ORIGINAL

MEMORANDUM

AUGUST 28, 2000

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (C. KEATING) WCK

RE: DOCKET NO. 000108-GU - Request for rate increase by Florida Division of Chesapeake Utilities Corporation.

Attached is the testimony of Hillary Sweeney and the testimony of David Draper to be filed in the above-referenced docket.

WCK/jb

cc: Division of Economic Regulation
Division of Regulatory Oversight
Division of Safety and Electric Reliability
Division of Competitive Services

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Sweeney
DOCUMENT NUMBER-DATE
10637 AUG 28 8
FPSC-RECORDS/REPORTING

Draper
DOCUMENT NUMBER-DATE
10638 AUG 28 8
FPSC-RECORDS/REPORTING

ORIGINAL

DOCKET NO. 000108-GU: Petition for rate increase, by Florida Division of Chesapeake Utilities Corporation

WITNESS: **Direct Testimony Of Hillary Y. Sweeney,** Appearing On Behalf Of Staff

DATE FILED: August 28, 2000

DIRECT TESTIMONY OF HILLARY Y. SWEENEY

Q. Please state your name and business address.

A. My name is Hillary Y. Sweeney and my business address is Hurston North Tower, Suite N512, 400 W. Robinson Street, Orlando, Florida, 32801.

Q. By whom are you presently employed and in what capacity?

A. I am employed by the Florida Public Service Commission as a Regulatory Analyst III in the Division of Regulatory Oversight.

Q. How long have you been employed by the Commission?

A. I have been employed by the Florida Public Service Commission since November, 1993.

Q. Briefly review your educational and professional background.

A. In 1993 I received a Bachelor of Science degree in Accounting from Florida A & M University. In November, 1993, I was hired in the Division of Water and Wastewater at the Florida Public Service Commission as a Regulatory Analyst I. I was assigned primarily to review staff-assisted rate cases. In August 1997, I transferred to the Division of Auditing and Financial Analysis to work in the Orlando District office as an auditor at the Regulatory Analyst III level.

Q. Please describe your current responsibilities.

A. Currently, I am a Regulatory Analyst III with the responsibilities of planning and directing audits of regulated companies, and assisting in audits of affiliated transactions. I also am responsible for creating audit work programs to meet a specific audit purpose.

Q. Have you previously presented expert testimony before this Commission or any other regulatory agency?

A. Yes, I testified in the Mid-County Services, Inc. rate case, Docket No.

971065-SU and sponsored specific audit findings in that docket.

Q. What is the purpose of your testimony today?

A. The purpose of my testimony is to sponsor the staff audit report of the Florida Division of Chesapeake Utilities Corporation, Docket No. 000108-GU. The audit report is filed with my testimony and is identified as HYS-1.

Q. Was this audit report prepared by you?

A. Yes, I was the audit manager in charge of this audit.

Q. Please review the work you performed in this audit.

A. For the rate base, I examined account balances for utility-plant-in-service (UPIS), contributions-in-aid-of-construction (CIAC), accumulated depreciation, and accumulated amortization of CIAC and brought the balances forward from June 30, 1989. I also reconciled rate base balances authorized in Commission Order No. 23166, issued July 10, 1990, to the June 30, 1989 general ledger balance, tested plant account balances using stratified sample methods, examined supporting documentation for sample CIAC additions and matched to the Commission-approved tariff amounts, and compiled working capital accounts. I also tested additions to accumulated depreciation and accumulated amortization for proper rates and calculations, tested working capital for interest-bearing amounts, tested unfunded reserves, and tested non-utility transactions.

For the net operating income, I compiled and reviewed utility revenue and operating and maintenance accounts for the year ended December 31, 1999. I chose a judgmental sample of customer bills and recalculated them using Commission-approved rates. I verified a judgmental sample of operation and maintenance expenses and examined the invoices and other supporting documentation. I tested the calculation of depreciation expense and examined support for taxes other than income and income taxes.

For the capital structure, I compiled components of the capital structure for the year ended December 31, 1999, reconciled interest expense to the terms of the notes and bonds, and confirmed note balances at December 31, 1999.

Q. Please review the audit exceptions in the audit report.

A. Audit Exceptions disclose substantial non-compliance with the Code of Federal Regulations Title 18, Part 201, Uniform System of Accounts (USOA), Commission rules, Commission orders, and formal company policy. Audit Exceptions also disclose company exhibits that do not represent company books and records and company failure to provide underlying records or documentation to support the general ledger or exhibits.

Audit Exception No. 1 discusses the capitalized sales tax on plant additions. The utility reported 1999 year-end balances of $4,000,202 and $1,053,519 for Accounts 376, Mains (Plastic), and 381, Meters, respectively. The 1999 ending balance in Account 376 (Mains-Plastic) is overstated by $2,324. The utility charged additional sales tax of $1,114 ($18,571 x .06) and $1,210 ($20,161 x .06) on the total amount of two invoices. I recommend that the utility should reduce Account 376 by $2,324 ($1,114 + $1,210).

The utility also charged Account 381 (Meters) with an additional sales tax of $575 ($9,582.07 x .06) on the total amount of an invoice. The utility should reduce Account 381 by $575.

Audit Exception No. 2 discusses the acquisition adjustment. In the utility's last rate case, Docket No. 891179-GU, the Commission issued Order No. 23166, on July 10, 1990. In this order, the Commission disallowed $509,422 in acquisition adjustment. The utility reported a 1999 year-end acquisition adjustment balance of $509,422 in its general ledger. The utility did not make the Commission-ordered adjustment to its books. However, it did remove this amount in its Minimum Filing Requirements (MFRs). Per Commission Order No. 23166, the utility should remove $509,422 from Account 114.1, Excess Cost of Acquisition-New-CFG Adjustments.

Audit Exception No. 3 discusses PGA revenues, PGA expenses, and PGA taxes. The utility included its PGA revenues, PGA expenses, and PGA taxes in the NOI schedules in the MFRs. In accordance with Commission Order No. PSC-92-0924-FOF-GU, issued September 3, 1992, in Docket No. 911150-GU, it is appropriate to remove PGA-related items that are recoverable through the PGA Cost Recovery Clause from the NOI schedules. While the projected amounts for the years 2000 and 2001 assume no over/under recovery, I recommend that these amounts should be removed from the NOI schedules in the MFRs.

Audit Exception No. 4 discusses common equity. The utility's general ledger reports a December 31, 1999 balance of $11,216,456 and a 2000 beginning balance of $11,809,982. The MFRs show a 1999 year-end common equity balance of $11,809,982. The utility does not record closing journal entries for the expense and revenue summary accounts. However, it does reflect the net effect in the beginning balance of the next year. The difference, $593,526 ($11,809,982-$11,216,456), is net income. The opening balance for the year 2000 for common equity reflects an adjustment to include net income. The utility should be required to make these journal entries to the general ledger accounts as part of its end of year closing entries. Closing and adjusting entries posted for the purpose of recording net operating income should be visible in the utility's general ledger accounts.

Audit Exception No. 5 discusses the flex-rate liability. In the cost of capital schedules, the utility reported a 13-month average balance for flex-rate liability of ($46,880). This represents a liability of $23,490 for the period October, 1994 through September, 1995, plus a liability of $23,390 for the period October, 1995 through September, 1996. MFR Schedule B-13 reflects an adjustment of ($46,880) to miscellaneous current liabilities to reflect the flex-rate liability 13-month average balance. MFR Schedule D-1 also reflects an adjustment of $46,880 to flex-rate liability the 13-month average balance. The utility made an arithmetic error when calculating the 13-month average. An additional $10,305 should be removed from the current liabilities section of working capital. This change will have the effect of increasing the 13-month average balance of working capital from $498,227 to $508,532. The flex-rate liability, a zero-cost component of the capital structure, should also be increased by $10,305. This increase will not change the weighted average cost of capital, 8.26 percent, because of its small size.

Q. Does this conclude your testimony?

A. Yes, it does.

DOCKET NO. 000108-GU: Petition for rate increase, by Florida Division of Chesapeake Utilities Corporation

WITNESS: **Direct Testimony Of Hillary Y. Sweeney,** Appearing On Behalf Of Staff

EXHIBIT: HYS-1

FLORIDA PUBLIC SERVICE COMMISSION

DIVISION OF REGULATORY OVERSIGHT
BUREAU OF AUDITING SERVICES

Orlando District Office

FLORIDA DIVISION OF
CHESAPEAKE UTILITIES CORPORATION

RATE CASE AUDIT

HISTORICAL 12-MONTH PERIOD ENDED DECEMBER 31, 1999

DOCKET NO. 000108-GU
AUDIT CONTROL NO. 00-159-3-1

Hillary Y. Sweeney, Audit Manager

Mike Buckley, Audit Staff

Robert Moore, Audit Staff

Thomas E. Stambaugh, Audit Staff

Charleston J. Winston, Audit Staff/Supervisor

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DIVISION OF REGULATORY OVERSIGHT
AUDITOR'S REPORT

AUGUST 7, 2000

TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED PARTIES

We have applied the procedures described later in this report to audit the accompanying Rate Base, Net Operating Income and Capital Structure schedules for the historical 12-month period ended December 31, 1999, for the Florida Division of Chesapeake Utilities Corporation. These schedules were prepared by the company as part of its petition for rate relief in Docket No. 000108-GU.

This is an internal accounting report prepared after performing a limited scope audit. Accordingly, this report should not be relied upon for any purpose except to assist the Commission staff in the performance of their duties. Substantial additional work would have to be performed to satisfy generally accepted auditing standards and produce audited financial statements for public use.

SUMMARY OF SIGNIFICANT FINDINGS

The utility did not make the adjustment per Commission Order No. 23166, issued July 10, 1990, to disallow $509,422 in acquisition adjustment.

The utility did not remove purchased gas adjustment (PGA) revenues, PGA expenses, and PGA taxes by $5,790,925, $5,791,942, and $28,983, respectively, for 2001 from its Minimum Filing Requirements (MFRs) filing.

The utility understated Account No. 242.8, Flex-Rate Liability by $10,305.

SUMMARY OF SIGNIFICANT PROCEDURES

Our audit was performed by examining, on a test basis, certain transactions and account balances which we believe are sufficient to base our opinion. Our examination did not entail a complete review of all the financial transactions of the company. Our more important audit procedures are summarized below. The following definitions apply when used in this report:

Compiled - The exhibit amounts were reconciled with the general ledger, and accounts were scanned for error or inconsistency.

Verify - The item was tested for accuracy and compared to the substantiating documentation.

Reviewed -The exhibit amounts were reconciled with the general ledger. The general ledger account balances were traced to subsidiary ledgers and selective analytical review procedures were applied.

Examined - The exhibit amounts were reconciled with the general ledger. The general ledger account balances were traced to subsidiary ledgers. Selective analytical review procedures were applied, and account balances were tested to the extent further described.

Confirmed - Evidential matter supporting an account balance, transaction, or other information was obtained directly from an independent third party.

RATE BASE: Examined account balances for utility-plant-in-service (UPIS), contributions-in-aid-of-construction (CIAC), accumulated depreciation, and accumulated amortization of CIAC from June 30, 1989. Reconciled rate base balances authorized in Commission Order No. 23166, issued July 10, 1990, to the June 30, 1989 general ledger balance. Tested plant account balances using stratified sample methods. Examined supporting documentation for sample CIAC additions selected using auditor judgment and agreed to FPSC-approved tariff amounts. Compiled working capital accounts. Tested additions to accumulated deprecation and accumulated amortization for proper rates and calculations. Tested working capital for interest-bearing amounts, unfunded reserves, and non-utility transactions using auditor judgment.

NET OPERATING INCOME: Compiled and reviewed utility revenue and operating and maintenance accounts for the year ended December 31, 1999. Chose a judgmental sample of customer bills and recalculated using FPSC-approved rates. Verified a judgmental sample of operation and maintenance expenses and examined the invoices and other supporting documentation. Tested the calculation of depreciation expense. Examined support for taxes other than income and income taxes

CAPITAL STRUCTURE: Compiled components of the capital structure for the year ended December 31, 1999. Agreed interest expense to the terms of the notes and bonds. Confirmed note balances at December 31, 1999.

Exception No. 1

Subject: Capitalized Sales Tax on Plant Additions

Statement of Fact: The utility reported 1999 year-end balances of $4,000,202 and $1,053,519 for Accounts 376, Mains (Plastic), and 381, Meters, respectively.

Recommendation:

Account 376 Mains (Plastic)
The 1999 ending balance is overstated by $2,324. The utility charged additional sales tax of $1,114 ($18,571 *.06) and $1,210 ($20,161*.06) on the total amount of two invoices. The utility should reduce Account 376 by $2,324 ($1,114 + $1,210).

Account 381 Meters
The utility charged additional sales tax of $575 ($9,582.07 *.06) on the total amount of an invoice. The utility should reduce Account 381 by $575.

Exception No. 2

Subject: Acquisition Adjustment

Statement of Fact: In Commission Order No. 23166, issued July 10, 1990, the Commission disallowed $509,422 in acquisition adjustment. The utility reported a 1999 year-end acquisition adjustment balance of $509,422 in its general ledger. The utility did not make the Commission-ordered adjustment to its books. However, it did remove this amount in its MFRs filing.

Recommendation: Per Commission Order No. 23166, the utility should remove $509,422 from Account 114.1, Excess Cost of Acquisition-New-CFG Adjustments.

Exception No. 3

Subject: PGA Revenues, PGA Expenses, and PGA Taxes

Statement of Fact: The utility included the following PGA revenues, PGA expenses, and PGA taxes in its MFRs.

	1999	2000	2001
PGA revenues	$7,806,424	$7,195,543	$5,790,925
PGA expenses	$7,665,881	$7,159,530	$5,761,942
PGA-related taxes	$39,070	$36,013	$28,983

In accordance with Commission Order No. PSC-92-0924-FOF-GU, issued September 3, 1992, it is appropriate to remove PGA-related items that are recoverable through the PGA Cost Recovery Clause.

The projected amounts for the years 2000 and 2001 assume no over/under recovery.

Recommendation: The above amounts should be removed from the MFRs as shown above.

Exception No. 4

Subject: Common Equity

Statement of Fact: The utility reported a 1999 year-end common equity balance of $11,216,456 in its general ledger. The MFRs reported a 1999 year-end common equity balance of $11,809,982.

The utility's general ledger reports a 1999 ending balance of $11,216,456 and a 2000 beginning balance of $11,809,982. The utility does not record closing journal entries for the expense and revenue summary accounts. However, it does reflect the net effect in the beginning balance of the next year. The difference, $593,526 ($11,809,982-$11,216,456), is net income.

Recommendation: The 2000 opening balance of common equity reflects an adjustment to include net income. The utility should be required to make these journal entries to the general ledger accounts as part of its end of year closing entries. Closing and adjusting entries posted for the purpose of recording net operating income should be visible in the utility's general ledger accounts.

Exception No. 5

Subject: **Misstated Flex-Rate Liability**

Statement of Fact: The utility reported a 13-month average balance for flex-rate liability of ($46,880).

Account	Account Title	13 Month Average
242.8	Flex Rate Liability - 10/94 - 9/95	$23,490
242.81	Flex Rate Liability - 10/95 -9/96	$23,390
	Total Flex Rate Liability	$46,880

Working Capital
In MFRs Schedule B-13, the utility reported an adjustment of ($46,880) to miscellaneous current liabilities to reflect the flex-rate liability 13-month average balance.

Cost of Capital
In MFRs Schedule D-1, the utility reported an adjustment of $46,880 to reflect the flex-rate liability 13-month average balance. The average balance should be increased by $10,305 to account for an amount, $66,981, included in the calculation as a debit rather than a credit entry to the account.

Recommendation: The 13-month average balance for flex rate liability should be as scheduled below:

Account	Account Title	13-Month Average per Company	Adjustment	13-Month Average per Audit
242.8	Flex Rate Liability - 10/94 - 9/95	$23,490	$10,305	$33,795
242.81	Flex Rate Liability - 10/95 -9/96	$23,390		$23,390
	Total Flex Rate Liability	$46,880	$10,305	$57,185

Working Capital
An additional $10,305 should be removed from the current liabilities section of working capital. This adjustment reflects an amount, $66,981, included in the 13-month average as a debit instead of a credit amount. This change will have the effect of increasing the 13-month average balance of working capital from $498,227 to $508,532.

Cost of Capital
The flex-rate liability, a zero-cost component of the capital structure, should be increased by $10,305. This will not change the weighted average cost of capital, 8.26 percent, because of its small size.

SCHEDULE G-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORP.

DOCKET NO.: 000108-GU

CALCULATION OF THE PROJECTED TEST YEAR RATE BASE

EXPLANATION: PROVIDE A SCHEDULE CALCULATING A 13-MONTH AVERAGE RATE BASE FOR THE HISTORIC BASE YEAR, THE HISTORIC BASE YEAR PLUS ONE, AND THE PROJECTED TEST YEAR.

TYPE OF DATA SHOWN:
HISTORIC BASE YEAR DATA: 12/31/99
HISTORIC BASE YR + 1: 12/31/00
PROJECTED TEST YEAR: 12/31/01
WITNESS: WILLIAMS

LINE NO.	DESCRIPTION	BASE YEAR 12/31/99 (PER BOOKS)	COMPANY ADJUSTMENT	BASE YEAR ADJUSTED AVERAGE YEAR	BASE YR + 1 12/31/00 AVERAGE YEAR	PROJECTED TEST YEAR UNADJUSTED AVERAGE YR.	PROJECTED TEST YEAR ADJUSTMENTS	PROJECTED TEST YEAR AS ADJUSTED
	UTILITY PLANT							
1	PLANT IN SERVICE	$25,289,516	($23,702)	$25,265,814	$28,589,088	$31,980,292	($23,702)	$31,956,590
2	CONSTRUCTION WORK IN PROGRESS	$827,693	$0	$827,693	$1,022,064	$1,822,064	($1,822,064)	$0
3	ACQUISITION ADJUSTMENT	$775,529	($775,529)	($0)	$632,831	$632,831	($632,831)	$0
4	COMMON PLANT ALLOCATED	$0	($87,336)	($87,336)	$0	$0	($109,135)	($109,135)
5	PLANT HELD FOR FUTURE USE	$0	$0	$0	$0	$0	$0	$0
6	TOTAL	$26,992,839	($886,567)	$26,106,262	$31,043,983	$34,435,187	($2,586,732)	$31,848,455
	DEDUCTIONS							
7	ACCUM PROV-DEPR & AMORT	($8,869,092)	$741,557	($8,127,535)	($9,934,813)	($11,319,815)	$707,632	($10,612,182)
8	CUSTOMER ADVANCES FOR CONSTRUCTION	($196,399)	$0	($196,399)	($267,828)	($267,828)	$0	($267,828)
9	TOTAL DEDUCTIONS	($9,065,491)	$741,557	($8,323,934)	($10,202,641)	($11,587,643)	$707,632	($10,880,010)
10	PLANT NET	$17,927,347	($145,000)	$17,782,347	$20,841,362	$22,847,544	($1,879,100)	$20,968,445
	ALLOWANCE FOR WORKING CAPITAL							
11	BALANCE SHEET METHOD	($6,591,010)	$7,089,237	$498,227	($9,199,574)	($10,662,111)	$11,015,367	$353,256
12	TOTAL RATE BASE	$11,336,337	$6,944,237	$18,280,574	$11,641,778	$12,185,434	$9,136,267	$21,321,700
13	NET OPERATING INCOME	$1,157,626	($116,167)	$1,041,861	$341,870	$585,851	$221,368	$807,219
14	RATE OF RETURN	10.21%		5.70%		4.81%		3.79%

SUPPORTING SCHEDULES: B-2, G-1 p.4-6, G-1 p.15, G-2, p.18, G-2 p.21
G-2 p.22, G-2 p.1-3, G-6 p.1-2

 8/10/00 11:09 AM

Docket No. 000108-GU
Exhibit HYS-1 (Page 11 of 13)
Audit Report

SCHEDULE G-3 | CALCULATION OF THE PROJECTED TEST YEAR - COST OF CAPITAL | PAGE 2 OF 11

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE CALCULATING A 13 MONTH AVERAGE COST OF CAPITAL FOR THE PROJECTED TEST YEAR

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR 12/31/01
WITNESS: WILLIAMS

COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORP.

DOCKET NO.: 000108-GU

LINE NO.	DESCRIPTION	PER BOOKS	ADJUSTMENTS SPECIFIC	ADJUSTMENTS PRO RATA	ADJUSTED	RATIO	COST RATE	WEIGHTED COST
1	COMMON EQUITY	11,822,978	(1,533,682)	0	10,289,296	48.26%	12.00%	5.79%
2	LONG TERM DEBT	0	6,377,973	0	6,377,973	29.91%	7.52%	2.25%
3	SHORT TERM DEBT	0	2,119,103	0	2,119,103	9.94%	6.03%	0.60%
4	CUSTOMER DEPOSITS	789,257	0	0	789,257	3.70%	6.44%	0.24%
5	DEFERRED TAXES	1,392,213	0	0	1,392,213	6.53%	0.00%	0.00%
6	FLEX RATE LIABILITY	0	46,880	0	46,880	0.22%	6.30%	0.01%
7	TAX CREDIT	306,978	0	0	306,978	1.44%	0.00%	0.00%
8	TOTAL	14,311,426	7,010,274	0	21,321,700	100.00%		8.89%

SUPPORTING SCHEDULES: G-1 p.5-6, G-6 p.1

EXHIBIT II

Docket No. 000108-GU
Exhibit HYS-1 (Page 12 of 13)
Audit Report

SCHEDULE G-2 — CALCULATION OF THE PROJECTED TEST YEAR - NOI - SUMMARY — PAGE 1 OF 31

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORP.

DOCKET NO.: 000108-GU

EXPLANATION: PROVIDE THE CALCULATION OF NET OPERATING INCOME PER BOOKS FOR THE HISTORIC BASE YEAR, THE PROJECTED NET OPERATING INCOME FOR THE HISTORIC BASE YEAR + 1, AND THE PROJECTED TEST YEAR.

TYPE OF DATA SHOWN:
HISTORIC BASE YEAR DATA: 12/31/99
HISTORIC BASE YEAR + 1: 12/31/00
PROJECTED TEST YEAR: 12/31/01
WITNESS: WILLIAMS

LINE NO.		HISTORIC BASE YEAR PER BOOKS	COMPANY ADJUSTMENTS	HISTORIC BASE YEAR ADJUSTED	HISTORIC BASE YEAR + 1 2000	PROJECTED TEST YEAR 2001	PROJECTED TEST YEAR ADJUSTMENTS	PROJECTED TEST YEAR AS ADJUSTED
	OPERATING REVENUE:							
1	OPERATING REVENUES	$17,293,932	($738,010)	$16,555,922	$14,238,052	$13,481,994	$0	$13,481,994
2	REVENUE RELIEF	$0	$0	$0	$0	$0	$0	$0
3	CHANGE IN UNBILLED REVENUES	$0	$0	$0	$0	$0	$0	$0
4	REVENUES DUE TO GROWTH	$0	$0	$0	$0	$0	$0	$0
5	TOTAL REVENUES	$17,293,932	($738,010)	$16,555,922	$14,238,052	$13,481,994	$0	$13,481,994
	OPERATING EXPENSES:							
6	COST OF GAS	$9,150,224	$0	$9,150,224	$7,185,543	$5,790,925	$0	$5,790,925
7	OPERATION & MAINTENANCE	$4,314,014	($478,588)	$3,835,426	$4,220,400	$4,617,575	$0	$4,617,575
8	DEPRECIATION & AMORTIZATION	$1,138,653	($38,715)	$1,099,938	$1,271,558	$1,377,195	($4,047)	$1,373,148
9	AMORTIZATION - OTHER	$0	$0	$0	$0	$0	$0	$0
10	TAXES OTHER THAN INCOME	$1,157,615	($512)	$1,157,103	$1,207,468	$1,155,218	$0	$1,155,218
11	TAXES OTHER THAN INCOME - GRWTH	$0	$0	$0	$0	$0	$0	$0
12	INCOME TAXES FEDERAL	$311,190	($89,099)	$222,091	($18,118)	($52,512)	$0	($52,512)
13	INCOME TAXES - STATE	$52,174	($14,929)	$37,245	($9,258)	($11,975)	$0	($11,975)
14	INCOME TAXES - GROWTH - FEDERAL	$0	$0	$0	$0	$0	$0	$0
15	INCOME TAXES - GROWTH - STATE	$0	$0	$0	$0	$0	$0	$0
16	INTEREST SYNCHRONIZATION	$0	$0	$0	$0	$0	($217,321)	($217,321)
17	DEFERRED TAXES - FEDERAL	$12,234	$0	$12,234	$39,254	$39,244	$0	$39,244
18	DEFERRED TAXES - STATE	$0	$0	$0	$0	$0	$0	$0
19	INVESTMENT TAX CREDITS	$0	$0	$0	($19,523)	($19,523)	$0	($19,523)
20	TOTAL OPERATING EXPENSES	$16,136,104	($621,843)	$15,514,261	$13,896,382	$12,896,143	($221,368)	$12,674,775
21	OPERATING INCOME	$1,157,828	($116,167)	$1,041,661	$341,670	$585,851	$221,368	$807,219

SUPPORTING SCHEDULES: G-2, p.2-4, G-6 p.2-3

RECAP SCHEDULES: A-1, A-4