

State of Florida



Public Service Commission

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

-M-E-M-O-R-A-N-D-U-M-

DATE: July 17, 2008

TO: Office of Commission Clerk (Cole)

FROM: Division of Economic Regulation (Johnson, Marsh, Walden)
Office of the General Counsel (Bennett)

RE: Docket No. 080103-WS – Application for certificates to provide water and wastewater service in Hardee and Polk Counties by TBBT Utility LLC.

AGENDA: 07/29/08 – Regular Agenda – Proposed Agency Action for Issues 2, 3, 4, and 5 Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: McMurrian

CRITICAL DATES: 07/31/08 Statutory deadline waived by utility until this date pursuant to 367.031, Florida Statute.

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\080103.RCM.DOC

Case Background

On February 18, 2008, TBBT Utility LLC (TBBT or utility) filed its application for original water and wastewater certificates in Polk and Hardee Counties. The requested territory includes 1,600 acres, of which 1,500 acres are in Hardee County and 100 acres are in Polk County. The proposed area is located in the Southwest Florida Water Management District. Water use restrictions have been imposed district-wide to encourage conservation. The utility anticipates serving a total of approximately 2,667 water and wastewater equivalent residential connections (ERCs) when it reaches build out in approximately 19 years.

The utility's application was completed on March 3, 2008. Staff requested additional information which the utility provided on April 29, 2008 and May 30, 2008. Pursuant to Section 367.031, Florida Statutes, the Commission shall grant or deny an application for a certificate of authorization within 90 days after the official filing date of the completed application. In an effort to more fully analyze the requested provision for rates, the utility waived the statutory deadline until July 31, 2008; therefore, this application must be ruled upon by July 29, 2008.

The utility proposes to provide service to the separate service areas by constructing two water plants and two wastewater plants. The plants in Hardee County will have capacities of 1.0 million gallons per day due to the larger development of 2667 ERCs that is expected to be constructed. The Hardee County development, called Shadowlawn, will have the usual mix of single family, multi-family, and commercial customers. Also planned are an RV park, a golf course, and light commercial customers. Potable water will be chlorinated, and wastewater will be treated to a level to provide reuse. Some reuse is expected to be routed to the golf course.

In Polk County, only about 50 ERCs are anticipated to be built. This will include a sales center and approximately 45 single family homes. A central water and wastewater system is planned. Reuse may be provided from the wastewater system if it is economically feasible.

This recommendation addresses the application for original water and wastewater certificates and initial rates and charges. The Commission has jurisdiction pursuant to Sections 367.031, 367.045, 367.091, 367.101, 367.121 and 367.171(7), Florida Statutes.

Discussion of Issues

Issue 1: Should TBBT Utility LLC's application for water and wastewater certificates be granted?

Recommendation: Yes, TBBT Utility LLC should be granted Certificate Nos. 642-W and 552-S to serve the territory described in Attachment A, effective the date of the Commission's vote. The resultant order should serve as TBBT's water and wastewater certificates and should be retained by the utility. Within 30 days from the date of the order approving the certificates, the utility should file an executed and recorded copy of the land lease agreement. (Johnson, Walden, Bennett)

Staff Analysis: As stated in the case background, TBBT filed its application for original water and wastewater certificates to provide service in Polk and Hardee Counties on February 18, 2008. The application was completed on March 3, 2008. The application is in compliance with the governing statute, Section 367.045, Florida Statutes, and other pertinent statutes and administrative rules concerning an application for original certificate. In addition, the application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. No objections to the notice of application have been received and the time for filing such has expired.

Pursuant to Section 367.171(7), Florida Statutes, the Commission has exclusive jurisdiction over utility systems which transverse county boundaries, whether the counties involved are jurisdictional (Polk County) or non-jurisdictional (Hardee County). Although TBBT's system is designed so that the developments in Polk and Hardee Counties will have separate distribution, collection, and treatment facilities, the systems are located relatively close to one another. As such, TBBT states that it anticipates that all administrative, billing, collection, accounting, maintenance, testing, permitting, and functions of every type will be housed within the same offices and utilize the same personnel, tools, and equipment. Section 367.021(11) defines system as follows:

System means facilities and land used or useful in providing service and, upon a finding by the commission, may include a combination of functionally related facilities and land.

In Order No. 24335, issued April 8, 1991, in Docket No. 910078, In re: Petition for Declaratory Statement relating to jurisdiction of the Florida Public Service Commission over Jacksonville Suburban Utilities Corporation in Duval, Nassau, and St. Johns Counties, the Commission found that, based on the facts presented by Jacksonville Suburban Utilities, its combination of functionally related facilities and land is a utility system which transverses county boundaries and is subject to the Commission's exclusive jurisdiction. Like the facts in TBBT's petition, Jacksonville Suburban's facilities were managed from a single centrally located office. Officers and personnel responsible for management, engineering, accounting, maintenance, customer service representation, laboratory testing, and administrative support were the same for the utility's operations in all counties. The Commission, in ruling that it had exclusive jurisdiction over Jacksonville Suburban Utilities, stated:

The efficiencies of system-wide operations and cost savings due to system-wide accounting, data processing and administration are consistent with the purpose of section 367.171(7). Such efficiencies and cost-savings might be jeopardized if Jacksonville Suburban's utility services continue to be subject to different regulatory oversight in St. Johns County than in Duval and Nassau. Because the facts warrant application of section 367.171(7), the uniform rate regulation and other benefits of oversight by one regulatory agency will be realized and the potential conflicts of dual oversight will be avoided.¹

Likewise, because TBBT Utility will be using the same facilities to administer both the Polk and Hardee County operations, the systems will have the same rates, and because the properties are relatively close, staff recommends that the Commission find that TBBT's system includes a combination of functionally related facilities and land transversing county boundaries such that the Commission has exclusive jurisdiction over TBBT Utilities.

The utility submitted an unexecuted long-term lease for the land where the facilities will be located. Pursuant to Rule 25-30.033(1)(j), Florida Administrative Code, the utility has agreed to file copies of an executed and recorded long-term lease with the Commission within 30 days of the Commission order granting certificates to the utility.

Adequate service territory and system maps and a territory description have been provided as prescribed by Rule 25-30.033(1)(l),(m) and (n), Florida Administrative Code. A description of the territory requested by TBBT is appended to this memorandum as Attachment A.

TBBT has the financial and technical ability to provide water and wastewater service to the proposed service area. Regarding financial ability, the application states that its managing member, TBBT Water Company, LLC (TBBT Water Co.), and the principles of that entity will provide the necessary startup funding, as well as funds sufficient to cover operation shortfalls during the utility's initial years. Staff has reviewed the financial statements of one of the principles of TBBT Water Company, LLC, and it has adequate resources to support the utility during the initial years of operation.

Regarding TBBT's technical ability, TBBT Water Co. indicates that it will make the financial and operating commitment necessary for the utility to be successful in its endeavor to provide water and wastewater service to the residents within the proposed service territory. The utility will employ, either through direct employment or through contractual arrangements, the licensed professionals as consultants, design engineers, management, and operators of the utility systems. The utility plans to hire top rated Class A water and wastewater operators to ensure efficient, effective, and high quality service facilities. According to the application, there is currently a need for water and wastewater service within the proposed service territory. The utility anticipates that the construction of the water and wastewater facilities will commence in 2009. The utility states that there are no other utilities near the proposed service area which can provide the necessary water and wastewater service, and construction of TBBT is the only viable

¹ The Commission's decision was affirmed by the First District Court of Appeals, Board of County Commissioners of St. Johns County v. Beard, 601 So. 2d 590, (1st DCA 1992).

alternative. Construction of TBBT will take place in Hardee County first and end in Polk County.

The application states that the provision of service in the proposed territory, as outlined in the application, is not currently consistent with the water and wastewater sections of the local comprehensive plans of Polk and Hardee Counties as approved by the Department of Community Affairs (DCA). A review of the application by the DCA confirmed that the planned development in Hardee County is not consistent with Hardee County's comprehensive plan for the area. The area proposed for development is currently designated for agricultural use on the County's Future Land Use Map. The current land use designation for Polk County is phosphate mining. In response to the DCA's review, the utility indicated that its representatives have met with officials from Hardee County, the Florida Department of Transportation, the Southwest Florida Water Management District, and the Central Florida Planning Council to address the Development of Regional Impact (DRI) and the Application for Development Approval (ADA). The ADA is anticipated to be filed in October of 2008. In addition, Hardee County has approved an amendment to the Hardee County Comprehensive Plan to create a Rural Village Plan category. This demonstrates the County's general support for the development. Also, confirmation for city and county services for the developments are expected to be provided within the next month.

The utility stated that amendments would be necessary for both Hardee and Polk County Comprehensive Plans in order to develop the proposed territories as outlined in the Conceptual Master Plans. Cognizant of the counties' land designations, the utility is in the process of securing land use amendments and approvals from the counties for the development. According to the utility, there has been no objection to the application from DCA, Polk County, Hardee County, or any other entity. Moreover, the local comprehensive plans do not prohibit the establishment of water and wastewater utility service territories as requested in the utility's application.

Pursuant to Section 367.045(5)(b), Florida Statutes, the Commission need not consider whether the issuance of a certificate of authorization is inconsistent with the local comprehensive plan of a county or municipality unless a timely objection to the notice of filing is received. The utility is working with the counties to amend the comprehensive plans that govern the developments. It appears that there is a need for service in both Hardee and Polk Counties. In addition, it should be noted that the counties retain control over future development through zoning and construction permits.

The utility understands that it must maintain its books and records according to the National Association of Regulatory Utility Commissioners Uniform System of Accounts. The utility also understands the requirement to file annual reports and pay regulatory assessment fees by March 31, 2009, and for future years. In addition, the utility is aware that it may not change rates, serve outside its certificated territory, or sell the utility without prior Commission approval.

Based on the above information, staff believes it is in the public interest to grant the application for original water and wastewater certificates pursuant to Sections 367.031 and 367.171(7), Florida Statutes. Accordingly, staff recommends that TBBT Utility LLC should be granted Certificate Nos. 642-W and 552-S to serve the territory described in Attachment A,

Docket No. 080103-WS

Date: July 17, 2008

effective the date of the Commission's vote. The resultant order should serve as TBBT's water and wastewater certificates and it should be retained by the utility. The utility should file an executed and recorded copy of the lease for the land for the water and wastewater facilities within 30 days of the issuance date of the order granting the certificates

Issue 2: Should TBBT's proposed initial water, wastewater, and reuse rates and return on equity be approved?

Recommendation: Yes. The utility's proposed water, wastewater, and reuse rates, as shown on Schedule 4, should be approved. TBBT should charge the approved rates and charges until authorized to change them by this Commission in a subsequent proceeding. The rates should be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, Florida Administrative Code. A return on equity of 12.01% with a range of plus or minus 100 basis points should be approved. (Johnson, Walden)

Staff Analysis: The requested rates and charges in the application are based on the system operating at 80% of its designed capacity, which is consistent with Commission policy for setting initial rates and charges. According to the application, the development is expected to grow steadily and reach 80% build out in approximately twelve years. The water and wastewater facilities are projected to reach 100% build out in 15 years and 19 years, respectively.

TBBT has estimated average usage per ERC of 375 and 275 gallons per day (GPD) for water and wastewater, respectively. In setting initial rates and charges for a new utility, Commission practice has been to set rates so that the utility will have an opportunity to earn a fair return on its investment when approximately 80% of its projected customers are being served. In the early years of the development, there may not be a sufficient customer base to allow the utility to recover its operating and maintenance expenses and earn a fair return on its investment. However, as growth reaches 80% of the utility's projected design capacity, the initial rates should be compensatory.

TBBT's proposed rates are based on its projected rate base, cost of capital, operating and maintenance expenses, and customer growth. In reviewing the utility's projections and the resulting proposed rates and charges, staff verified that the utility's methodologies are consistent with those normally used by the Commission in setting initial rates and charges. The following analysis describes the utility's projected rate base, return on investment, revenue requirement, and rates and charges for water, wastewater, and reuse services.

Projected Rate Base

The utility's projected rate bases for the water and wastewater systems appear on Schedules 1A and 1B. The projected contributions-in-aid-of-construction (CIAC) are based on the guidelines in Rule 25-30.580, Florida Administrative Code. The projected accumulated depreciation and amortization of CIAC balances are calculated using the guidelines for average service lives as set forth in Rule 25-30.140, Florida Administrative Code. The utility's proposed working capital allowances are based on one-eighth of operating and maintenance expenses for the respective systems. The rate base schedules are for informational purposes to establish initial

rates and are not intended to formally establish rate base, which is consistent with Commission practice in original certificate applications.²

Water System. The utility's projected Utility Plant In Service (UPIS) cost for the water system at 80% of design capacity is \$1,908,065 for facilities intended to serve 2,164 ERCs. The facilities include the wells and equipment for pumping, treatment, and power generation along with supply mains and transmission and distribution lines.

The utility proposed an accumulated depreciation balance of (\$565,458), a CIAC balance of (\$1,298,400) based on a proposed main extension charge of \$300.00 per ERC, an accumulated amortization of CIAC balance of \$427,925, and a working capital allowance of \$70,365. Therefore, the utility's proposed rate base for the water system is \$542,497, as shown on Schedule 1A.

Wastewater System. The utility's projected UPIS cost for the wastewater system at 80% of design capacity is \$10,978,577 for facilities intended to serve 2,164 ERCs. The UPIS costs include the facilities for wastewater treatment, disposal, power generation, services, pumping, structures and improvements, force and collection mains, reuse reservoirs, and reuse transmission and distribution lines. For economies of scale, the proposed wastewater treatment plant is designed with excess capacity in anticipation of future development. Therefore, the utility included a used and useful adjustment of (\$1,077,934) for excess wastewater capacity.

The utility proposed an accumulated depreciation balance of (\$5,457,744), a CIAC balance of (\$1,644,640) based on a proposed main extension charge of \$760.00 per ERC, an accumulated amortization of CIAC balance of \$649,592, and a working capital allowance of \$107,004. Therefore, the utility's proposed rate base for the wastewater system is \$3,554,855, as shown on Schedule 1B.

Summary of Projected Rate Base. In summary, staff recommends that for purposes of setting initial rates and charges, the utility's projected rate base balances of \$542,497 for water and \$3,554,855 for wastewater are reasonable. The rate base schedules, as shown on Schedules 1A and 1B, are for informational purposes to establish initial rates and are not intended to formally establish rate base.

Cost Of Capital

As required by Rule 25-30.033(1)(w), Florida Administrative Code, the application contains a schedule of the utility's projected capital structure, including the methods of financing the construction and operation of the utility. The utility's projected capital structure, as shown on Schedule 2, consists of 40% equity and 60% debt. Equity contributions will be made as required by TBBT Water Co. to finance the operations of the utility in the initial years of development. The utility proposed an overall cost of capital of 9.00% based on a cost of equity of 12.01% and a cost of debt of 7.00%. The utility's proposed cost of equity of 12.01% is

² See Order No. PSC-08-0228-PAA-WS, issued April 7, 2008, in Docket No. 060602-WS, In re: Application for certificate to provide water and wastewater service in Lee and Charlotte Counties by Town and Country Utilities Company.

consistent with the Commission's current leverage formula in effect at the time of the company's filing.³ The 7.00% cost of debt is based on the current prime rate (6%) plus 1.0.

Staff recommends an overall cost of capital of 9.00% for TBBT based on a capital structure consisting of 40% equity and 60% debt, a cost of equity of 12.01%, and a cost of debt of 7.00%. Staff believes this is a reasonable overall cost of capital for calculating the revenue requirement for this original certificate case. Staff further recommends that the Commission set TBBT's authorized return on equity at 12.01% with a range of plus or minus 100 basis points.

Return On Investment

The utility's projected return on investment based on a cost of capital of 9.00% is \$48,825 and \$319,937 for water and wastewater, respectively, as shown on Schedule Nos. 3A and 3B. Based on the utility's projected rate base and overall return on investment for TBBT of 9.00%, staff recommends that a projected return on investment of \$48,825 for water and \$319,937 for wastewater be included in the calculation of the revenue requirements.

Revenue Requirement

The utility's proposed revenue requirements are based on projected rate base, cost of capital, operating and maintenance (O&M) expenses, depreciation, taxes, and customer growth. Included in O&M expenses are operating costs such as salaries and benefits, chemicals, purchased power, plant maintenance, rent, miscellaneous, insurance, and contractual services. Taxes other than income include projected regulatory assessment fees of 4.50% of gross revenues, personal property taxes, and real estate taxes.

Water System. The utility's proposed revenue requirement for the water system of \$691,440 includes \$562,917 for O&M, \$64,665 for depreciation, (\$47,584) for amortization of CIAC, \$62,618 for taxes other than income, and a net operating income of \$48,825. Staff recommends that the proposed revenue requirement for the water system of \$691,440 is reasonable and should be used to set initial rates for water service.

Wastewater System. The utility's proposed revenue requirement for the wastewater system of \$1,633,852 includes \$856,031 for O&M, \$353,696 for depreciation, (\$50,000) for amortization of CIAC, \$154,188 for taxes other than income, and a net operating income of \$319,937. Staff recommends that the proposed revenue requirement for the wastewater system of \$1,633,852 is reasonable and should be used to set initial rates for wastewater service.

³ Order No. PSC-07-0472-WS, issued June 1, 2007, in Docket No. 070006-WS, In re: Water and wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081 (4) (f), F.S.

Rates

The utility's proposed residential and general service rates for water and wastewater are based on revenue requirements of \$691,440 and \$1,633,852 for water and wastewater, respectively. The requested water and wastewater rates include a base facility charge (BFC) and a gallonage charge for residential water customers.

TBBT proposed a BFC for water of \$7.92 and a gallonage charge of \$1.64 and a wastewater BFC of \$22.94 and a single gallonage rate of \$3.13 per 1,000 gallons capped at 10,000 gallons for residential wastewater customers. As proposed by the utility, the gallonage charge will generate approximately 70% of revenue requirement. The BFC will generate approximately 30% of the water revenue requirement and 38% of the wastewater revenue requirement.

Based upon the above factors, staff recommends that the utility's requested rates and rate structure for water and wastewater services appear reasonable and should be approved. The utility's requested monthly water and wastewater rates, along with a comparison of typical monthly bills, are shown on Schedule No. 4.

The utility proposed a reuse rate of \$0.25 per 1,000 gallons. The projected reuse revenues were used to offset the proposed wastewater rates. Staff recommends that the utility's proposed reuse rate is reasonable and consistent with recent Commission decisions.⁴

Summary

The staff-recommended water, wastewater, and reuse rates are shown on Schedule No. 4. TBBT should charge these rates and charges until authorized to change them by this Commission in a subsequent proceeding. The rates should be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, Florida Administrative Code. A return on equity of 12.01% with a range of plus or minus 100 basis points should be approved.

⁴ Order No. PSC-07-0130-SC-SU, issued February 15, 2007, in Docket No. 060256-SU, In RE: Application for increase in wastewater rates in Seminole County by Alafaya Utilities, Inc.

Issue 3: What are the appropriate service availability charges for TBBT Utility LLC?

Recommendation: The service availability policy and charges set forth within the staff analysis are appropriate and should be approved effective for connections made on or after the stamped approval date on the tariff sheets. (Johnson, Walden)

Staff Analysis: Pursuant to Section 367.101, Florida Statutes, the Commission shall set just and reasonable charges and conditions for service availability. Rule 25-30.580(1)(a), Florida Administrative Code, provides a guideline that the maximum amount of CIAC, net of amortization, should not exceed 75% of the total original cost, net of accumulated depreciation, of the utility's facilities and plant when the facilities and plant are at their design capacity. The maximum guideline is intended to ensure that the utility has a significant investment in its systems. Rule 25-30.580(1)(b), Florida Administrative Code, provides a guideline that the minimum amount of CIAC should not be less than the percentage of such facilities and plant that is represented by the utility's water transmission and distribution systems and the wastewater collection system.

The utility's proposed service availability charges are shown on Schedule 6. The utility plans to construct the primary infrastructure, which consists of both on-site and off-site mains and to collect main extension charges for all new connections.

The utility's requested service availability policy and charges are designed in accordance with the guidelines in Rule 25-30.580(1)(b), Florida Administrative Code. The utility is requesting approval of main extension charges for water and wastewater of \$300.00 and \$760.00 per ERC, respectively. The requested main extension charges are designed to allow the minimum amount of CIAC. The proposed service availability policy and charges result in contribution levels of 89.28% and 90.33% for water and wastewater, respectively, at design capacity. Since the service availability policy and charges are based upon the minimum CIAC guideline in the rule, staff recommends that the amounts are reasonable.

The utility proposed a water meter installation charge of \$300.00 for a 5/8" x 3/4" Electronic Radio Transmitter (ERT) meter. ERT meters emit radio signals which can be read by a repeater-transmitter. As a result, the meters can be read remotely from the street without requiring access to a customer's property and the data can be downloaded directly to a computer for billing. In addition, the automated readings make it possible to read customer meters on the same day each month. The Commission has previously determined that the additional cost for the ERT capability is justified by the added speed, accuracy, and reliability of the meter readings.⁵ All meters sizes other than 5/8" x 3/4" will be at actual cost.

Staff recommends that TBBT's proposed service availability policy and charges shown on Schedule 6 are consistent with Rule 25-30.580, Florida Administrative Code and should be approved. TBBT should charge the approved charges until authorized to change them by this Commission in a subsequent proceeding. The approved charges should be effective for

⁵ See Order No. PSC-07-0983-PAA-WS, issued December 10, 2007, in Docket No. 060726-WS, In re: Application for certificates to provide water and wastewater service in Glades County and water service in Highlands County by Silver Lake Utilities, Inc.

Docket No. 080103-WS

Date: July 17, 2008

connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, Florida Administrative Code.

Issue 4: Should the utility's requested customer deposits, miscellaneous service charges, and late fee be approved?

Recommendation: Yes. The utility's requested customer deposits, miscellaneous service charges, and late fee should be approved. The deposits and charges should be effective for services rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, Florida Administrative Code. (Johnson, Walden)

Staff Analysis: The utility requested customer deposits, miscellaneous service charges, and a late fee pursuant to Section 367.091, Florida Statutes.

Customer Deposits

The utility requested initial customer deposits for 5/8" x 3/4" meters of \$55.00 for water service and \$170.00 for wastewater service, are based on two times the projected average monthly water usage. Rule 25-30.311, Florida Administrative Code, contains the criteria for collecting, administering, and refunding customer deposits.

As its justification for customer deposits, TBBT indicated that, if utilities do not collect adequate deposits to recover the cost of providing service, the result would be an increase in its bad debt expense. Ultimately, bad debt expense is included in the utility's revenue requirement and, therefore, included in the cost of service charged to the general body of ratepayers. The utility also notes that collecting customer deposits is consistent with one of the fundamental principles of rate making: ensuring that the cost of providing service is recovered from the cost-causer.

Staff recommends that the utility's proposed initial customer deposits (shown on Schedule No. 7) of \$55.00 for water service and \$170.00 for wastewater service for 5/8" x 3/4" meters are consistent with Commission rules and should be approved.

Miscellaneous Service Charges And Late Payment Fee

The utility's request for miscellaneous service charges and a late payment fee were accompanied by its reason for requesting the charges, as well as the cost justification required by Section 367.091, Florida Statutes. The utility's proposed miscellaneous service charges and late payment charge are also shown on Schedule No. 7. Pursuant to Rule 25-30.460, Florida Administrative Code, all water and wastewater utilities may apply for miscellaneous service charges. These charges include initial connections, normal reconnections, violation reconnections, and premises visit charges.

The utility's requested miscellaneous service charges are based on projected expenses. The utility will only be charging miscellaneous service charges when a specific customer requests the service or is responsible for the service. The utility's justification for the miscellaneous service charges is to place the burden of these charges on the cost-causer rather than the general body of rate payers.

Based on the utility's projected expenses, the proposed miscellaneous service charges appear to be reasonable. Therefore, staff recommends that the utility's proposed miscellaneous

service charges, as shown on Schedule No. 7, be approved. It should be noted that if both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the utility require multiple actions.

In addition to the miscellaneous service charges, the utility proposed a \$6.00 late payment fee. The utility indicated that the justification for a late payment fee is two-fold. First, the charge is designed to encourage customers to pay their bills on time. Second, if the payment is not made on time, the charge is designed to ensure that the cost associated with late payment is not passed onto customers who do pay on time. The estimated cost provided by the utility appears reasonable. Therefore, staff recommends that the utility's requested late fee of \$6.00 be approved.

Conclusion

Staff recommends that TBBT's proposed initial customer deposits, miscellaneous service charges, and late fee, shown on Schedule No. 7, are consistent with Commission rules and should be approved. The deposits and charges should be effective for services rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, Florida Administrative Code.

Issue 5: Should an Allowance for Funds Used During Construction (AFUDC) rate be approved for TBBT?

Recommendation: Yes. An annual AFUDC rate of 9.00% and a discounted monthly rate of 0.720732% should be approved. (Johnson)

Staff Analysis: TBBT has requested that the Commission establish an AFUDC rate for future construction. Rule 25-30.033, Florida Administrative Code, authorizes utilities obtaining initial certificates to accrue AFUDC for projects found eligible pursuant to Rule 25-30.116(1), Florida Administrative Code. The rule specifies that the AFUDC rate be determined to be the utility's projected weighted cost of capital in its application for original certificates and initial rates and charges. To ensure that the annual AFUDC rate charged by the utility does not exceed the authorized level, the rule requires that a discounted monthly AFUDC rate be calculated in accordance with Rule 25-30.116(3), Florida Administrative Code.

As discussed in Issue 2, the utility's projected weighted cost of capital is 9.00%, making that the utility's authorized annual AFUDC rate. Based on the annual AFUDC rate and Rule 25-30.116(1), Florida Administrative Code, the utility's discounted monthly AFUDC rate is 0.720732%. Accordingly, staff recommends that an annual AFUDC rate of 9.00% and a discounted monthly rate of 0.720732% be approved for the utility's eligible construction projects.

Docket No. 080103-WS

Date: July 17, 2008

Issue 6: Should this docket be closed?

Recommendation: No. If no protest to the proposed agency action issues is filed by a substantially affected person within 21 days of the date of the order, a consummating order should be issued and the docket should be closed administratively upon receipt of the executed and recorded copy of the long-term lease. (Bennett)

Staff Analysis: If no protest to the proposed agency action issues is filed by a substantially affected person within 21 days of the date of the order, a consummating order should be issued and the docket should be closed administratively upon receipt of the executed and recorded copy of the long-term lease.

TBBT UTILITY LLC
Description of Water and Wastewater Territory
Hardee and Polk Counties

Hardee County

IN TOWNSHIP 33 SOUTH, RANGE 24 EAST, HARDEE COUNTY, FLORIDA:

SECTION 1:

The West $\frac{1}{2}$

The West $\frac{1}{2}$ of the SW $\frac{1}{4}$ of the NE $\frac{1}{4}$

The North $\frac{1}{2}$ of the NE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of the NE $\frac{1}{4}$

The North $\frac{1}{4}$ of the SE $\frac{1}{4}$ of the NE $\frac{1}{4}$

The NW $\frac{1}{4}$ of the SE $\frac{1}{4}$

The NE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of the SE $\frac{1}{4}$

The North $\frac{1}{2}$ of the NE $\frac{1}{4}$ LESS the North 300.00 feet of the East 435.60 feet of the NE $\frac{1}{4}$ of the NE $\frac{1}{4}$

SECTION 2:

The NE $\frac{1}{4}$ LESS the West 264 feet of the North 1,280.4 feet
of the East $\frac{1}{2}$ of the NE $\frac{1}{4}$

The East $\frac{1}{2}$ of the NW $\frac{1}{4}$

The East $\frac{1}{2}$ of the SW $\frac{1}{4}$ of the NW $\frac{1}{4}$

The part of the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of the NW $\frac{1}{4}$ lying south of a ditch centerline, which ditch centerline begins on the west boundary of said SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of the NW $\frac{1}{4}$ to a point lying 496.75 feet (measured along said west boundary) north of the southwest corner thereof and runs easterly to the east boundary of said SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of the NW $\frac{1}{4}$ at a point lying 517.76 feet (measured along said east boundary) north of the southwest corner thereof.

The South $\frac{1}{2}$

SECTION 3: The NE $\frac{1}{4}$ of the SE $\frac{1}{4}$; LESS East 30 feet thereof

SECTION 11:

The NE $\frac{1}{4}$ of the NW $\frac{1}{4}$

The NW $\frac{1}{4}$ of the NE $\frac{1}{4}$

The NE $\frac{1}{4}$ of the NE $\frac{1}{4}$, LESS and except the following two parcels in Section 11, Township 33 South, Range 24 East:

Commence at the SE corner of the NE $\frac{1}{4}$ of the NE $\frac{1}{4}$ and run thence West along the South line of said NE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of a distance of 465 feet to Point of Beginning; continue thence West along said south line a distance of 150 feet; thence run North, perpendicular to said South line, a distance of 125 feet; run thence East and parallel with said South line a distance of 150 feet; run thence South, perpendicular to said South line a distance of 125 feet to Point of Beginning.

AND

Commence at the SE corner of said NE $\frac{1}{4}$ of the NE $\frac{1}{4}$ and run thence West along the South line of said NE $\frac{1}{4}$, a distance of 804.44 feet to the Point of Beginning; continue thence West along said South line, 220 feet; thence run North perpendicular to said South line a distance of 345 feet; run thence East and parallel with said South line a distance of 220 feet; run thence South perpendicular to said South line, a distance of 345 feet to Point of Beginning; LESS East 30 feet for road right-of-way.

SECTION 12: The NW $\frac{1}{4}$ of the NW $\frac{1}{4}$, LESS the following parcel:

Begin at the SE corner of East $\frac{1}{2}$ of said NW $\frac{1}{4}$ of the NW $\frac{1}{4}$ of said Section 12; run thence West along the South boundary of said NW $\frac{1}{4}$ of NW $\frac{1}{4}$ a distance of 417.5 feet; run thence North along a line parallel to the East boundary line of said NW $\frac{1}{4}$ of NW $\frac{1}{4}$ a distance of 417.5 feet; run thence East along a line parallel to the South boundary line of said NW $\frac{1}{4}$ of NW $\frac{1}{4}$ a distance of 417.5 feet to the East boundary line of said NW $\frac{1}{4}$ of NW $\frac{1}{4}$; run thence South along the East boundary line of said NW $\frac{1}{4}$ of NW $\frac{1}{4}$ to the Point of Beginning.

LESS THE FOLLOWING FOUR PARCELS:

IN SECTIONS 1, 11, AND 12, TOWNSHIP 33 SOUTH, RANGE 24 EAST

A portion of Sections 1, 11, and 12, Township 33 South, Range 24 East, Hardee County, Florida, described as follows:

Commence at the northwest corner of said Section 12; thence South $00^{\circ}06'42''$ East along the west line of the northwest quarter of the northwest quarter of said Section 12 a distance of 413.05 feet to the Point of Beginning; thence South $89^{\circ}56'23''$ East a distance of 502.43 feet; thence North $00^{\circ}14'38''$ West a distance of 188.48 feet; thence North $15^{\circ}34'18''$ East a distance of 167.40 feet; thence North $34^{\circ}34'37''$ East a distance of 159.51 feet; thence South $89^{\circ}15'00''$ East a distance of 100.67 feet; thence South $03^{\circ}11'11''$ East a distance of 151.48 feet; thence North $89^{\circ}44'56''$ East a distance of 489.56 feet; thence North $01^{\circ}27'10''$ West a distance of 142.03 feet; thence North $84^{\circ}06'34''$ East a distance of 86.64 feet to the east line of the southwest quarter of the southwest quarter of said Section 1; thence South $00^{\circ}15'09''$ East along said east line of the southwest quarter of the southwest quarter a distance of 75.28 feet to the northeast corner of the northwest quarter of the northwest quarter of said Section 12; thence South $00^{\circ}05'09''$ East along the east line of said northwest quarter of the northwest quarter a distance of 908.20 feet to the north line of the South 417.50 feet of said northwest quarter of the northwest quarter; thence North $89^{\circ}39'27''$ West along said north line of the South 417.50 feet of the northwest quarter of the northwest quarter a distance of 417.51 feet to the west line of the East 417.50 feet of said northwest quarter of the northwest quarter; thence South $00^{\circ}05'09''$ East along said west line of the East 417.50 feet of the northwest quarter of the northwest quarter; to the south line of said northwest quarter of the northwest quarter; thence North $89^{\circ}39'27''$ West (erroneously referred as "thence North $89^{\circ}39'27''$ West?" in Deed recorded in OR Book 530, Page 41, public Records of Hardee County, Florida) along said south line of the northwest quarter of the northwest quarter a distance of 901.36 feet to the southwest corner of said northwest quarter of

the Northwest quarter; thence North 00°06'42" West along the west line of said northwest quarter of the northwest quarter a distance of 912.10 feet to the Point of Beginning. Less and Except the West 30.00 feet thereof for Talley Road;

Subject to the unrecorded maintained right-of-way for C.R. 664 on the south side.

A portion of Section 11, Township 33 South, Range 24 East, Hardee County, Florida, described as follows:

Commence at the northeast corner of said Section 11; thence South 00°06'42" East along the east line of the northeast quarter of the northeast quarter of said Section 11 a distance of 221.80 feet to the Point of Beginning; thence continue South 00°06'42" East along said east line of the northeast quarter of the northeast quarter a distance of 1103.35 feet to the southeast corner of said northeast quarter of the northeast quarter; thence South 89°46'25" West along the south line of said northeast quarter of the northeast quarter a distance of 465.00 feet to the east Line of the West 150.00 feet of the East 615.00 feet of said northeast quarter of the northeast quarter; thence North 00°06'42" West along said east line of the West 150.00 feet of the East 615.00 feet of the northeast quarter of the northeast quarter a distance of 125.00 feet to the north line of the South 125.00 feet of said northeast quarter of the northeast quarter; thence South 89°46'25" West along said north line of the South 125.00 feet of the northeast quarter of the northeast quarter a distance of 150.00 feet to the west line of the East 615.00 feet of said northeast quarter of the northeast quarter; thence South 00°06'42" East along said west line of the East 615.00 feet of the northeast quarter of the northeast quarter a distance of 125.00 feet to said south line of the northeast quarter of the northeast quarter; thence South 89°46'25" West along said south line of the northeast quarter of the northeast quarter a distance of 189.44 feet to the east line of the West 220.00 feet of the East 1024.44 feet of said northeast quarter of the northeast quarter; thence North 00°06'42" West along said east line of the West 220.00 feet of the East 1024.44 feet of the northeast quarter of the northeast quarter a distance of 345.00 feet to the north line of the South 345.00 feet of said northeast quarter of the northeast quarter; thence South 89°46'25" West along said north line of the South 345.00 feet to said northeast quarter of the northeast quarter; thence South 89°46'25" West along said north line of the South 345.00 feet of the northeast quarter of the northeast quarter to the west line of the East 1024.44 feet of said northeast quarter of the northeast quarter a distance of 220.00 feet; thence South 00°06'42" East along said west line of the East 1024.44 feet of the northeast quarter of the northeast quarter a distance of 345.00 feet to the south line of said northeast quarter of the northeast quarter; thence South 89°46'25" West along said south line of the northeast quarter of the northeast quarter and along the south line of the northwest quarter of the northeast quarter of said Section 11 a distance of 472.60 feet; thence North 01°46'42" West a distance of 303.50 feet; thence North 39°22'58" East a distance 631.14 feet; thence North 88°50'31" East a distance of 598.11 feet; thence North 58°52'14" East a distance of 591.97 feet to the Point of Beginning.

Less and Except the East 30.00 feet thereof for Talley Road;

Subject to the unrecorded maintained right-of-way for C.R. 664 on the south side.

A portion of Section 11, Township 33 South, Range 24 East, Hardee County, Florida, described as follows:

Begin at the southwest corner of the northwest quarter of the northeast quarter of said Section 11; thence North 00°04'32" West along the west line of said northwest quarter of the Northeast quarter a distance of 364.77 feet; thence South 89°33'47" East a distance of 380.57 feet; thence South 45°55'53" East a distance of 49.70 feet; thence South 00°04'32" East a distance of 325.66 feet to the south line of said northwest quarter of the northeast quarter; thence South 89°46'25" West long said South line of the northwest quarter of the northeast quarter a distance of 416.22 feet to the Point of Beginning. Subject to the unrecorded maintained right-of-way for C.R. 664 of the south side.

A portion of Section 11, Township 33 South, Range 24 East, Hardee County, Florida, described as follows:

Commence at the southeast corner of the northeast quarter of the northwest quarter of said Section 11; thence South 89°47'40" West along the south line of said northeast quarter of the northwest quarter a distance of 633.48 feet to the Point of Beginning; thence continue South 89°47'40" West along said south line of the northeast quarter of the northwest quarter a distance of 683.11 feet; thence North 00°23'52" East a distance of 388.36 feet; thence South 88°13'58" East a distance of 519.38 feet; thence South 65°08'30" East a distance of 179.99 feet; thence South 00°23'52" West a distance of 294.23 feet to the Point of Beginning. Subject to the unrecorded maintained right-of-way for C.R. 664 on the south side.

AND ALSO LESS AND EXCEPT THE FOLLOWING PARCELS OF LAND:

IN TOWNSHIP 33 SOUTH, RANGE 24 EAST, HARDEE COUNTY, FLORIDA

SECTION 1:

The south 30.00 feet of the N $\frac{3}{4}$ of the W $\frac{1}{2}$.

The north 30.00 feet of the S $\frac{1}{4}$ of the W $\frac{1}{2}$.

The west 30.00 feet of the S $\frac{1}{4}$ of the W $\frac{1}{2}$, LESS, the north 30.00 feet thereof.

The north 30.00 feet of the NE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of the SE $\frac{1}{4}$.

The south 30.00 feet of the NW $\frac{1}{4}$ of the SE $\frac{1}{4}$.

SECTION 2:

A strip of land 60.00 feet in width the centerline of which being the centerline of the pavement (as it exists on January 1, 1995), for "Payne Creek Road", said road running generally north-south through the center of the N $\frac{3}{4}$ of the E $\frac{1}{2}$, LESS, any part thereof lying within the north 1280.40 feet of the west 264.00 feet of the NE $\frac{1}{4}$ of the NE $\frac{1}{4}$, which is intended to be those lands owned by Paynes Creek Primitive Baptist Church and Cemetery, AND LESS any part thereof lying in the south 30.00 feet of the N $\frac{3}{4}$ of said Section 2.

The south 30.00 feet of the N $\frac{3}{4}$.

The north 30.00 feet of the S $\frac{1}{4}$.

The west 30.00 feet of the NW $\frac{1}{4}$ of the SW $\frac{1}{4}$.

The west 30.00 feet of the following described parcel:

That part of the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of the NW $\frac{1}{4}$ lying south of a ditch centerline, which ditch centerline begins on the west boundary of said SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of the NW $\frac{1}{4}$ at a point lying 496.75 feet (measured along said west boundary) north of the southwest corner thereof and runs easterly to the east boundary of said SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of the NW $\frac{1}{4}$ at a point lying 517.76 feet (measured along said east boundary) north of the southeast corner thereof.

The east 30.00 feet of the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$.

SECTION 3:

The east 30.00 feet of the NE $\frac{1}{4}$ of the SE $\frac{1}{4}$.

SECTION 11:

The east 30.00 feet of the NE $\frac{1}{4}$ of the NE $\frac{1}{4}$; subject to the right-of-way for County Road 664 along the south side thereof.

SECTION 12:

The west 30.00 feet of the NW $\frac{1}{4}$ of the NW $\frac{1}{4}$; subject to the right-of-way for County Road 664 along the south side thereof.

Polk County

IN TOWNSHIP 31 SOUTH, RANGE 25 EAST, POLK COUNTY, FLORIDA

SECTIONS 32 AND 33:

That part of the West Half of the Southwest Quarter of Section 33, Township 31 South, Range 25 East, and that part of the East Half of Section 32, Township 31 South, Range 25 East, all lying and being in Polk County, Florida and described as follows:

Begin at the Northeast corner of the West Half of the Southwest Quarter of Section 33, Township 31 South, Range 25 East; thence South $00^{\circ}05'18''$ East along the East line of said West half of the Southwest Quarter a distance of 2633.14 feet to the Southeast corner of said West Half of the Southwest Quarter; thence South $89^{\circ}53'39''$ West along the South line of said West Half of the Southwest Quarter a distance of 870.00 feet; thence North $00^{\circ}04'54''$ West a distance of 782.41 feet; thence South $89^{\circ}53'39''$ West a distance of 680.22 feet; thence North $34^{\circ}40'23''$ West a distance of 677.93 feet; thence North $30^{\circ}23'49''$ West a distance of 1538.00 feet to a line 35 feet North of and parallel with the South line of the Northeast Quarter of said Section 32, Township 31 South, Range 25 East; thence North $89^{\circ}53'49''$ East along said parallel line a distance of 727.27 feet to the East line of the West Half of the East Half of the Northeast Quarter of Section 32; thence South $00^{\circ}05'16''$ East along said East line of the West Half of said East Half of the Northeast Quarter a distance of 35.00 feet to the Southeast corner of said West Half of said East Half of the Northeast Quarter; thence North $89^{\circ}53'49''$ East along the South line the of the East Half of the East Half of the Northeast Quarter a distance of 662.90 feet to the Northwest corner of the West Half of the Southwest Quarter of Section 33, Township 31 South,

Docket No. 080103-WS
Date: July 17, 2008

Attachment A
Page 6 of 8

Range 25 East; thence North 89°54'55" East along the North Line of said West Half of the Southwest Quarter a distance of 1320.94 feet to the Point of Beginning.

FLORIDA PUBLIC SERVICE COMMISSION

authorizes

TBBT UTILITY LLC
pursuant to
Certificate Number 642-W

to provide water service in Hardee and Polk Counties in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
*	*	080103-WS	Original Certificate

***Order Number and date to be provided at time of issuance.**

FLORIDA PUBLIC SERVICE COMMISSION

authorizes

TBBT UTILITY LLC
pursuant to
Certificate Number 552-S

to provide wastewater service in Hardee and Polk Counties in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
*	*	080103-WS	Original Certificate

***Order Number and date to be provided at time of issuance.**

Docket No. 080103-WS

Date: July 17, 2008

TBBT Utility LLC.
Schedule of Water Rate Base
At 80% of Design Capacity

Schedule No. 1A

DESCRIPTION	UTILITY PROPOSED AND STAFF RECOMMENDED
Utility Plant in Service	\$1,908,065
Accumulated Depreciation	(565,458)
Contributions in Aid of Construction (CIAC)	(1,298,400)
Accumulated Amortization of CIAC	427,925
Working Capital Allowance	<u>70,365</u>
WATER RATE BASE	<u>\$542,497</u>

Schedule of Wastewater Rate Base
At 80% of Design Capacity

Schedule No. 1B

DESCRIPTION	UTILITY PROPOSED AND STAFF RECOMMENDED
Utility Plant in Service	\$10,978,577
Accumulated Depreciation	(5,457,744)
Used and Useful Adjustment	(1,077,934)
Contributions in Aid of Construction (CIAC)	(1,644,640)
Accumulated Amortization of CIAC	649,592
Working Capital Allowance	<u>107,004</u>
WASTEWATER RATE BASE	<u>\$3,554,855</u>

Docket No. 080103-WS

Date: July 17, 2008

TBBT Utility LLC.

Schedule of Cost of Capital - Water

At 80% of Design Capacity

Schedule No. 2

DESCRIPTION	UTILITY PROPOSED	WEIGHT	COST RATE	WEIGHTED COST
Common Equity	\$1,638,941	40.0%	12.01%	4.80%
Long & Short-Term Debt	2,458,411	60.0%	7.00%	4.20%
Total	\$4,097,352	100.0%		9.00%

Range of Reasonableness	High	Low
Common Equity	13.01%	11.01%

Docket No. 080103-WS

Date: July 17, 2008

TBBT Utility LLC
Schedule of Water Operating Revenues
At 80% of Design Capacity

Schedule No. 3A

DESCRIPTION	UTILITY PROPOSED AND STAFF RECOMMENDED
Operating Revenues	<u>\$691,440</u>
Operating and Maintenance	562,917
Net Depreciation Expense	17,081
Taxes Other Than Income	<u>62,618</u>
Total Operating Expense	<u>\$642,616</u>
Net Operating Income(Loss)	<u>\$48,825</u>
Water Rate Base	\$542,497
Rate of Return	9.00%

Schedule of Wastewater Operating Revenues
At 80% of Design Capacity

Schedule No. 3B

DESCRIPTION	UTILITY PROPOSED AND STAFF RECOMMENDED
Operating Revenues	<u>\$1,633,852</u>
Operating and Maintenance	856,031
Net Depreciation Expense	303,696
Taxes Other Than Income	<u>154,188</u>
Total Operating Expense	<u>\$1,313,915</u>
Net Operating Income(Loss)	<u>\$319,937</u>
Wastewater Rate Base	\$3,554,855
Rate of Return	9.00%

TBBT Utility LLC.
 Schedule of Monthly Rates and Charges

DOCKET NO. 060139WU
 Schedule No. 4

Monthly Service Rates
 Residential Service

	WATER UTILITY PROPOSED AND STAFF RECOMMENDED	WASTEWATER UTILITY PROPOSED AND STAFF RECOMMENDED
Base Facility Charge		
Meter Size:		
5/8" x 3/4"	\$ 7.92	\$ 22.94
1"	19.80	
1 1/2"	39.60	
2"	63.36	
3"	126.72	
4"	198.00	
6"	396.00	
8"	633.60	
Charge per 1,000 gallons	\$1.64	\$3.13*
*Residential wastewater capped at 10,000 gallons		

General Service

	WATER UTILITY PROPOSED AND STAFF RECOMMENDED	WASTEWATER UTILITY PROPOSED AND STAFF RECOMMENDED
Base Facility Charge		
Meter Size:		
5/8" x 3/4"	\$ 7.92	\$ 22.94
1"	19.80	57.35
1 1/2"	39.60	114.70
2"	63.36	183.52
3"	126.72	367.04
4"	198.00	573.50
6"	396.00	1,147.00
8"	633.60	1,835.20
Charge per 1,000 gallons	\$1.64	\$3.75
Reuse Charge per 1,000 gallons		.25

Typical Residential Bills

5/8" x 3/4" meter		
5,000 gallons	\$16.12	\$38.59
10,000 gallons	\$24.32	\$54.24
20,000 gallons	\$40.72	\$54.24

Docket No. 080103-WS

Date: July 17, 2008

TBBT Utility LLC.
At 100% of Design Capacity - Water

Schedule No. 5A

	Utility Proposed
Utility Plant in Service	\$2,070,065
Accumulated Depreciation	<u>(775,653)</u>
Net Plant	<u>\$1,294,412</u>
CIAC	\$1,600,200
Accum. Amortization of CIAC	<u>(444,539)</u>
Net CIAC	<u>\$1,155,661</u>
Net CIAC/Net Plant	89.28%

TBBT Utility LLC.
Schedule of Net Plant to Net CIAC
At 100% of Design Capacity – Wastewater

Schedule No. 5B

	Utility Proposed
Utility Plant in Service	\$10,978,577
Accumulated Depreciation	<u>(8,779,846)</u>
Net Plant	<u>\$2,198,731</u>
CIAC	\$2,753,480
Accum. Amortization of CIAC	<u>(767,434)</u>
Net CIAC	<u>\$1,986,046</u>
Net CIAC/Net Plant	90.33%

Docket No. 080103-WS

Date: July 17, 2008

TBBT Utility LLC.

Schedule of Service Availability Charges –
Water and Wastewater

Schedule No. 6

	Utility Proposed Water	Utility Proposed Wastewater
Main Extension Charge	\$300.00	\$760.00
Meter Installation charge		\$300.00

TBBT Utility LLC

Schedule No. 7

INITIAL CUSTOMER DEPOSITS

DESCRIPTION	UTILITY PROPOSED AND STAFF RECOMMENDED	
	WATER	WASTEWATER
Residential and General Service 5/8" x 3/4" Meter	\$ 55.00	\$170.00

MISCELLANEOUS SERVICE CHARGES

DESCRIPTION	NORMAL HOURS	AFTER HOURS
Water Service		
Initial Connection	\$ 30.00	\$ 40.00
Normal Reconnection	\$ 30.00	\$ 40.00
Violation Reconnection	\$ 30.00	\$ 40.00
Premises Visit Charge	\$ 30.00	\$ 40.00
Late Payment Charge	\$ 6.00	Not Applicable
Wastewater Service		
Initial Connection	\$ 30.00	\$ 40.00
Normal Reconnection	\$ 30.00	\$ 40.00
Violation Reconnection	\$ 30.00	\$ 40.00
Premises Visit Charge	\$ 30.00	\$ 40.00
Late Payment Charge	\$ 6.00	Not Applicable