

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for rate increase in Duval,  
St. Johns and Nassau Counties by United  
Water Florida Inc.

DOCKET NO. 980214-WS

Filed: May 4, 1999

STIPULATION AND WITHDRAWAL OF PROTEST

WHEREAS: United Water Florida, Inc. (United Water) Has applied to the Florida Public Service Commission (Commission) for a rate increase;

WHEREAS: In response thereto, the Commission on, March 12, 1999, issued Order No. PSC-99-0513-FOF-WS which proposes to increase certain rates to be charged by United Water;

WHEREAS: On April 2, 1999, the Citizens petitioned for formal hearing, enumerating several issues for resolution by the Commission;

WHEREAS: The parties have reached amicable resolution of all outstanding issues;

NOW THEREFORE, the Citizens and United Water, respectively, enter into this Stipulation and Withdrawal of Protest, (Stipulation) and agree as follows:

- 1) The Citizens agree to withdraw their protest, with the exception of the issue addressing CIAC-Amortization expense error, which is resolved herein;
- 2) United Water agrees to accept revenue and rates as set forth in Exhibit "A" attached

hereto and made a part hereof by reference, said Exhibit "A" having been prepared by Staff member Patricia W. Merchant on or about April 22, 1999 which reduces the revenue provisions of Order No. PSC-99-0513-FOF-WS, by \$317,813 and \$735,033, water and

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wastewater, respectively or \$1,052,846 in total.

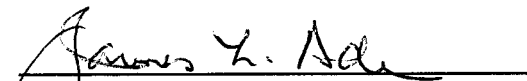
The parties further agree that no party to this Stipulation will request, support, or seek to impose a change in the application of any provision hereof, and each party further agrees to use its best efforts to obtain approval of this Stipulation by the Commission.

PROVIDED HOWEVER, that although acceptance by the Commission of this Stipulation is reasonably expected, and although this Stipulation settles all outstanding issues which have arisen in Docket No. 980214-WS, that should the Commission at an early agenda not accept this Stipulation as set forth in this instrument, the parties are released from any agreement reflected herein, and free to pursue their interests as each sees fit.

In Witness Whereof, the Parties evidence their acceptance and agreement with the provisions of this Stipulation and Withdrawal of Protest by their signatures.

EXECUTED THIS 3rd Day of May, 1999.

  
\_\_\_\_\_  
JACK SHREVE  
Public Counsel  
111 W. Madison St.  
Tallahassee, Florida 32399  
Attorney for the Citizens  
of the State of Florida

  
\_\_\_\_\_  
UNITED WATER FLORIDA, INC  
by its Attorney

Attest: \_\_\_\_\_

UNITED WATER FLORIDA, INC.  
 SCHEDULE OF WATER RATE BASE  
 TYPE 12/31/99 - STIPULATION: CORRECTED AMORT. OF CIAC  
 REVISED SCHEDULE NO. 1-A  
 DOCKET 980214-WS  
 FEBRUARY 4, 1999

DESCRIPTION	TEST YEAR PER UTILITY	ADJUSTED UTILITY	ADJUSTED PER UTILITY	STAFF ADJUSTED	STAFF ADJUSTED
1 UTILITY PLANT IN SERVICE	\$69,607,255	\$0	\$69,607,255	\$0	\$69,607,255
2 LAND & LAND RIGHTS	922,868	0	\$922,868	0	\$922,868
3 NON-USED & USEFUL COMPONENTS	0	0	\$0	0	\$0
4 ACCUMULATED DEPRECIATION	(12,922,828)	0	(\$12,922,828)	0	(\$12,922,828)
5 CIAC	(26,888,792)	0	(\$26,888,792)	(128,611)	(\$27,017,403)
6 AMORTIZATION OF CIAC	6,616,037	0	\$6,616,037	4,398	\$6,620,435
7 CWIP	0	0	\$0	0	\$0
8 ACQUISITION ADJUSTMENTS - NET	366,947	0	\$366,947	0	\$366,947
9 ADVANCES FOR CONSTRUCTION	(259,716)	0	(\$259,716)	0	(\$259,716)
10 UNFUNDED POST-RETIRE. BENEFITS	(329,204)	0	(\$329,204)	(214,280)	(\$543,484)
11 WORKING CAPITAL ALLOWANCE	935,163	0	\$935,163	(257,894)	\$677,269
<b>RATE BASE</b>	<b>\$38,047,730</b>	<b>\$0</b>	<b>\$38,047,730</b>	<b>(\$596,386)</b>	<b>\$37,451,344</b>

UNITED WATER FLORIDA, INC.  
 SCHEDULE OF WASTEWATER RATE BASE  
 TYE 12/31/99 - STIPULATION: CORRECTED AMORT. OF CIAC

REVISED SCHEDULE NO. 1-B  
 DOCKET 980214-WS  
 FEBRUARY 4, 1999

DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUSTMENT	ADJUSTED TEST YEAR PER UTILITY	STAFF ADJUSTMENT	STAFF ADJUSTED TEST YEAR
1 UTILITY PLANT IN SERVICE	\$111,996,158	\$0	\$111,996,158	\$0	\$111,996,158
2 LAND & LAND RIGHTS	4,163,244	0	\$4,163,244	0	\$4,163,244
3 NON-USED & USEFUL COMPONENTS	0	0	\$0	(2,945,936)	(\$2,945,936)
4 ACCUMULATED DEPRECIATION	(27,616,719)	0	(\$27,616,719)	0	(\$27,616,719)
5 CIAC	(40,849,312)	0	(\$40,849,312)	(119,633)	(\$40,968,945)
6 AMORTIZATION OF CIAC	13,609,392	0	\$13,609,392	6,030	\$13,615,422
7 CWIP	0	0	\$0	0	\$0
8 ACQUISITION ADJUSTMENTS - NET	475,777	0	\$475,777	0	\$475,777
9 ADVANCES FOR CONSTRUCTION	(67,149)	0	(\$67,149)	0	(\$67,149)
10 UNFUNDED POST-RETIRE. BENEFITS	(614,930)	0	(\$614,930)	(351,263)	(\$966,193)
11 WORKING CAPITAL ALLOWANCE	1,662,511	0	\$1,662,511	(458,477)	\$1,204,034
<b>RATE BASE</b>	<b>\$62,758,972</b>	<b>\$0</b>	<b>\$62,758,972</b>	<b>(\$3,869,280)</b>	<b>\$58,889,692</b>

UNITED WATER FLORIDA, INC.  
 ADJUSTMENTS TO RATE BASE  
 TYPE 12/31/99 - STIPULATION: CORRECTED AMORT. OF CIAC  
 REVISED SCHEDULE NO. 1-C  
 DOCKET 980214-WS  
 FEBRUARY 4, 1999

EXPLANATION	WATER	WASTEWATER
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UTILITY PLANT IN SERVICE	\$0	\$0
LAND & LAND RIGHTS	\$0	\$0
<b>NON-USED &amp; USEFUL COMPONENTS</b>		
1 Non-Used and Useful Treatment Plant (Issue 5)	\$0	(\$2,969,279)
2 Non-Used and Useful Land (Issue 6)	0	(407,195)
3 Non-Used and Useful Accumulated Depreciation (Issue 5)	0	587,950
4 Imputed CIAC on Margin Reserve (Issue 7)	0	(160,102)
5 Accum. Amort. of CIAC on Margin Reserve (Issue 7)	0	2,690
Total	\$0	(\$2,945,936)
<b>CIAC</b>		
Revised Growth Projections (Issue 15)	(\$128,611)	(\$119,633)
<b>AMORTIZATION OF CIAC</b>		
Revised Growth Projections (Issue 15)	\$4,398	\$6,030
<b>UNFUNDED POST-RETIRE. BENEFITS</b>		
Unfunded liability for Other Postretirement Employee Benefits (Issue 9)	(\$214,280)	(\$351,263)
<b>WORKING CAPITAL ALLOWANCE</b>		
Allowance for working capital (Issue 8)	(\$257,894)	(\$458,477)

UNITED WATER FLORIDA, INC.  
 CAPITAL STRUCTURE  
 TYE 12/31/99 - STIPULATION: CORRECTED AMORT. OF CIAC

REVISED SCHEDULE NO. 2  
 DOCKET 980214-WS  
 FEBRUARY 4, 1999

DESCRIPTION	TOTAL CAPITAL	SPECIFIC ADJUSTMENT	PRO RATA ADJUSTMENT	CAPITAL RECONCILED TO RATE BAS	RATIO	COST RATE	WEIGHTED COST
<b>PER UTILITY 1999 - 13-MONTH AVERAGE</b>							
1 LONG TERM DEBT	\$0	\$51,921,823		\$0	51.51%	7.69%	3.96%
2 SHORT-TERM DEBT	0	0		0	0.00%	0.00%	0.00%
3 PREFERRED STOCK	0	141,837		141,837	0.14%	5.00%	0.01%
4 COMMON EQUITY	101,555,266	(55,759,312)		45,795,954	45.43%	10.18%	4.62%
5 CUSTOMER DEPOSITS	6,000	0		6,000	0.01%	7.00%	0.00%
6 DEFERRED INCOME TAXES	1,799,426	0		1,799,426	1.79%	0.00%	0.00%
7 DEFERRED ITC'S-ZERO COST	0	0		0	0.00%	0.00%	0.00%
8 DEFERRED ITC'S-WTD. COST	1,141,663	0		1,141,663	1.13%	8.84%	0.10%
9 OTHER	0	0		0	0.00%	0.00%	0.00%
10 TOTAL CAPITAL	<u>\$104,502,355</u>	<u>(\$3,695,652)</u>		<u>\$0</u>	<u>100.00%</u>		<u>8.69%</u>
<b>PER STAFF 1999 - 13-MONTH AVERAGE</b>							
11 LONG TERM DEBT	\$0	\$51,516,076	(\$2,397,617)	\$49,118,459	50.98%	7.69%	3.92%
12 SHORT-TERM DEBT	0	0	0	0	0.00%	0.00%	0.00%
13 PREFERRED STOCK	0	143,926	(6,699)	137,227	0.14%	5.00%	0.01%
14 COMMON EQUITY	101,555,266	(57,264,298)	(2,061,353)	42,229,615	43.83%	9.57%	4.19%
15 CUSTOMER DEPOSITS	6,000	0	0	6,000	0.01%	7.00%	0.00%
16 DEFERRED INCOME TAXES	1,799,426	1,908,644	0	3,708,070	3.85%	0.00%	0.00%
17 DEFERRED ITC'S-ZERO COST	0	0	0	0	0.00%	0.00%	0.00%
18 DEFERRED ITC'S-WTD. COST	1,141,663	0	0	1,141,663	1.19%	8.55%	0.10%
19 OTHER	0	0	0	0	0.00%	0.00%	0.00%
17 TOTAL CAPITAL	<u>\$104,502,355</u>	<u>(\$3,695,652)</u>	<u>(\$4,465,667)</u>	<u>\$96,341,034</u>	<u>100.00%</u>		<u>8.22%</u>
						<b>LOW</b>	<b>HIGH</b>
						RETURN ON EQUITY	8.57% 10.57%
						OVERALL RATE OF RETUR	7.78% 8.66%

UNITED WATER FLORIDA, INC.  
 STATEMENT OF WATER OPERATIONS  
 TVE 12/31/99 - STIPULATION: CORRECTED AMORT. OF CIAC

REVISED SCHEDULE NO. 3-A  
 DOCKET 980214-WS  
 FEBRUARY 4, 1999

	DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR PER UTILITY	STAFF ADJUSTMENTS	STAFF ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1	OPERATING REVENUES	\$10,443,674	\$2,204,773 21.11%	\$12,648,447	(\$1,795,913)	\$10,852,534	\$1,042,437 9.61%	\$11,894,971
	OPERATING EXPENSES:							
2	OPERATION AND MAINTENANCE	\$5,032,685	\$13,721	\$5,046,406	(\$69,943)	\$4,976,463	6,487	\$4,982,950
3	DEPRECIATION	\$1,830,458	\$0	\$1,830,458	(304,472)	1,525,986		1,525,986
4	AMORTIZATION	\$29,717	\$0	\$29,717	0	29,717		29,717
5	TAXES OTHER THAN INCOME	\$1,267,618	\$99,215	\$1,366,833	(80,816)	1,286,017	46,910	\$1,332,927
6	INCOME TAXES	\$281,528	\$787,158	\$1,068,686	(\$496,918)	\$571,768	\$372,159	\$943,927
7	TOTAL OPERATING EXPENSES	\$8,442,006	\$900,094	\$9,342,100	(\$952,149)	\$8,389,951	\$425,556	\$8,815,506
8	OPERATING INCOME	\$2,001,668	\$1,304,679	\$3,306,347	(\$843,764)	\$2,462,583	\$616,881	\$3,079,464
9	RATE BASE	\$38,047,730		\$38,047,730		\$37,451,344		\$37,451,344
10	RATE OF RETURN	5.26%		8.69%		6.58%		8.22%

UNITED WATER FLORIDA, INC.  
 STATEMENT OF WASTEWATER OPERATIONS  
 TYE 12/31/99 - STIPULATION: CORRECTED AMORT. OF CIAC

REVISED SCHEDULE NO. 3-B  
 DOCKET 980214-WS  
 FEBRUARY 4, 1999

DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR PER UTILITY	STAFF ADJUSTMENTS	STAFF ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$18,708,229	\$3,067,140 16.39%	\$21,775,369	(\$2,316,679)	\$19,458,690	\$321,504 1.65%	\$19,780,194
OPERATING EXPENSES:							
2 OPERATION AND MAINTENANCE	\$8,882,392	19,087	\$8,901,479	(115,944)	\$8,785,535	2,251	\$8,787,786
3 DEPRECIATION	3,411,342	0	\$3,411,342	(871,303)	2,540,039		\$2,540,039
4 AMORTIZATION	43,399	0	\$43,399	0	43,399		\$43,399
5 TAXES OTHER THAN INCOME	2,076,125	138,021	\$2,214,146	(133,290)	\$2,080,856	\$14,468	\$2,095,324
6 INCOME TAXES	656,203	1,095,045	\$1,751,248	(\$394,536)	\$1,356,712	114,707	\$1,471,419
7 TOTAL OPERATING EXPENSES	15,069,461	1,252,153	\$16,321,614	(\$1,515,073)	\$14,806,541	\$131,425	\$14,937,966
8 OPERATING INCOME	\$3,638,768	\$1,814,987	\$5,453,755	(\$801,606)	\$4,652,149	\$190,079	\$4,842,228
9 RATE BASE	\$62,758,972		\$62,758,972		\$58,889,692		\$58,889,692
10 RATE OF RETURN	5.80%		8.69%		7.90%		8.22%



UNITED WATER FLORIDA, INC.  
 ADJUSTMENTS TO OPERATING INCOME  
 TYE 12/31/99 - STIPULATION: CORRECTED AMORT. OF CIAC

REVISED SCHEDULE NO. 3-C  
 DOCKET 980214-WS  
 FEBRUARY 4, 1999

EXPLANATION	WATER	WASTEWATER
<b>OPERATING REVENUES</b>		
Revised Growth Projections (Issue 15)		
1 Remove Requested Final Revenue Increase	(\$2,204,773)	(\$3,067,140)
2 Revised Growth Projections-Staff Methodology	408,860	750,461
Total	(\$1,795,913)	(\$2,316,679)
<b>OPERATION &amp; MAINTENANCE EXPENSE</b>		
1 Unaccounted For Water (Issue 4)		
Purchased Water	(\$9,058)	\$0
Purchased Power	(9,941)	0
Chemicals	(3,533)	0
Revised Growth Projections (Issue 15)		
2 Sludge Hauling	0	59,294
3 Purchased Power	38,862	100,230
4 Chemicals	13,957	12,780
5 Uncollectibles	2,544	5,253
Purchased Sewage Treatment (Issue 16)		
6 Correct MFR Error	0	(116,197)
7 Forecasted Quantity and Rates	0	(33,317)
8 Other Postretirement Employee Benefits (Issue 17)	(26,402)	(46,938)
9 Uncollectible Accounts (Issue 18)	(26,000)	0
10 Lobbying (Issue 19)	(11,269)	(6,586)
11 Public Service Tax (Issue 20)	(15,487)	(48,480)
12 Rate Case Expense (Issue 21)	(23,616)	(41,983)
Total	(\$69,943)	(\$115,944)
<b>DEPRECIATION EXPENSE-NET</b>		
Depreciation on Non-Used and Useful Plant (Issue 5)	\$0	(165,092)
Amortization Imputed CIAC (Issue 7)	0	(5,379)
Correct Test Year Amortization of CIAC	(301,540)	(696,812)
Revised Growth Projections CIAC Amortization (Issue 15)	(2,932)	(4,020)
Total	(\$304,472)	(\$871,303)
<b>TAXES OTHER THAN INCOME</b>		
1 RAFs on Revenue Adjustments Above	(\$80,816)	(\$104,251)
2 Property Tax on Non-Used and Useful Property (Issue 5)	0	(29,039)
Total	(\$80,816)	(\$133,290)
<b>INCOME TAXES</b>		
Adjust to Test Year Income Tax Expense (Issue 23)	(\$496,918)	(\$394,536)

UNITED WATER FLORIDA, INC.  
 MONTHLY WATER SERVICE RATES  
 TYE 12/31/99 - STIPULATION: CORRECTED AMORT. OF

REVISED SCHEDULE NO. 4-A  
 DOCKET 980214-WS  
 FEBRUARY 4, 1999

Class	Rate Prior to Filing	Utility Requested Final	Staff Recommended Final
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Residential, General Service and Multi-Family

Base Facility Charge:

Meter Size:

5/8"	\$8.08	\$9.66	\$7.56
3/4"	\$11.69	\$14.04	\$10.96
1"	\$20.74	\$25.01	\$19.43
1-1/2"	\$46.66	\$56.45	\$43.62
2"	\$82.94	\$100.45	\$77.57
3"	\$186.68	\$226.29	\$174.64
4"	\$331.78	\$402.27	\$310.41
6"	\$746.60	\$905.39	\$698.47
8"	\$1,327.01	\$1,609.53	\$1,241.43
10"	\$2,074.11	\$2,515.69	\$1,940.43
12"	\$2,986.40	\$3,622.20	\$2,793.87

Quantity Charge:

per 1,000 Gallons	\$1.36	\$1.65	\$1.45
per 100 Cu Ft	\$1.01	\$1.23	\$1.08

Private Fire Protection

Base Facility Charge:

Meter Size:

2"	\$6.91	\$8.38	\$6.46
3"	\$15.56	\$18.86	\$14.55
4"	\$27.65	\$33.51	\$25.87
6"	\$62.22	\$75.42	\$58.21
8"	\$110.58	\$134.05	\$103.45
10"	\$172.84	\$209.52	\$161.70
12"	\$248.87	\$301.67	\$232.82

Typical Monthly Residential Costs

5/8" Meter Size

3,000 Gallons	\$12.16	\$14.61	\$11.91
5,000 Gallons	\$14.88	\$17.91	\$14.81
10,000 Gallons	\$21.68	\$26.16	\$22.06

UNITED WATER FLORIDA, INC.  
 MONTHLY WASTEWATER SERVICE RATES  
 TYE 12/31/99 - STIPULATION: CORRECTED AMORT. O

REVISED SCHEDULE NO. 4-B  
 DOCKET 980214-WS  
 FEBRUARY 4, 1999

Class	Rates Prior to Filing	Utility Requested Final	Staff Recomm. Final
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**Residential**

Base Facility Charge:			
All Water Meter Sizes:	\$11.34	\$13.23	\$12.14
Quantity Charge:			
per 1,000 Gallons			
(9,000 gallon per month cap)	\$3.34	\$3.89	\$3.40
per 100 Cu Ft			
(1,200 cu ft per month cap)	\$2.50	\$2.91	\$2.54

**General Service**

Base Facility Charge:			
Water Meter Size:			
5/8"	\$12.92	\$15.13	\$12.14
3/4"	\$18.69	\$21.85	\$17.60
1"	\$33.16	\$38.71	\$31.20
1-1/2"	\$74.61	\$87.01	\$70.05
2"	\$132.64	\$154.62	\$124.56
3"	\$298.53	\$347.91	\$280.43
4"	\$530.57	\$618.18	\$498.47
6"	\$1,193.95	\$1,391.03	\$1,121.61
8"	\$2,122.13	\$2,472.36	\$1,981.10
Quantity Charge:			
per 1,000 Gallons	\$4.01	\$4.67	\$4.08
per 100 Cu Ft	\$3.00	\$3.49	\$3.05

**Jacksonville University**

Base Facility Charge:			
Water Meter Size:			
3"	\$298.53	\$347.91	\$280.43
4"	\$530.57	\$618.18	\$498.47
6"	\$1,193.95	\$1,391.03	\$1,121.61
Quantity Charge:			
per 1,000 Gallons	\$4.13	\$4.81	\$4.25

**Unmetered Accounts**

Residential Accounts	\$36.21	\$42.21	\$37.46
Non-residential Accounts	\$37.76	\$43.99	\$37.41

**Typical Monthly Residential Costs**

5/8" water meter:			
3,000 Gallons	\$21.36	\$24.90	\$22.34
5,000 Gallons	\$28.04	\$32.68	\$29.14
9,000 Gallons	\$41.40	\$48.24	\$42.74
(Wastewater Gallonage Cap - 9,000 Gallons per Month)			