, which are the PAA rates currently in effect, adjusted for the rate case expense amortization credit, also currently in effect, and as adjusted by allowance of the additional rate case expense incurred subsequent to the PAA order.

**ISSUE 8:** What is the appropriate amount by which rates should be reduced four years after the established effective date to reflect the removal of the amortized rate case expense as required by Section 367.0816, Florida Statutes?

**Florida Cities' Position:** \* The appropriate amount by which rates should be reduced is \$38,529.04.\*

**FINDINGS OF FACT:**

Based on the additional rate case expense of \$154,116.16, revenue should be reduced at the end of four years by \$38,529.04. See Findings of Fact in Issues 4 and 5, above; Sec. 367.0816, Florida Statutes.

**CONCLUSION OF LAW:**

The appropriate amount by which rates should be reduced four years after the established effective date to reflect the removal of the amortized rate case expense as required by Sec. 367.0816, Florida Statutes, is \$38,529.04.

**ISSUE 9:** Should the utility be required to refund a portion of the revenues implemented pursuant to Order No. PSC-95-1360-FOF-SU, issued November 2, 1995?

**Florida Cities' Position:** \* No.\*

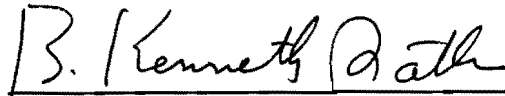
**FINDING OF FACT:**

Based upon the findings of fact and conclusions of law in Issues 1-8 above, the final rates will be greater than the PAA rates currently in effect.

**CONCLUSION OF LAW:**

Since the final rates will be greater than the rates currently in effect, no refund will be required.

Respectfully submitted this 8th day of January, 1999.



B. KENNETH GATLIN  
Fla. Bar No.: 0027966  
KATHRYN G.W. COWDERY  
Fla. Bar No.: 0363995  
Ruden, McClosky, Smith,  
Schuster & Russell, P.A.  
215 South Monroe Street,  
Suite 815  
Tallahassee, FL 32301  
Phone: (850) 681-9027

Attorneys for Florida Cities  
Water Company

**Certificate of Service**

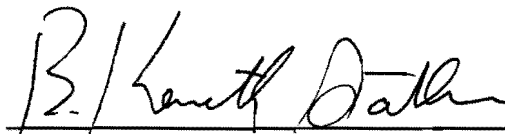
I HEREBY CERTIFY that a true and correct copy of the Proposed Findings of Fact and Conclusions of Law, Statement of Issues and Positions, and Brief of Florida Cities Water Company has been furnished by U.S. Mail (unless otherwise noted) this 8th day of January, 1999 to:

Cheryl Walla  
1750 Dockway Drive  
North Fort Myers, FL 33903

Jerilyn Victor  
1740 Dockway Drive  
North Fort Myers, FL 33903

Harold McLean, Associate  
Public Counsel  
**(Hand Delivery)**  
Office of Public Counsel  
c/o The Florida Legislature  
Claude Pepper Building,  
Room 812  
111 W. Madison Street  
Tallahassee, FL 32399-1400

Ralph Jaeger, Esquire  
**(Hand Delivery)**  
Division of Legal Services  
Florida Public Service  
Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850



B. KENNETH GATLIN

# FLORIDA CITIES WATER COMPANY

NORTH FT. MYERS DIVISION

December 5, 1995

Dear Customer:

On May 19, 1995, Florida Cities Water Company, North Ft. Myers Division, filed an Application with the Florida Public Service Commission (PSC) to increase wastewater rates and charges in North Ft. Myers. A Customer Meeting was held on July 26, 1995 at the North Ft. Myers High School auditorium to take customer testimony regarding quality of service and the proposed rates. After its analysis of our application, the PSC, under Docket No. 950387-SU, and Order No. PSC-95-1360-FOF-SU, dated November 2, 1995, issued its notice proposing final rates in this case. This Commission proposal was protested on November 27, 1995. Following this protest, Florida Cities Water Company is authorized by statute to implement the rates requested in its original Application, subject to refund. Florida Cities Water Company has instead determined that it will implement the rates as proposed by the Commission's Order, subject to refund. These rates are lower than the requested rates. These new rates and charges, listed below, will be effective for service rendered on or after December 13, 1995 and will appear beginning on your January, 1996 bill.

If you have any questions concerning these rates, please call our office at (941)936-0247. A customer service representative will answer your questions or provide you with an answer in a short period of time.

Sincerely,  
FLORIDA CITIES WATER COMPANY

## WASTEWATER RATE SCHEDULE

Previous and New Monthly Rates

	<u>Meter Size</u>	<u>Last Authorized Rates</u>	<u>Commission Approved Proposed Final Rates</u>
<b>RESIDENTIAL SERVICE....</b>			
Base Facility Charge:	All	\$24.37	\$28.56
Gallage Charge per 1,000 Gallons of Water Used (6,000 Gallon Maximum)		\$4.62	\$5.15
<b>GENERAL SERVICE.....</b>			
Base Facility Charge:	5/8"x3/4"	\$24.37	\$28.56
	1"	60.94	71.41
	1-1/2"	121.87	142.80
	2"	194.99	228.52
	3"	389.98	457.03
	4"	609.35	714.11
	6"	1,218.69	1,428.23
Gallage Charge per 1,000 Gallons of Water Used (No Maximum Gallage)		\$5.55	\$6.18

FLORIDA CITIES WATER COMPANY  
7401 College Parkway  
P.O. Box 6549  
Fort Myers, Florida 33911  
941-936-0247

Attachment "A"

1511

FLORIDA CITIES WATER COMPANY  
North Fort Myers Wastewater Division

Rate Schedule

Schedule of Staff Recommended Final  
Rates and Rate Decrease in Four Years

Wastewater  
(Monthly Rates)

Residential

<u>Meter Size</u>	<u>Staff Recommended Rates</u>	<u>Rate Decrease</u>
All sizes	\$ 23.99	\$ .24
Gallonge Charge	\$ 4.55	\$ .05

General Service

<u>Meter Size</u>	<u>Staff Recommended Rates</u>	<u>Rate Decrease</u>
5/8" x 3/4"	\$ 23.99	\$ .24
1"	\$ 59.98	\$ .61
1-1/2"	\$ 119.95	\$ 1.22
2"	\$ 191.92	\$ 1.96
3"	\$ 383.84	\$ 3.92
4"	\$ 599.75	\$ 6.12
6"	\$ 1,199.50	\$ 12.23
Gallonge Charge	\$ 5.46	\$ .06

# FLORIDA CITIES WATER COMPANY

NORTH FT. MYERS - WASTEWATER

06/30/96

Dear Customer:

Effective October 1, 1989, Florida Statutes, Section 367.0816, requires that rate case expense be recovered over a period of four years. The statute further requires that the rates of the utility be reduced at the conclusion of the four years by the amount of rate case expense previously included in the rates. This statute applies to all rate cases filed on or after October 1, 1989.

Florida Cities Water Company (FCWC), North Ft. Myers Division, was granted a wastewater rate increase by the Florida Public Service Commission (PSC) in Order No. PSC-92-0594-FOF-SU issued on June 30, 1992 in Docket No. 910756-SU. The four year recovery period for rate case expense approved in that Order will expire on June 30, 1996. The "Rate Reduction Credit" shown on the schedule below will be reflected on your bill effective for service rendered on or after June 30, 1996 and should initially be reflected on your July 1996 bill. These monthly credits will continue for the next few months, until the PSC approves final rates in FCWC's current rate case proceeding.

The PSC has completed the hearing process for FCWC's current rate case, Docket No. 950387-SU, and anticipates authorizing final rates on August 5, 1996. Upon FCWC's implementation of the final rates for Docket No. 950387-SU, the monthly credits shown below will no longer appear separately on your bill. The final rates that will be authorized by the PSC in 1996 will include the adjustment for the rate reduction ordered by the 1992 PSC rate order.

If you have any questions concerning these rates, please call our office at (941)936-0247. A customer service representative will answer your questions or provide you with an answer in a short period of time.

**WASTEWATER MONTHLY CREDITS**

	<u>Meter Size</u>	<u>Credits</u>
<i>RESIDENTIAL SERVICE.....</i>	All	\$0.42
<i>COMMERCIAL SERVICE.....</i>	5/8"	\$1.02
	1"	2.55
	1-1/2"	5.11
	2"	8.17
	3"	16.34
	4"	25.53
<i>PUBLIC AUTHORITY SERVICE.....</i>	1-1/2"	2.54
	2"	6.35
	3"	12.69
	4"	20.30
<i>MULTI-FAMILY SERVICE.....</i>	5/8"	\$0.91
	1"	2.28
	1-1/2"	4.56
	2"	7.29
	3"	14.58
	4"	22.79

FLORIDA CITIES WATER COMPANY  
7401 College Parkway  
P.O. Box 6549  
Fort Myers, Florida 33911-6549  
941/936-0247



Line		Commission Adjusted Test Year	PAA Order 95-1360 11/02/95	Final Order 96-1133 09/10/96	FCWC Proposed (PAA Adj for Rate Case Exp)
No.	Description	(a)	(b)	(c)	(e)
1	Annual Revenue	\$2,111,715	\$2,489,487	\$2,003,347	\$2,519,554
2	Revenue Increase		377,772	(108,368)	407,839
3	Increase %		17.89%	-5.13%	19.31%
4					
5					
6	Total Rate Case Exp Authorized		\$41,295	\$90,863	\$244,979
7					
8	Adjustments since PAA Order				\$203,684
9	Less: Adj. due to Rate Reduction Credit				(\$79,662)
10	(See attached Customer Notice)				
11					
12	Rate Case Expense Included		\$10,324	\$22,716	\$61,245
13	in Annual Revenue				
14					
15	Annual Adj's since PAA Order				\$50,921
16	Less: Annual Adj. due to Rate Reduction Credit (Incl. Gross-up per Order)				(\$20,854)
17	(Reference PSC-92-0594-FOF-SU, 6/30/92)				
18	(See attached Customer Notice)				
19					
20	Total Annual Adjustments since PAA Order				\$30,067
21					=====

Test Year Revenue Calculation - FINAL RATES  
 File: NFMESPRO.wk1  
 Company: Florida Cities Water Co. - N Ft Myers Div.  
 Docket No.: 950387-SU  
 Test Year Ended: 12/31/95  
 Water [ ] or Sewer [x]

\*\*\*\*\*  
 PROPOSED FINAL RATES  
 \*\*\*\*\*

Florida Public Service Commission  
 Schedule: E-13  
 Page 1 of 2  
 Preparer: Coel

Explanation: If a projected test year is used, provide a schedule of historical and projected bills and consumption by classification. Include a calculation of each projection factor on a separate schedule, if necessary. List other classes or meter sizes as applicable.

(1) Class/Meter Size	(2) Historical Year Bills	(3) Projection Factor	(4) Proj. Test Year Bills	(5) Hist. Year Consumption	(6) Projection Factor	(7) Project. TY Consumption	(8) Present Rates	(9) Revenues at Present Rates	(10) Proposed Rates	(11) Test Year Revenue Requirement
<b>Residential</b>										
5/8" x 3/4"	27,787	1.0162	28,237				\$28.56	\$806,453	\$29.51	\$833,147
1"	109	1.0162	111				28.56	3,163	29.51	3,268
1-1/2"	0	1.0162	0				28.56	0	29.51	0
Gallorage Charge/MG				105,914	1.0162	107,630	5.15	554,294	5.32	572,641
<b>Total</b>	<b>27,896</b>	<b>1.0162</b>	<b>28,348</b>	<b>105,914</b>		<b>107,630</b>		<b>1,363,910</b>		<b>1,409,055</b>
<b>Commercial &amp; General Service</b>										
5/8"	1,379	1.0162	1,401				28.56	40,022	29.51	41,347
1"	274	1.0162	278				71.41	19,883	73.76	20,538
1-1/2"	227	1.0162	231				142.80	32,941	147.53	34,032
2"	84	1.0162	85				228.52	19,507	236.04	20,149
3"	24	1.0162	24				457.03	11,146	472.09	11,514
4"	24	1.0162	24				714.11	17,416	737.63	17,990
6"	0	1.0162	0				1428.23	0	1475.27	0
Gallorage Charge/MG				66,608	1.0162	67,687	6.18	418,306	6.38	432,152
<b>Total</b>	<b>2,012</b>	<b>1.0162</b>	<b>2,045</b>	<b>66,608</b>		<b>67,687</b>		<b>559,222</b>		<b>577,721</b>
<b>Multi-Residential Service</b>										
5/8"	12	1.0162	12				28.56	348	29.51	360
1"	24	1.0162	24				71.41	1,742	73.76	1,799
1-1/2"	300	1.0162	305				142.80	43,534	147.53	44,976
2"	96	1.0162	98				228.52	22,293	236.04	23,027
3"	48	1.0162	49				457.03	22,293	472.09	23,027
4"	36	1.0162	37				714.11	26,124	737.63	26,985
6"	0	1.0000	0				1428.23	0	1475.27	0
Gallorage Charge/MG				47,586	1.0162	48,357	6.18	298,846	6.38	308,737
<b>Total</b>	<b>516</b>	<b>1.0162</b>	<b>524</b>	<b>47,586</b>		<b>48,357</b>		<b>415,180</b>		<b>428,911</b>

1515

Test Year Revenue Calculation - FINAL RATES  
 File: NFMESPRO.wk1  
 Company: Florida Cities Water Co. - N Ft Myers Div.  
 Docket No.: 950387-SU  
 Test Year Ended: 12/31/95  
 Water [ ] or Sewer [x]

\*\*\*\*\*  
 PROPOSED FINAL RATES  
 \*\*\*\*\*

Florida Public Service Commission  
 Schedule: E-13  
 Page 2 of 2  
 Preparer: Coel

Explanation: If a projected test year is used, provide a schedule of historical and projected bills and consumption by classification. Include a calculation of each projection factor on a separate schedule, if necessary. List other classes or meter sizes as applicable.

(1) Class/Meter Size	(2) Historical Year Bills	(3) Projection Factor	(4) Proj. Test Year Bills	(5) Hist. Year Consumption	(6) Projection Factor	(7) Project. TY Consumption	(8) Present Rates	(9) Revenues at Present Rates	(10) Proposed Rates	(11) Test Year Revenue Requirement
<b>Public Authority</b>										
5/8"	0	1.0162	0				\$28.56	\$0	\$29.51	\$0
1-1/2"	24	1.0162	24				142.80	3,483	147.53	3,598
2"	24	1.0162	24				228.52	5,573	236.04	5,757
3"	12	1.0162	12				457.03	5,573	472.09	5,757
4"	12	1.0162	12				714.11	8,708	737.63	8,995
Gallonage Charge/MG				6,870	1.0162	6,981	6.18	43,144	6.38	44,572
<b>Total</b>	<b>72</b>	<b>1.0162</b>	<b>73</b>	<b>6,870</b>		<b>6,981</b>		<b>66,482</b>		<b>68,679</b>
<b>Trailers</b>										
1"	0	1.0162	0				71.41	0	73.76	0
2"	0	1.0162	0				228.52	0	236.04	0
3"	0	1.0162	0				457.03	0	472.09	0
4"	0	1.0162	0				714.11	0	737.63	0
Gallonage Charge/MG				0	1.0162	0	6.18	0	6.38	0
<b>Total</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>
<b>Other Revenue:</b>										
Guaranteed Revenues	0	0.0000	0	0	0.0000	0		12,235	0.00%	12,235
Reclaimed Water Revenues	0	0.0000	0	0	0.0000	0		14,235	0.00%	14,235
.....	0	0.0000	0	0	0.0000	0		0	0.00%	0
Misc. Serv. Charges	0	0.0000	0	0	0.0000	0		8,770	0.00%	8,770
<b>Grand Totals</b>	<b>30,496</b>	<b>1.0162</b>	<b>30,990</b>	<b>226,978</b>		<b>230,655</b>		<b>\$2,440,033</b>	<b>3.26%</b>	<b>\$2,519,606</b>
<b>PAA Revenue, Proposed Revenues, &amp; % Increase</b>								<b>2,489,487</b>	<b>30,067</b>	<b>2,519,554</b>
<b>Difference (Rounding)</b>								<b>(49,454)</b>	<b>1.21%</b>	<b>52</b>
<b>% Difference</b>								<b>-1.99%</b>		<b>0.00%</b>

1516

Rate Schedule & Typical Bill Comparison  
 File: NFMESPRO.wk1  
 Company: Florida Cities Water Co. - N Ft Myers Div.  
 Docket No.: 950387-SU  
 Test Year Ended: 12/31/95  
 Water [ ] or Sewer [x]

\*\*\*\*\*  
 WASTEWATER  
 \*\*\*\*\*

Florida Public Service Commission

Schedule: E-1  
 Page 1 of 1  
 Preparer: Coel

Explanation: Provide a schedule of present and proposed rates.

Line No.	(1) Class/Meter Size	(2) AWWA Fact & Weights	(3) Present Rates	(4) Interim % Rate Incr.	(5) Proposed Interim Rates	(6) Proposed Final Rates	(7) Notes
1	Base Facility Charge		\$28.56	< Per PAA		\$29.51	< Proposed
2	Consumption Charge		5.15	< Per PAA		\$5.32	< Proposed
3					NONE	3.31%	
4					Not Applicable		
5	Residential						
6	Base Facility Charge (Monthly Min.)						
7	5/8 x 3/4"	1.0	\$28.56	0.00%	\$28.56	\$29.51	
8	3/4"		28.56	0.00%	28.56	29.51	
9	1"		28.56	0.00%	28.56	29.51	
10	1-1/2"		28.56	0.00%	28.56	29.51	
11	2"		28.56	0.00%	28.56	29.51	
12	3"		28.56	0.00%	28.56	29.51	
13	4"		28.56	0.00%	28.56	29.51	
14	6"		28.56	0.00%	28.56	29.51	
15	8"		28.56	0.00%	28.56	29.51	
16	Gallonge Charge/M Gal. (6,000	0.897	5.15	0.00%	\$5.15	\$5.32	
17							
18	General Service & All Other Classes						
19	Base Facility Charge (Monthly Min.)						
20	5/8 x 3/4"	1.0	28.56	0.00%	\$28.56	\$29.51	
21	3/4"	1.5	-	0.00%	0.00	-	
22	1"	2.5	71.41	0.00%	71.41	73.78	
23	1-1/2"	5.0	142.80	0.00%	142.80	147.53	
24	2"	8.0	228.52	0.00%	228.52	236.04	
25	3"	16.0	457.03	0.00%	457.03	472.09	
26	4"	25.0	714.11	0.00%	714.11	737.63	
27	6"	50.0	1,428.23	0.00%	1,428.23	1,475.27	
28	8"	100.0	-	0.00%	0.00	-	GS/Res Factor
29	Gallonge Charge/M Gallons (N	1.200	\$6.18	0.00%	\$6.18	\$6.38	1.20
30							
31		Usage	@ Present	% Rate Incr.	@ Proposed	@ Proposed	
32	Typical Monthly Bill Comparisons	(Gallons)	Rates	(Calculated)	Interim Rates	Final Rates	
33							
34	Residential - With 5/8 x 3/4" Meter	1,000	\$33.71	0.00%	\$33.71	\$34.83	
35	"	5,000	54.31	0.00%	54.31	56.11	
36	"	6,000	59.46	0.00%	59.46	61.43	
37	"	10,000	59.46	0.00%	59.46	61.43	
38							
39	General - With 1 1/2" Meter	10,000	204.60	0.00%	204.60	211.38	
40	"	20,000	266.40	0.00%	266.40	275.22	
41	"	30,000	328.20	0.00%	328.20	339.07	
42	"	40,000	390.00	0.00%	390.00	402.91	
43	"	50,000	451.80	0.00%	451.80	466.76	
44							
45							
46							