

State of Florida



Public Service Commission
CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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SEP 19 11:10:12
COMMISSION CLERK
FPSC

DATE: SEPTEMBER 19, 2002

TO: DIRECTOR, DIVISION OF THE COMMISSION CLERK & ADMINISTRATIVE SERVICES (BAYÓ)

FROM: DIVISION OF ECONOMIC REGULATION (JONES, MERCHANT) OFFICE OF THE GENERAL COUNSEL (HOLLEY) *JAM* *MACT* *JJJ*

RE: DOCKET NO. 011189-WS - INVESTIGATION INTO THE AUTHORIZED RETURN ON EQUITY OF ALAFAYA UTILITIES, INC. IN SEMINOLE COUNTY; LAKE GROVES UTILITIES, INC. IN LAKE COUNTY; MILES GRANT WATER AND SEWER CO. IN MARTIN COUNTY; AND UTILITIES, INC. OF LONGWOOD IN SEMINOLE COUNTY.

COUNTIES: LAKE, MARTIN, AND SEMINOLE

AGENDA: 10/01/02 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\ECR\WP\011189.RCM

CASE BACKGROUND

This recommendation addresses whether the Commission, on its own motion, should conduct a limited proceeding to establish a new authorized return on equity (ROE) for four Florida subsidiaries of Utilities, Inc. These subsidiaries are Alafaya Utilities, Inc. (Alafaya), Lake Groves Utilities, Inc. (Lake Groves), Miles Grant Water and Sewer Company (Miles Grant), and Utilities, Inc. of Longwood (Longwood). The Commission has jurisdiction pursuant to Section 367.0822, Florida Statutes.

DOCUMENT NUMBER-DATE

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Alafaya

Alafaya is a Class A wastewater-only utility located in Seminole County. Water service is provided in the area by the City of Oviedo. Alafaya provided wastewater service to approximately 5,862 customers in 2001. According to the 2001 annual report, Alafaya's annual operating revenues were \$1,809,140 and its net operating income was \$284,604.

Lake Groves

Lake Groves is a Class B water and wastewater utility located in Lake County. Lake Groves served approximately 2,248 water and 2,088 wastewater customers in 2001. The annual report for 2001 showed that annual operating revenues for the Lake Groves system were \$1,270,931 and the net operating income was \$598,585.

Miles Grant

Miles Grant is a Class B water and wastewater utility located in Martin County. Miles Grant served approximately 1,274 water and 1,207 wastewater customers in 2001. According to the 2001 annual report, Miles Grant's annual operating revenues were \$576,593 and its net operating income was \$131,243.

Longwood

Longwood is a Class B wastewater-only utility located in Seminole County. Longwood provided wastewater service to approximately 1,816 customers in 2001. According to the 2001 annual report, Longwood's annual operating revenues were \$690,403 and its net operating income was \$114,099.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission, on its own motion, conduct a limited proceeding in order to update the authorized return on equity for Alafaya, Lake Groves, Miles Grant and Longwood?

RECOMMENDATION: Yes. Each utility's authorized ROE should be updated in order to establish a more appropriate return on a going-forward basis. (JONES)

STAFF ANALYSIS: The current authorized ROE for the four subsidiaries of Utilities, Inc. in this docket range from 13.34% to 15.60%. Alafaya's current authorized ROE of 15.60% was established in Docket No. 850209-SU, by Order No. 14841, issued September 3, 1985. Lake Groves' current authorized ROE of 13.51% was established in Docket No. 900957-WS, by Order No. 24283, issued March 25, 1991. Miles Grant's current authorized ROE of 13.95% was established in Docket No. 890978-SU, by Order No. 22079, issued October 23, 1989. Longwood's current authorized ROE of 13.34% was established in Docket No. 871059-SU, by Order No. 20779, issued February 20, 1989.

Staff recommends that the Commission conduct a limited proceeding to update the authorized ROE for these utilities on a going-forward basis. The current midpoints of the ROE for these utilities exceed the maximum of the range of the 11.94% ROE allowed by the current 2002 leverage formula by 140 to 366 basis points. Staff will discuss the individual earnings levels for each utility in Issue 2.

The Commission has previously initiated a limited proceeding solely to lower the authorized ROE of Indiantown Company, Inc., without changing the utility's rates. See Order No. PSC-95-1328-FOF-WS, issued November 1, 1995, in Docket No. 950371-WS. The Commission has also lowered the ROE for utilities in other industries outside of rate case proceedings.

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ISSUE 2: What is the appropriate ROE for Alafaya, Lake Groves, Miles Grant, and Longwood?

RECOMMENDATION: The appropriate ROE for each utility should be 10.94%, with a range of 9.94% to 11.94%, based on the current 2002 leverage formula. This recommended ROE should be effective as of the date the Commission's proposed agency action (PAA) order is final and should be applied to any future proceedings of each utility, including, but not limited to, price index rate adjustments, interim rates, and overearnings. (JONES)

STAFF ANALYSIS: The basis for staff's recommendation is the filed 2001 annual reports for all four subsidiaries. Staff used the utility's schedules of cost of capital, operating statements, and year-end rate base to reflect each subsidiary's earnings. Staff believes it is reasonable to use the debt and equity ratios in the parent's capital structure because each subsidiary's capital structure is 100% equity and no debt is issued at the subsidiary level. The customer deposits and deferred income taxes are specifically identified and reflected at each subsidiary's level. This is consistent with the ratemaking treatment used for all other Commission-regulated Utilities, Inc. subsidiaries. See Order No. PSC-98-0524-FOF-SU, issued April 16, 1998, for Mid-County Utilities, Inc., another wholly-owned subsidiary of Utilities, Inc.

Since the Utilities, Inc. debt and equity ratios are used in the capital structure for each of the four subsidiaries, the equity ratio of 45% is the same for each. Using the current leverage formula approved by Order No. PSC-02-0898-PAA-WS, issued July 5, 2002, in Docket No. 020006-WS, a ROE of 10.94%, with a range of 9.94 to 11.94%, should be approved on a perspective basis. The PAA order approving this leverage formula was protested, but the protest was subsequently withdrawn. Consummating Order No. PSC-02-1252-CO-WS, issued September 11, 2002, made the 2002 leverage formula final.

Below is staff's analysis of each subsidiary's earnings and achieved rate of return (ROR). Staff does not believe that any additional investigations are required at this time.

Alafaya

Alafaya has not had a rate proceeding with the Commission since 1986. It has only utilized yearly price index rate

adjustments since that date. The authorized ROE of 15.60% was established in Docket No. 850509-SU, Order No. 14841, issued September 3, 1985. Staff believes that an authorized ROE of 15.60% is unreasonable given today's economic climate.

In Alafaya's 2001 annual report, its achieved ROR for the wastewater system was 7.57%. Based on our review, staff believes that a minor correction to the utility's calculation of income tax is necessary. After this adjustment, the utility's achieved ROR is 6.99%. According to the capital structure presented in the annual report, the midpoint of the required ROR was 9.22%, using the last authorized ROE of 15.60%.

The 2002 leverage formula yields a revised ROE midpoint of 10.94% for Alafaya. Based on this revised ROE, staff calculated Alafaya's required ROR for 2001 to be 7.46%, with a range of 7.09% to 7.84%. Per staff's calculation, Alafaya's 2001 achieved ROR of 6.99% is slightly below this range. Based on this analysis, staff does not believe that it is appropriate to initiate any further investigations at this time.

Staff notes that on May 9, 2002, Alafaya requested test year approval for general rate relief for its wastewater system located in Seminole County. It is expected to file its minimum filing requirements on September 30, 2002.

Lake Groves

Lake Groves has not had a rate proceeding with the Commission since 1986. It has not utilized yearly price index or pass through rate increases since 1986. The authorized ROE of 13.51% was established in Docket No. 900957-WS, Order No. 24283, issued March 25, 1991. By this order, the Commission granted certificates and approved initial rates and charges for Lake Groves. It is staff's belief that a ROE of 13.51% is unreasonable given today's economic climate.

Based on Lake Groves' 2001 annual report, its achieved ROR for the water and wastewater systems were 36.02% and 8.34%, respectively, with a combined achieved ROR of 14.57%. Based on our review, staff believes that a minor correction to the utility's calculation of income tax is necessary. After this adjustment, the utility's achieved ROR is 14.42%. According to the capital

structure presented in the annual report, the midpoint of the required ROR was 9.20%, using the last authorized ROE of 13.51%.

The 2002 leverage formula yields a revised ROE midpoint of 10.94% for Lake Groves. Based on this revised ROE, staff calculated Lake Groves' required ROR to be 8.14%, with a range of 7.72% to 8.55%. Per staff's calculation, Lake Groves' combined 2001 achieved ROR of 14.42% is outside the upper range. By Order No. PSC-02-1011-PCO-WS, issued July 26, 2002, in Docket No. 020567-WS, the Commission initiated an earnings investigation for Lake Groves and held revenues subject to refund pending the completion of this case. Also, Docket No. 020695-WS has been opened to address an application for name change to reflect the business combination of Lake Groves Utilities, Inc. with Lake Utility Services, Inc.

Miles Grant

Miles Grant's last rate proceeding with the Commission was a rate case in 1989. The authorized ROE of 13.95% was authorized in Docket No. 890978-SU, by Order No. 22079, issued October 23, 1989. The utility has utilized yearly price index and pass through rate increases since that date. It is staff's belief that a ROE of 13.95% is unreasonable given today's economic climate.

In Miles Grant's 2001 annual report, its achieved RORs for the water and wastewater systems were 5.83% and 6.85%, respectively, with a combined achieved ROR of 6.55%. Based on our review, staff believes that a minor correction to the utility's calculation of income tax is necessary. After this adjustment, the utility's combined achieved ROR is 5.99%. According to the capital structure presented in the annual report, the midpoint of the required ROR was 8.71%, using the last authorized ROE of 13.95%.

The 2002 leverage formula yields a revised ROE midpoint of 10.94% for Miles Grant. Based on this revised ROE, staff calculated Miles Grant's required ROR for 2001 to be 7.55%, with a range of 7.16% to 7.93%. Per staff's calculation, Miles Grant's combined 2001 achieved ROR of 5.99% is below this range. Based on this analysis, staff does not believe that it is appropriate to initiate any further investigations at this time.

Longwood

Longwood's last rate proceeding was a rate case in 1987. In Docket No.871059-SU, by Order No. 20779, issued February 20, 1989, the Commission accepted a settlement by all parties that the appropriate return on equity was 13.34%. Since that rate proceeding, the utility has utilized yearly price index rate increases. It is staff's belief that a ROE of 13.34% is unreasonable given today's economic climate.

In Longwood's 2001 annual report, its achieved ROR for the wastewater system was 8.42%. Based on our review, staff believes that a minor correction to the utility's calculation of income tax is necessary. After this adjustment, the utility's achieved ROR is 7.87%. According to the capital structure presented in the annual report, the midpoint of the required ROR was 8.35%, using the last authorized ROE of 13.34%.

The 2002 leverage formula yields a revised ROE midpoint of 10.94% for Longwood. Based on this revised ROE, staff calculated Longwood's required ROR at 7.44%, with a range of 7.06% to 7.82%. Per staff's calculation, Longwood's 2001 achieved ROR of 7.87% is 5 basis points, or \$1,175, above this range. Based on our analysis, staff believes this potential overearnings level is immaterial and we do not believe that it is appropriate to initiate any further investigations at this time.

Conclusion

Staff's recommendation is to reduce the ROE to 10.94% for each of the four utilities discussed above, consistent with the current water and wastewater 2002 leverage formula. This recommended ROE should be effective as of the date the Commission's PAA order is final and should be applied to any future proceedings of these subsidiaries, including, but not limited to, price index rate adjustments, interim rates, and overearnings.

Schedules 1 through 4 reflect the cost of capital schedules for each of the four utilities. The components of the capital structure used to calculate the ROE in this proceeding are unaudited.

DOCKET NO. 011189-WS

DATE: September 19, 2002

ISSUE 3: Should this docket be closed?

RECOMMENDATION: Yes. If no person, whose interests are substantially affected by the proposed action, files a protest within the 21-day protest period, the PAA order will become final upon the issuance of a consummating order, upon which the docket should be closed. (HOLLEY, JONES)

STAFF ANALYSIS: If no person, whose interests are substantially affected by the proposed action, files a protest within the 21-day protest period, this docket should be closed upon the issuance of a Consummating Order.

ALAFAYA UTILITIES, INC CAPITAL STRUCTURE TEST YEAR ENDED 12/31/2001						SCHEDULE NO. 1 DOCKET 011189-WS	
DESCRIPTION	TOTAL CAPITAL	SPECIFIC ADJUST- MENTS (EXPLAIN)	PRO RATA ADJUST- MENTS	CAPITAL RECONCILED TO RATE BASE	RATIO	COST RATE	WEIGHTED COST
PER UTILITY 2001 - YEAR-END							
1 LONG TERM DEBT	\$1,290,230	\$0	\$0	\$1,290,230	34.33%	8.52%	2.93%
2 SHORT-TERM DEBT	\$440,566	\$0	\$0	\$440,566	11.72%	1.92%	0.23%
3 PREFERRED STOCK	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
4 COMMON EQUITY	\$1,416,105	\$0	\$0	\$1,416,105	37.68%	15.60%	5.88%
5 CUSTOMER DEPOSITS	\$110,085	\$0	\$0	\$110,085	2.93%	6.00%	0.18%
6 DEFERRED INCOME TAXES	\$501,018	\$0	\$0	\$501,018	13.33%	0.00%	0.00%
7 DEFERRED ITC'S-ZERO COST	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
8 DEFERRED ITC'S-WTD. COST	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
9 TOTAL CAPITAL	<u>\$3,758,004</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,758,004</u>	<u>100.00%</u>		<u>9.22%</u>
PER STAFF 2001 - YEAR-END							
10 LONG TERM DEBT	\$1,290,230	\$0	\$0	\$1,290,230	34.33%	8.52%	2.93%
11 SHORT-TERM DEBT	\$440,566	\$0	\$0	\$440,566	11.72%	1.92%	0.23%
12 PREFERRED STOCK	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
13 COMMON EQUITY	\$1,416,105	\$0	\$0	\$1,416,105	37.68%	10.94%	4.12%
14 CUSTOMER DEPOSITS	\$110,085	\$0	\$0	\$110,085	2.93%	6.00%	0.18%
15 DEFERRED INCOME TAXES	\$501,018	\$0	\$0	\$501,018	13.33%	0.00%	0.00%
16 DEFERRED ITC'S-ZERO COST	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
17 DEFERRED ITC'S-WTD. COST	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
18 TOTAL CAPITAL	<u>\$3,758,004</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,758,004</u>	<u>100.00%</u>		<u>7.46%</u>
					LOW	HIGH	
RETURN ON EQUITY					<u>9.94%</u>	<u>11.94%</u>	
OVERALL RATE OF RETURN					<u>7.09%</u>	<u>7.84%</u>	

LAKE GROVES UTILITIES, INC. CAPITAL STRUCTURE TEST YEAR ENDED 12/31/2001						SCHEDULE NO. 2 DOCKET 011189-WS	
DESCRIPTION	TOTAL CAPITAL	SPECIFIC ADJUST-MENTS (EXPLAIN)	PRO RATA ADJUST-MENTS	CAPITAL RECONCILED TO RATE BASE	RATIO	COST RATE	WEIGHTED COST
PER UTILITY 2001 - YEAR-END							
1 LONG TERM DEBT	\$1,550,741	\$0	\$0	\$1,550,741	37.76%	8.52%	3.22%
2 SHORT-TERM DEBT	\$529,521	\$0	\$0	\$529,521	12.89%	1.92%	0.25%
3 PREFERRED STOCK	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
4 COMMON EQUITY	\$1,702,033	\$0	\$0	\$1,702,033	41.44%	13.51%	5.60%
5 CUSTOMER DEPOSITS	\$86,191	\$0	\$0	\$86,191	2.10%	6.00%	0.13%
6 DEFERRED INCOME TAXES	\$238,550	\$0	\$0	\$238,550	5.81%	0.00%	0.00%
7 DEFERRED ITC'S-ZERO COST	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
8 DEFERRED ITC'S-WTD. COST	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
9 TOTAL CAPITAL	<u>\$4,107,036</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,107,036</u>	<u>100.00%</u>		<u>9.20%</u>
PER STAFF 2001 - YEAR-END							
10 LONG TERM DEBT	\$1,550,741	\$0	\$0	\$1,550,741	37.76%	8.52%	3.22%
11 SHORT-TERM DEBT	\$529,521	\$0	\$0	\$529,521	12.89%	1.92%	0.25%
12 PREFERRED STOCK	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
13 COMMON EQUITY	\$1,702,033	\$0	\$0	\$1,702,033	41.44%	10.94%	4.54%
14 CUSTOMER DEPOSITS	\$86,191	\$0	\$0	\$86,191	2.10%	6.00%	0.13%
15 DEFERRED INCOME TAXES	\$238,550	\$0	\$0	\$238,550	5.81%	0.00%	0.00%
16 DEFERRED ITC'S-ZERO COST	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
17 DEFERRED ITC'S-WTD. COST	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
18 TOTAL CAPITAL	<u>\$4,107,036</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,107,036</u>	<u>100.00%</u>		<u>8.14%</u>
					LOW	HIGH	
RETURN ON EQUITY					<u>9.94%</u>	<u>11.94%</u>	
OVERALL RATE OF RETURN					<u>7.72%</u>	<u>8.55%</u>	

MILES GRANT WATER AND SEWER COMPANY CAPITAL STRUCTURE TEST YEAR ENDED 12/31/2001						SCHEDULE NO. 3 DOCKET 011189-WS	
DESCRIPTION	TOTAL CAPITAL	SPECIFIC ADJUST- MENTS (EXPLAIN)	PRO RATA ADJUST- MENTS	CAPITAL RECONCILED TO RATE BASE	RATIO	COST RATE	WEIGHTED COST
PER UTILITY 2001 - YEAR-END							
1 LONG TERM DEBT	\$709,393	\$0	\$0	\$709,393	35.43%	8.52%	3.02%
2 SHORT-TERM DEBT	\$242,232	\$0	\$0	\$242,232	12.10%	1.92%	0.23%
3 PREFERRED STOCK	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
4 COMMON EQUITY	\$778,603	\$0	\$0	\$778,603	38.89%	13.95%	5.42%
5 CUSTOMER DEPOSITS	\$13,550	\$0	\$0	\$13,550	0.68%	6.00%	0.04%
6 DEFERRED INCOME TAXES	\$258,436	\$0	\$0	\$258,436	12.91%	0.00%	0.00%
7 DEFERRED ITC'S-ZERO COST	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
8 DEFERRED ITC'S-WTD. COST	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
9 TOTAL CAPITAL	<u>\$2,002,214</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,002,214</u>	<u>100.00%</u>		<u>8.71%</u>
PER STAFF 2001 - YEAR-END							
10 LONG TERM DEBT	\$709,393	\$0	\$0	\$709,393	35.43%	8.52%	3.02%
11 SHORT-TERM DEBT	\$242,232	\$0	\$0	\$242,232	12.10%	1.92%	0.23%
12 PREFERRED STOCK	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
13 COMMON EQUITY	\$778,603	\$0	\$0	\$778,603	38.89%	10.94%	4.26%
14 CUSTOMER DEPOSITS	\$13,550	\$0	\$0	\$13,550	0.68%	6.00%	0.04%
15 DEFERRED INCOME TAXES	\$258,436	\$0	\$0	\$258,436	12.91%	0.00%	0.00%
16 DEFERRED ITC'S-ZERO COST	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
17 DEFERRED ITC'S-WTD. COST	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
18 TOTAL CAPITAL	<u>\$2,002,214</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,002,214</u>	<u>100.00%</u>		<u>7.55%</u>
					LOW	HIGH	
RETURN ON EQUITY					<u>9.94%</u>	<u>11.94%</u>	
OVERALL RATE OF RETURN					<u>7.16%</u>	<u>7.93%</u>	

UTILITIES, INC. OF LONGWOOD CAPITAL STRUCTURE TEST YEAR ENDED 12/31/01						SCHEDULE NO. 4 DOCKET 011189-WS	
DESCRIPTION	TOTAL CAPITAL	SPECIFIC ADJUST- MENTS (EXPLAIN)	PRO RATA ADJUST- MENTS	CAPITAL RECONCILED TO RATE BASE	RATIO	COST RATE	WEIGHTED COST
PER UTILITY 2001 - YEAR-END							
1 LONG TERM DEBT	\$467,150	\$0	\$0	\$467,150	34.49%	8.52%	2.94%
2 SHORT-TERM DEBT	\$159,515	\$0	\$0	\$159,515	11.78%	1.92%	0.23%
3 PREFERRED STOCK	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
4 COMMON EQUITY	\$512,726	\$0	\$0	\$512,726	37.86%	13.34%	5.05%
5 CUSTOMER DEPOSITS	\$30,317	\$0	\$0	\$30,317	2.24%	6.00%	0.13%
6 DEFERRED INCOME TAXES	\$184,716	\$0	\$0	\$184,716	13.64%	0.00%	0.00%
7 DEFERRED ITC'S-ZERO COST	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
8 DEFERRED ITC'S-WTD. COST	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
9 TOTAL CAPITAL	<u>\$1,354,424</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,354,424</u>	<u>100.00%</u>		<u>8.35%</u>
PER STAFF 2001 - YEAR-END							
10 LONG TERM DEBT	\$467,150	\$0	\$0	\$467,150	34.49%	8.52%	2.94%
11 SHORT-TERM DEBT	\$159,515	\$0	\$0	\$159,515	11.78%	1.92%	0.23%
12 PREFERRED STOCK	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
13 COMMON EQUITY	\$512,726	\$0	\$0	\$512,726	37.86%	10.94%	4.14%
14 CUSTOMER DEPOSITS	\$30,317	\$0	\$0	\$30,317	2.24%	6.00%	0.13%
15 DEFERRED INCOME TAXES	\$184,716	\$0	\$0	\$184,716	13.64%	0.00%	0.00%
16 DEFERRED ITC'S-ZERO COST	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
17 DEFERRED ITC'S-WTD. COST	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
18 TOTAL CAPITAL	<u>\$1,354,424</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,354,424</u>	<u>100.00%</u>		<u>7.44%</u>
					LOW	HIGH	
RETURN ON EQUITY					<u>9.94%</u>	<u>11.94%</u>	
OVERALL RATE OF RETURN					<u>7.06%</u>	<u>7.82%</u>	