

Angela Charles

From: Lisa Harvey
Sent: Thursday, December 03, 2015 8:06 AM
To: Commissioners & Staffs; Braulio Baez; Apryl Lynn; Charlie Beck; Andrew Maurey; Curt Mouring; Mary Anne Helton; Kelley Corbari; Keino Young; CLK - Agenda Staff
Cc: Kate Hamrick; Kathy Shoaf; Terri Fleming
Subject: FW: Request for Oral Modification to Item 5 on December 3, 2015 Commission Conference, Docket No. 140175-WU, Application for staff-assisted rate case in Pasco County by Crestridge Utilities, LLC.
Attachments: Request for oral modifications to Crestridge Utilities schedules.docx

Oral Modification with corrected text and tables.

From: Braulio Baez
Sent: Thursday, December 03, 2015 8:00 AM
To: Lisa Harvey
Subject: FW: Request for Oral Modification to Item 5 on December 3, 2015 Commission Conference, Docket No. 140175-WU, Application for staff-assisted rate case in Pasco County by Crestridge Utilities, LLC.

Approved...

From: Lisa Harvey
Sent: Thursday, December 03, 2015 7:57 AM
To: Braulio Baez
Subject: FW: Request for Oral Modification to Item 5 on December 3, 2015 Commission Conference, Docket No. 140175-WU, Application for staff-assisted rate case in Pasco County by Crestridge Utilities, LLC.

Please approve.

From: Andrew Maurey
Sent: Wednesday, December 02, 2015 4:02 PM
To: Lisa Harvey
Cc: Cheryl Bulecza-Banks
Subject: Request for Oral Modification to Item 5 on December 3, 2015 Commission Conference, Docket No. 140175-WU, Application for staff-assisted rate case in Pasco County by Crestridge Utilities, LLC.

Staff requests approval to make an oral modification to Item 5 scheduled for the December 3, 2015, Commission Conference. Staff's proposed modification relates to the typographical error for accumulated depreciation in Table 3-1, a separate typographical error referencing wastewater (Issue 10), and the removal of expenses associated with the prior owner recorded in Contractual Services - Other addressed in staff's recommendation. The modifications affect Issue 3 (Proforma Plant Additions – Rate Base) and Issue 6 (Contractual Services – Other – O&M) and the fall out effect on working capital, taxes other than income, and total operating expenses and Issues 7 (Phase I Revenue Requirement), 8 (Phase I Rates), 12 (Phase II Revenue Requirement) and 13 (Temporary Rates). Staff requests administrative authority to adjust rates after the Commission vote on all issues in this case.

Issue 3: What is the appropriate average test year water rate base for Crestridge Utilities? (page 7)

Recommendation: The appropriate average test year rate base for Crestridge is ~~\$87,473~~ ~~\$88,709~~. (Mouring, Lee)

*****The change in Staff's recommended test year rate base is a fall-out of the adjustment to Contractual Services – Other, and not related to the typographical error.*****

Table 3-1			
Phase I Pro Forma Adjustments			
Description	UPIS	Accum. Depr.	Depr. Exp.
New Truck	\$3,818	(\$636)	\$636
New Lawn Mower	1,076	(108)	108
Flow Meter	1,472	(98)	98
Flow Meter Retirement	(1,104)	1,104	(74)
		(82)	
New Meters	1,396	82	82
		1,047	
Retirement	(1,047)	(1,047)	(62)
Total	<u>\$5,611</u>	<u>\$1,227</u>	<u>\$789</u>

Working Capital Allowance (page 9)

Working capital is defined as the short-term investor-supplied funds that are necessary to meet operating expenses. Consistent with Rule 25-30.433(2), F.A.C., staff used the one-eighth of the operation and maintenance (O&M) expense formula approach for calculating the working capital allowance. Applying this formula, staff recommends a working capital allowance of ~~\$19,305~~ ~~\$20,541~~ (based on O&M expense of ~~\$154,442~~ ~~\$164,330~~/8).

Issue 6: What is the appropriate amount of operating expense? (page 12)

Recommendation: The appropriate average test year operating expense for Crestridge is ~~\$175,789~~ ~~\$186,148~~.

Contractual Services - Other (636) (page 12)

The utility recorded Contractual Services – Other expense of \$31,951. Staff has decreased this amount by ~~\$11,381~~ ~~\$1,493~~ to remove out-of-period and duplicate expenses. Staff also decreased this amount by \$700 to remove lawn maintenance expense that will now be provided by the utility. The resulting amount for Contractual Services – Other expense is ~~\$19,870~~ ~~\$29,758~~ (\$31,951 - ~~\$11,381~~ ~~\$1,493~~ - \$700).

FALL OUT ISSUES

Operation and Maintenance Expenses Summary (page 13)

Based on the above adjustments, staff recommends that the O&M expenses are ~~\$154,442~~ ~~\$164,330~~. Staff's recommended adjustments to O&M expense are shown on Schedule No. 3-A.

Taxes Other Than Income (TOTI) (page 14)

The utility recorded a TOTI balance of \$7,302. Staff has increased TOTI by \$29 to reflect the appropriate test year property taxes. Staff has also increased TOTI by \$5,365 to reflect the appropriate allocation of payroll taxes.

In addition, as discussed in Issue 7, revenues have been increased by ~~\$82,840~~ ~~\$93,301~~ to reflect the change in revenue required to cover expenses and allow the recommended return on investment. As a result, TOTI should be increased by ~~\$3,728~~ ~~\$4,199~~ to reflect RAFs of 4.5 percent on the change in revenues. Therefore, staff recommends TOTI of ~~\$16,424~~ ~~\$16,894~~ (\$7,302 + \$29 + \$5,365 + ~~\$3,728~~ ~~\$4,199~~).

Operating Expenses Summary (page 14)

The application of staff's recommended adjustments to Crestridge's test year Operating expenses results in operating expenses of ~~\$175,789~~ ~~\$186,148~~. Operating expenses are shown on Schedule No. 3-A. The related adjustments are shown on Schedule Nos. 3-B and 3-C.

Issue 7: What is the appropriate revenue requirement? (page 15)

Recommendation: The appropriate revenue requirement is ~~\$183,032~~ ~~\$193,493~~, resulting in an annual increase of ~~\$82,840~~ ~~\$93,301~~ (~~82.68~~ ~~93.12~~ percent). (Mouring)

Staff Analysis: Crestridge should be allowed an annual increase of ~~\$82,840~~ ~~\$93,301~~ (~~82.68~~ ~~93.12~~ percent). This will allow the utility the opportunity to recover its expenses and earn an 8.28 percent return on its water system. The calculation is shown in Table 7-1 below.

**Table 7-1
Water Revenue Requirement**

Adjusted Rate Base	\$87,473 \$88,709
Rate of Return	x 8.28%
Return on Rate Base	\$7,243 \$7,345
Adjusted O&M Expense	154,442 164,330
Depreciation Expense (Net)	4,923
Taxes Other Than Income	12,696
Incremental RAFs	3,728 4,199
Revenue Requirement	\$183,032 \$193,493
Less Adjusted Test Year Revenues	<u>100,192</u>
Annual Increase	\$82,840 \$93,301
Percent Increase	82.68 93.12 %

Issue 8: What is the appropriate rate structure and rates for Crestridge? (page 16)

Rates will be revised based on the Commission's vote in this case.

Issue 10: What are the utility's appropriate initial customer deposits for Crestridge's water service? (page 19)

Recommendation: The appropriate initial customer deposit for water customers should be \$49 for the residential 5/8" x 3/4" meter size. The initial customer deposits for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill for ~~water wastewater~~ service. The approved customer deposits should be effective for connections made on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475, F.A.C. The utility should be required to charge the approved charges until authorized to change them by the Commission in a subsequent proceeding. (Thompson)

Staff Analysis: Rule 25-30.311, F.A.C., contains the criteria for collecting, administering, and refunding customer deposits. Customer deposits are designed to minimize the exposure of bad debt expense for the utility and, ultimately, the general body of ratepayers. Historically, the Commission has set initial customer deposits equal to two times the average estimated bill.^[1] Currently, the utility's ~~water wastewater~~ initial customer deposit is \$25 for 5/8" x 3/4" meter

size and two times the average estimated bill for all other meters sizes. Based on the staff recommended **water wastewater** rates, the appropriate initial customer deposit should be \$49 for water to reflect an average residential customer bill for two months.

During the course of staff's audit, it was determined that additional deposits in the amount of \$15 were assessed to 88 customers, which totals \$1,320. The utility required an additional deposit from those customers who had frequent shut offs due to delinquent bills. The utility confirmed that interest is paid on these accounts as required by Rule 25-30.311(4), F.A.C. Pursuant to Rule 25-30.311(7), F.A.C., a utility may require an additional deposit in order to secure payment of current bills as long as the total amount of the required deposit does not exceed an amount equal to the average actual charge for water and/or wastewater service for two billing periods for the 12-month period immediately prior to the date of notice. Further, Rule 25-30.311(7), F.A.C. requires that request for an additional deposit be by written notice of not less than 30 days and the notice be separate and apart from any bill for service. The utility's request for the additional deposit was included on the bill for service. The utility has affirmed that in the future it will collect additional deposits in the manner required by Rule. Therefore, staff believes no enforcement action should be taken at this time.

Staff recommends the appropriate initial customer deposit should be \$49 for the residential 5/8" x 3/4" meter size for **water wastewater**. The initial customer deposits for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill for **water wastewater**. The approved customer deposits should be effective for connections made on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475, F.A.C. The utility should be required to charge the approved charges until authorized to change them by the Commission in a subsequent proceeding.

Issue 12: Should the Commission approve a Phase II increase for pro forma items for Crestridge? (page 21)

Recommendation: Yes. The Commission should approve a Phase II revenue requirement associated with pro forma items. The utility's Phase II revenue requirement is **\$186,758 \$197,220**, which equates to a **2.04 1.93** percent increase over the Phase I revenue requirement. Staff recommends that the increase be applied as an across-the-board increase to the Phase I rates.

Staff Analysis: Staff's net adjustment to the Phase II UPIS balance is an increase of \$10,370 and a decrease to Accumulated Depreciation of \$27,144. In addition, staff has adjusted depreciation expense to reflect the pro forma additions and retirements resulting in an increase of \$428. Also, staff has increased TOTI by \$168 to reflect RAFs of 4.5 percent on the change in revenues. Staff's total adjustment to operating expenses, including additional RAFs, is \$596 resulting in total operating expenses of **\$176,384 \$186,743**.

The utility's Phase II revenue requirement should be **\$186,758 \$197,220**, representing a **2.04 1.93** percent increase over the recommended Phase I revenue requirement. Phase II rate base is shown on Schedule No. 5-A. The capital structure for Phase II is shown on Schedule No. 6. The revenue requirement is shown on Schedule No. 7-A. The resulting rates are shown on Schedule No. 8. (page 22)

Issue 13: Should the recommended rates be approved for the utility on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the utility? (page 24)

Staff Analysis: The utility should be authorized to collect the temporary rates upon staff's approval of an appropriate security for the potential refund and the proposed customer notice. Security should be in the form of a bond or letter of credit in the amount of **\$55,265 \$62,244**. Alternatively, the utility could establish an escrow agreement with an independent financial institution.

^[1] Order Nos. PSC-13-0611-PAA-WS, issued November 19, 2013, in Docket No. 130010-WS, *In re: Application for increase in water rates in Lee County and wastewater rates in Pasco County by Ni Florida, LLC.* and PSC-14-0016-TRF-WU, issued January 6, 2014, in Docket No. 130251-WU, *In re: Application for approval of miscellaneous service charges in Pasco County, by Crestridge Utility Corporation.*

CRESTRIDGE UTILITIES, LLC

TEST YEAR ENDED 09/30/14

SCHEDULE OF WATER RATE BASE (PHASE I)

SCHEDULE NO. 1-A

DOCKET NO. 140175-WU

DESCRIPTION	BALANCE PER UTILITY	STAFF ADJUSTMENTS TO UTIL. BAL.	BALANCE PER STAFF
UTILITY PLANT IN SERVICE	\$88,524	\$136,657	\$225,181
LAND & LAND RIGHTS	6,000	0	6,000
NON-USED AND USEFUL COMPONENTS	0	0	0
CIAC	(86,055)	0	(86,055)
ACCUMULATED DEPRECIATION	(39,641)	(123,372)	(163,013)
AMORTIZATION OF CIAC	0	86,055	86,055
WORKING CAPITAL ALLOWANCE	<u>0</u>	<u>19,305</u> 20,541	<u>19,305</u> 20,541
		<u>\$118,644</u>	<u>\$87,473</u>
WATER RATE BASE	<u>(\$31,171)</u>	<u>\$119,880</u>	<u>\$88,709</u>

	<u>WATER</u>
<u>UTILITY PLANT IN SERVICE</u>	
1. To reflect the appropriate UPIS.	\$132,157
2. To reflect pro forma plant additions and retirements.	5,611
3. To reflect the appropriate averaging adjustment.	<u>(1,111)</u>
Total	<u>\$136,657</u>
<u>ACCUMULATED DEPRECIATION</u>	
1. To reflect the appropriate Accumulated Depreciation.	(\$124,775)
2. To reflect pro forma plant additions and retirements.	1,227
3. To reflect the appropriate averaging adjustment.	<u>176</u>
Total	<u>(\$123,372)</u>
<u>AMORTIZATION OF CIAC</u>	
To reflect the appropriate amount of amortization.	<u>\$86,055</u>
<u>WORKING CAPITAL ALLOWANCE</u>	
To reflect 1/8 of test year O&M expenses.	<u>\$19,305</u> \$20,541

CRESTRIDGE UTILITIES, LLC

TEST YEAR ENDED 09/30/14

SCHEDULE OF CAPITAL STRUCTURE (PHASE I)

SCHEDULE NO. 2

DOCKET NO. 140175-WU

CAPITAL COMPONENT	PER UTILITY	STAFF SPECIFIC ADJUSTMENTS	BALANCE BEFORE PRO RATA ADJUSTMENTS	PRO RATA ADJUSTMENTS	BALANCE PER STAFF	PERCENT OF TOTAL	WEIGHTED COST		
1. COMMON EQUITY	\$22,113	\$0	\$22,113	\$73 \$388	\$22,186 \$22,501	25.36 25.37%	11.16%	2.83%	
2. LONG-TERM DEBT	423,172	(362,478)	60,694	200 1,066	60,894 61,760	69.61 69.62%	7.50%	5.22%	
3. SHORT-TERM DEBT (Truck)	0	3,818	3,818	13 67	3,831 3,885	4.38%	5.00%	0.22%	
4. PREFERRED STOCK	0	0	0	0	0	0.00%	0.00%	0.00%	
5. CUSTOMER DEPOSITS	600	(38)	563	0	563	0.64 0.63%	2.00%	0.01%	
6. DEFERRED INCOME TAXES	<u>0</u>	<u>0</u>	<u>0</u>	0	0	0.00%	0.00%	0.00%	
7. TOTAL	<u>\$445,885</u>	<u>(\$358,698)</u>	<u>\$87,188</u>	<u>\$286</u> <u>\$1,522</u>	<u>\$87,473</u> <u>\$88,709</u>	100.00%		<u>8.28%</u>	
RANGE OF REASONABLENESS						LOW	HIGH		
RETURN ON EQUITY						<u>10.16%</u>	<u>12.16%</u>		
OVERALL RATE OF RETURN						<u>8.03%</u>	<u>8.54%</u>		

CRESTRIDGE UTILITIES, LLC
TEST YEAR ENDED 09/30/14
SCHEDULE OF WATER OPERATING INCOME (PHASE I)

SCHEDULE NO. 3-A
DOCKET NO. 140175-WU

	TEST YEAR PER UTILITY	STAFF ADJUSTMENTS	STAFF ADJUSTED TEST YEAR	ADJUST. FOR INCREASE	REVENUE REQUIREMENT
1. OPERATING REVENUES	\$98,808	\$1,384	\$100,192	\$82,840 \$93,301 82.68 93.12%	\$183,032 \$193,493
OPERATING EXPENSES:					
2. OPERATION & MAINTENANCE	\$100,794	\$53,648 \$63,536	\$154,442 \$164,330	\$0	\$154,442 \$164,330
3. DEPRECIATION (NET)	0	4,923	4,923	0	4,923
4. TAXES OTHER THAN INCOME	7,302	5,394	12,696	3,728 4,199	16,424 16,894
5. INCOME TAXES	0	0	0	0	0
6. TOTAL OPERATING EXPENSES	\$108,096	\$63,965 \$73,853	\$172,061 \$181,949	\$3,728 \$4,199	\$175,789 \$186,148
7. OPERATING INCOME/(LOSS)	(\$9,288)		(\$71,869) (\$81,757)		\$7,243 \$7,345
8. WATER RATE BASE	(\$31,171)		\$87,473 \$88,709		\$87,473 \$88,709
9. RATE OF RETURN	29.80%		(82.16) (92.16%)		8.28%

WATER

OPERATING REVENUES

a. To reflect the appropriate test year service revenues.	\$1,351
b. To reflect the test year miscellaneous service revenues.	33
Subtotal	<u>\$1,384</u>

OPERATION AND MAINTENANCE EXPENSES

1. Salaries and Wages – Employees (601) To reflect the appropriate amount of salary expense for the test year.	<u>\$42,533</u>
2. Salaries and Wages – Officers (603) To reflect the appropriate amount of officer’s salary expense for the test year.	<u>\$13,925</u>
3. Employee Pensions and Benefits (604) To reflect the appropriate medical and workman’s comp. benefits.	<u>\$3,182</u>
4. Chemicals (618) To remove out-of-period expenses.	<u>(\$120)</u>
5. Material and Supplies (620) To reflect capitalized items.	<u>(\$1,902)</u>
6. Contractual Services - Other (636) a. To remove out-of-period expenses.	<u>(\$11,381)</u> (\$1,493)
b. To reflect the reduction in lawn maintenance expense.	(700)
Subtotal	<u>(\$12,081)</u> (\$2,193)
7. Rents (640) To reflect the appropriate rent expense.	<u>(\$75)</u>
8. Insurance Expense (655) To reflect the appropriate insurance expense.	<u>\$2,498</u>
9. Regulatory Commission Expense (665) To reflect 4-year amortization of rate case expense.	<u>\$1,823</u>
10. Bad Debt Expense (670) To reflect the 3-year average bad debt expense	<u>\$300</u>
11. Miscellaneous Expense (675) a. To remove duplicate telephone and utilities expense.	(\$2,415)
b. To reflect the meter replacement program expense.	5,981
Subtotal	<u>\$3,566</u>

TOTAL OPERATION & MAINTENANCE ADJUSTMENTS \$53,648 ~~\$63,536~~

(O&M EXPENSES CONTINUED ON NEXT PAGE)

CRESTRIDGE UTILITIES, LLC

SCHEDULE NO. 3-C

TEST YEAR ENDED 09/30/14

DOCKET NO. 140175-WU

ANALYSIS OF WATER OPERATION AND MAINTENANCE EXPENSE (PHASE I)

	TOTAL PER UTILITY	STAFF ADJUST- MENTS	TOTAL PER STAFF
(601) SALARIES AND WAGES - EMPLOYEES	\$27,988	\$42,533	\$70,521
(603) SALARIES AND WAGES - OFFICERS	1,965	13,925	15,890
(604) EMPLOYEE PENSIONS AND BENEFITS	4,852	3,182	8,034
(610) PURCHASED WATER	0	0	0
(615) PURCHASED POWER	3,938	0	3,938
(616) FUEL FOR POWER PRODUCTION	0	0	0
(618) CHEMICALS	2,026	(120)	1,906
(620) MATERIALS AND SUPPLIES	1,902	(1,902)	0
(630) CONTRACTUAL SERVICES - BILLING	4,923	0	4,923
(631) CONTRACTUAL SERVICES - PROFESSIONAL	3,035	0	3,035
(633) CONTRACTUAL SERVICES - LEGAL	0	0	0
(636) CONTRACTUAL SERVICES - OTHER	31,951	(12,081)	19,870
(640) RENTS	6,098	(2,193)	29,758
(650) TRANSPORTATION EXPENSE	832	0	832
(655) INSURANCE EXPENSE	1,210	2,498	3,708
(665) REGULATORY COMMISSION EXPENSE	0	1,823	1,823
(670) BAD DEBT EXPENSE	0	300	300
(675) MISCELLANEOUS EXPENSE	<u>10,074</u>	<u>3,566</u>	<u>13,640</u>
TOTAL WATER O&M EXPENSES	<u>\$100,794</u>	<u>\$53,648</u>	<u>\$154,442</u>
		<u>\$63,536</u>	<u>\$164,330</u>

CRESTRIDGE UTILITIES, LLC
TEST YEAR ENDED 09/30/14
SCHEDULE OF WATER RATE BASE (PHASE II)

SCHEDULE NO. 5-A
DOCKET NO. 140175-WU

DESCRIPTION	PHASE I BALANCE	STAFF ADJUSTMENTS TO UTIL. BAL.	BALANCE PER STAFF
UTILITY PLANT IN SERVICE	\$225,181	\$10,370	\$235,551
LAND & LAND RIGHTS	6,000	0	6,000
NON-USED AND USEFUL COMPONENTS	0	0	0
CIAC	(86,055)	0	(86,055)
ACCUMULATED DEPRECIATION	(163,013)	27,144	(135,870)
AMORTIZATION OF CIAC	86,055	0	86,055
WORKING CAPITAL ALLOWANCE	<u>19,305</u> 20,541	<u>0</u>	<u>19,305</u> 20,541
WATER RATE BASE	<u>\$87,473</u> \$88,709	<u>\$37,514</u>	<u>\$124,987</u> <u>\$126,223</u>

CRESTRIDGE UTILITIES, LLC

TEST YEAR ENDED 09/30/14

SCHEDULE OF CAPITAL STRUCTURE (PHASE II)

SCHEDULE NO. 6

DOCKET NO. 140175-WU

CAPITAL COMPONENT	PHASE I BALANCE	STAFF SPECIFIC ADJUST- MENTS	BALANCE BEFORE PRO RATA ADJUSTMENTS	PRO RATA ADJUST- MENTS	BALANCE PER STAFF	PERCENT OF TOTAL	WEIGHTED COST	WEIGHTED COST
1. COMMON EQUITY	\$22,113	\$0	\$22,113	\$9,649 \$9,965	\$31,762 \$32,078	25.41%	11.16%	2.84%
2. LONG-TERM DEBT	60,694	0	60,694	26,484 27,350	87,178 88,044	69.75%	7.50%	5.23%
3. SHORT-TERM DEBT (Truck)	3,818	0	3,818	1,666 1,720	5,484 5,539	4.39%	5.00%	0.22%
4. PREFERRED STOCK	0	0	0	0	0	0.00%	0.00%	0.00%
5. CUSTOMER DEPOSITS	563	0	563	0	563	0.45%	2.00%	0.01%
6. DEFERRED INCOME TAXES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
7. TOTAL	<u>\$87,188</u>	<u>\$0</u>	<u>\$87,188</u>	<u>\$37,799</u> <u>\$39,035</u>	<u>\$124,987</u> <u>\$126,223</u>	<u>100.00%</u>		<u>8.30%</u>
RANGE OF REASONABLENESS						<u>LOW</u>	<u>HIGH</u>	
RETURN ON EQUITY						<u>10.16%</u>	<u>12.16%</u>	
OVERALL RATE OF RETURN						<u>8.04%</u>	<u>8.55%</u>	

CRESTRIDGE UTILITIES, LLC
TEST YEAR ENDED 09/30/14
SCHEDULE OF WATER OPERATING INCOME (PHASE II)

SCHEDULE NO. 7-A
DOCKET NO. 140175-WU

	PHASE I	STAFF ADJUSTMENTS	STAFF ADJUSTED TEST YEAR	ADJUST. FOR INCREASE	REVENUE REQUIREMENT			
1. OPERATING REVENUES	\$183,032	\$193,493	\$0	\$183,032	\$193,493	\$3,727	\$186,758	\$197,220
				2.04	1.93%			
OPERATING EXPENSES:								
2. OPERATION & MAINTENANCE	\$154,442	\$164,330	\$0	\$154,442	\$164,330	\$0	\$154,442	\$164,330
3. DEPRECIATION (NET)		4,923	428		5,351	0		5,351
4. TAXES OTHER THAN INCOME	16,424	16,894	0	16,424	16,894	168	16,591	17,062
5. INCOME TAXES		0	0		0	0		0
6. TOTAL OPERATING EXPENSES	\$175,789	\$186,148	\$428	\$176,217	\$186,575	\$168	\$176,384	\$186,743
7. OPERATING INCOME/(LOSS)	\$7,243	\$7,345		\$6,815	\$6,918		\$10,374	\$10,476
8. WATER RATE BASE	\$87,473	\$88,709		\$124,987	\$126,223		\$124,987	\$126,223
9. RATE OF RETURN		8.28%		5.45	5.48%			8.30%