

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for Staff-) DOCKET NO. 921102-WU
Assisted Rate Case in Lake) ORDER NO. PSC-93-0901-FOF-WU
County by Theodore S. Jansen) ISSUED: 06-14-93
d/b/a Ravenswood Water System.)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
THOMAS M. BEARD
SUSAN F. CLARK
JULIA L. JOHNSON
LUIS J. LAUREDO

ORDER GRANTING TEMPORARY RATES IN THE EVENT OF PROTEST

AND

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING INCREASED RATES AND CHARGES

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein, except for the granting of temporary rates in the event of a protest, is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

Background

Theodore S. Jansen, d/b/a Ravenswood Water System (Ravenswood or utility) is a Class "C" water utility located near Leesburg in Lake County. The utility's service area, known as the Ravenswood subdivision, consists of 40 residential customers and is primarily built out. The utility received its last rate increase by Order No. 12505, issued September 15, 1983.

On October 27, 1992, Ravenswood applied for this staff-assisted rate case (SARC) and it has paid the appropriate filing fee. We selected a historical test year ended November 30, 1992. During that period, the utility recorded revenues of \$7,223, its expenses were \$3,405 resulting in a net operating income of \$3,818 during the same period.

DOCUMENT NUMBER-DATE

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1993 RECORDS/FILED UNIT

Water use in the utility's service area is under the jurisdiction of the St. Johns River Water Management District. This Commission has a memorandum of understanding with the Florida Water Management Districts, in which this Commission has recognized that a joint cooperative effort is necessary to implement an effective, statewide conservation policy. This will be discussed further in the body of this Order.

QUALITY OF SERVICE

A customer meeting was held on April 1, 1993, at the community room of the Lake Square Mall in Leesburg. Three customers attended the meeting. No one had complaints concerning the utility's quality of service.

In addition to the customers' apparent satisfaction with quality of service, it has been determined that the utility is in compliance with the state and local health requirements. Based on the facts stated above, we find the quality of service provided by Ravenswood is satisfactory.

RATE BASE

Our calculation of the appropriate rate base for the purpose of this proceeding is depicted on Schedule No. 1 and our adjustments are itemized on Schedule No. 1-A. Those adjustments which are self-explanatory or which are essentially mechanical in nature are reflected on those Schedules without further discussion in the body of this Order. The major adjustments are discussed below.

Used and Useful

It has been determined that the service territory is primarily built out with less than six additional available lots that could be considered potential customers. Based on the above, we find that the water treatment plant and distribution system are 100 percent used and useful.

Plant-in-Service

In Order No. 12505, issued September 15, 1983, we established the utility's plant-in-service to be \$12,330 as of December 31, 1982. However, due to a transposition error, the correct amount

should have been \$12,303. Therefore, we have made an adjustment of \$27 to reflect the proper amount.

The utility books reflect the balance of plant-in-service as \$11,407 as of December 31, 1982. We have adjusted plant by \$923, in order to match the amount which we established in Order No. 12505. In addition, we have made an averaging adjustment of \$78 to reflect an average plant balance of \$13,580 at November 30, 1992.

Land

By Order No. 12505, land value for the utility was established at \$368. There have been no additions to land since that date. However, the utility has recorded land value of \$2,000. Therefore, we have adjusted land value by (\$1,632) to reflect the amount which we established by Order No. 12505. Therefore, we find the appropriate amount to include in rate base for land is \$368.

Acquisition Adjustment

By Order No. 7413, issued September 1, 1976, we made a positive acquisition adjustment of \$7,445. In Order No. 12505, we included this adjustment in rate base. The utility did not adjust its books to reflect this adjustment. Therefore, we have adjusted rate base by \$7,445 to reflect the acquisition adjustment made by Order No. 7413.

Contributions-in-Aid-of-Construction (CIAC)

Order No. 12505 reflected a CIAC balance of (\$9,729). The utility has made CIAC additions from January 1983 through November 30, 1992, of \$1,200 resulting in total CIAC through November 30, 1992, of (\$10,929). However, the utility has recorded CIAC of (\$3,232). We have adjusted CIAC by (\$7,697) to reconcile the utility's balance at December 31, 1982, with the balance established in Order No. 12505. Because the CIAC balance remained constant during the test year, an averaging adjustment is not necessary. Therefore, we find the appropriate balance of CIAC is (\$10,929).

Accumulated Depreciation

Order No. 12505, we established accumulated depreciation of (\$4,561) as of December 30, 1982. Using the guidelines of Rule 25-30.140, Florida Administrative Code, we have updated accumulated

depreciation through November 30, 1992. The utility recorded accumulated depreciation of (\$11,113). We made a \$1,626 adjustment to reflect our calculated accumulated depreciation as of November 30, 1992. An averaging adjustment of \$267 reduces the amount to (\$9,220). Based on the foregoing, we find that the appropriate amount of accumulated depreciation is (\$9,220).

Amortization of Acquisition Adjustment

By Order No. 12505, we established the level of accumulated amortization of the acquisition adjustment as \$2,070 as of December 31, 1982. The utility failed to record this adjustment in its books. Therefore, we have adjusted amortization of the acquisition adjustment by (\$2,070) to reconcile the utility's balance with the balance established in Order No. 12505. An adjustment has also been made of (\$2,901) to reflect our calculated amortization through November 30, 1992. A further averaging adjustment of \$145 reduces that amount. Therefore, we find that the appropriate amortization of acquisition adjustment is (\$4,826).

Amortization of CIAC

By Order No. 12505, we established the amortization of CIAC in the amount of \$3,087 as of December 31, 1982. However, the utility has not recorded any amortization of CIAC on its books. We adjusted amortization of CIAC by \$3,087 to reconcile the utility's recorded amount with the amount established in Order No. 12505, and by \$4,109 to reflect our calculated amortization through November 30, 1992. We have also made an averaging adjustment of (\$214). Based on the foregoing, we find the appropriate amount to include in rate base for amortization of CIAC is \$6,982.

Working Capital Allowance

We find it appropriate to use the formula approach in calculating the working capital requirement of this utility, that is, one-eighth of operation and maintenance (O & M) expenses. In a later section of this Order, we find that \$9,347 is the appropriate amount for O & M expenses. Therefore, we find the appropriate amount of working capital is \$1,168.

Test Year Rate Base Summary

Based on the foregoing, we find the appropriate rate base is \$4,568.

COST OF CAPITAL

Our audit revealed that the utility's capital structure is comprised of 100 percent common equity for the test year. By Order No. 12505, we established the utility's rate base of \$7,443 as of December 31, 1982. The utility recorded \$417 of common equity in its capital structure. We have increased the utility's capital structure by \$7,026 to reflect the rate base established by Order No. 12505. Rate base exceeds capital structure because of the positive acquisition adjustment established in Order No. 7413. A decrease of \$2,875 has also been made to reconcile the utility's capital structure with the rate base established herein.

Therefore, applying the leverage formula approved in Order No. PSC-92-0686-FOF-WS, issued July 21, 1992, we hereby establish the utility's return on equity to be 10.44 percent. Because the capital structure is 100 percent equity, the appropriate overall rate of return is also 10.44 percent.

Capital structure and the overall rate of return is shown on Schedule No. 2.

NET OPERATING INCOME

Our calculations of net operating income are depicted on Schedule No. 3 and our adjustments are itemized on Schedule No. 3-A. Those adjustments that are self-explanatory or essentially mechanical in nature are shown on those schedules without further discussion in the body of this Order. The major adjustments are discussed below.

Test Year Operating Revenue

The utility recorded test year revenue of \$7,223. A revenue check shows that the utility charged its approved rates and that customers were billed correctly. Therefore, no adjustments are necessary.

Test Year Operating Expenses

The components of the utility's operating expenses include operation and maintenance expense, depreciation expenses, and taxes other than income taxes. The utility recorded test year operating expenses of \$3,405. These expenses include operation and

maintenance expense of \$2,937, depreciation expense of \$140, and taxes other than income of \$328.

The test year operating expenses have been traced to invoices. We have made adjustments to reflect unrecorded test year expenses, to reclassify certain expenses, and to reflect certain allowances necessary for plant operations.

1. Salaries and Wages - The utility's co-owners operate and run the utility. Salaries for their duties have not been charged to the utility. One of the co-owners is a Class "D" plant operator who provides operator services for the utility. In addition, this co-owner's duties include: grounds maintenance; meter installation; well checks and chlorination; trouble calls; repairs and main flushing. This co-owner indicated that 216 hours are spent annually performing these duties. Comparing other like utilities of this size and the duties this employee performs, we believe that 216 hours at \$15 per hour is appropriate. Therefore, based on the foregoing, we have adjusted this expense by \$3,420.

The other co-owner of the utility also works for the utility. The duties performed by this employee include meter reading, customer billing, bacteriological test delivery and ledger maintenance. This employee has determined that approximately 132 hours are spent annually performing these duties. Comparing other like utilities of this size and the duties this employee performs, we believe that 132 hours at \$10 per hour is appropriate. Therefore, based on the foregoing, we have adjusted this expense by \$1,320.

New requirements for lead and copper testing will result in additional expense for the utility. One of the utility's owners will prepare the required samples for testing. These tests will require the collection of 40 samples annually which will necessitate eight hours time per year at \$15 per hour. This will result in a total of \$120 annually. Therefore, the total adjustment for employee salaries is \$4,680.

2. Contractual Services - The utility recorded contractual services expenses of \$1,502. We added \$11 to this expense for lab testing reclassified from miscellaneous expense. The utility's recorded contractual services expense included \$205 for temporary operations management services. We have adjusted this expense by (\$205) to remove this non-recurring expense.

Because of the new required lead and copper testing, the utility will be required to take 20 samples for lead testing and 20 samples for copper testing at \$12 each, for a total of \$480. Therefore, we have adjusted contractual services by \$480.

The utility recorded lab testing expense of \$459. We believe that \$667 is appropriate for primary and secondary volatile testing. Therefore, we have adjusted contractual expense by \$208.

3. Rent Expense - Rent has not been charged to the utility. The utility owners have requested \$200 per month or \$2,400 annually. Minimal office space is required for this small utility. In addition, office space is shared with the utility owner's main business. Based on other like utilities and the amount of space the utility requires, we believe that \$75 per month or \$900 annually is appropriate. Therefore, this expense has been adjusted by \$900.

4. Transportation Expense - Transportation expense has not been charged to the utility. The utility owners have requested \$696 be allowed. We believe that \$.20 per mile is appropriate based on the State of Florida's current mileage allowance. Therefore, we have adjusted transportation expense by \$309.

5. Regulatory Commission Expense - This expense has been increased by \$38 to reflect the rate case filing fee amortized over four years.

6. Miscellaneous Expense - We have reduced miscellaneous expense by \$11 to reflect a reclassification of laboratory testing to contractual services expense.

Depreciation Expense (Net of Amortization of CIAC)

This utility booked \$140 for depreciation expense. By applying the prescribed depreciation rates to the appropriate test year plant-in-service account balances, we have calculated depreciation expense to be \$534 for the year. The utility did not record amortization of CIAC. Applying the composite depreciation rates to the appropriate CIAC balances offsets test year CIAC by \$427. We have reduced this account by \$33 to reflect test year ending balances. Therefore, the net depreciation expense is \$107.

Amortization of Acquisition Adjustment

The utility did not record amortization of the acquisition adjustment. We applied composite depreciation rates to the acquisition adjustment to find that the appropriate test year amortization of the acquisition adjustment is \$290.

Taxes Other Than Income

The utility recorded gross receipts tax of \$299, which is 4.5 percent of the utility's 1991 revenue of \$6,424. We adjusted this amount by \$27 to reflect the test year revenue of \$7,223 at 4.5 percent. We also adjusted this expense by \$260 to record property tax and \$220 for a tangible tax which were paid outside of the test year.

Operating Revenue

Revenue has been adjusted by \$4,014 to reflect the increase required to cover expenses and allow our approved rate of return on investment.

Taxes Other Than Income

This expense has been adjusted by \$181 to reflect the 4.5 percent regulatory assessment fee on the increase in revenue.

Operating Expense Summary

Based on the foregoing, the appropriate amount of operating expense is \$10,760.

REVENUE REQUIREMENT

Based upon our review of the utility's books and records and the adjustments made herein, we find that the appropriate annual revenue requirement is \$11,237. Accordingly, we find it appropriate to approve an annual increase in revenue of \$4,014 or 55.57%. This revenue requirement will allow the utility the opportunity to recover its operating expenses and allow it the opportunity to earn a 10.44 percent return on its investment.

The revenue requirement is shown on Schedule No. 3.

RATES AND CHARGES

The utility currently utilizes our preferred rate structure which is the base facility/gallonge charge (BFC) rate structure. The BFC rate structure allows the utility to more accurately track its costs and allows the customers to have some control over their bills. In addition, the base facility charge rate structure is an appropriate rate structure for this utility for conservation purposes. Therefore, we are not changing the rate structure.

According to the billing analysis, during the test year the utility provided water service to approximately 40 metered residential customers. Rates have been calculated based on test year customers and consumption. Schedules of the utility's existing rates and rate structure and the approved rates and rate structure are as follows.

WATER
MONTHLY RATES

Residential

Base Facility Charge

<u>Meter Size</u>	<u>Commission Approved</u>
5/8" x 3/4"	\$ 11.10
3/4"	16.65
1"	27.75
1-1/2"	55.50
2"	88.80
3"	177.60
4"	277.50
6"	555.00

Gallonge Charge

Per 1,000 gallons \$ 1.57

The rates approved above shall be effective for meter readings taken on or after thirty (30) days after the stamped approval date on the revised tariff sheets. The utility shall submit revised tariff sheets reflecting the approved rates along with a proposed customer notice listing the new rates and explaining the reasons therefor. The revised tariff sheets will be approved upon our

Staff's verification that the tariff sheets are consistent with our decision herein, and the proposed customer notice is adequate.

STATUTORY RATE REDUCTION AND RECOVERY PERIOD

Section 367.0816, Florida Statutes, requires that rate case expense be apportioned for recovery over a period of four years. The statute further requires that the rates of the utility be reduced immediately after the four year period by the amount of rate case expense previously included in the rates. This statute applies to all rate cases filed on or after October 1, 1989.

The utility incurred rate case expense of the \$150 filing fee. Based on the above-mentioned statute, the appropriate recovery period for this expense is four years, which allows the utility to recover approximately \$38 per year through its rates. Once the annual rate case expense recovery is grossed up to reflect regulatory assessment fees, the annual recovery increases to \$40.

At the end of four years, Ravenswood's rates should be reduced by \$40 annually. Assuming no change in the utility's current revenues, expenses, capital structure and customer base, the effect of this rate reduction is an approximate \$.04 reduction in the base facility charge and a .01 reduction in the gallonage charge.

The utility shall file revised tariff sheets no later than one month prior to the actual date of the required rate reduction. The utility shall also file a proposed customer notice setting out the lower rates and stating the reason for the reduction. If the utility files this reduction in conjunction with a price index or pass-through rate adjustment, separate data shall be filed for the price index and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense.

Service Availability Charges

On October 1, 1982, the utility was required to establish and include in its tariffs an approved service availability policy. This Commission approved the utility's existing service availability policy in WS File No. 82-137. The utility's current approved service availability charge is as follows:

Meter installation and tap-in charge

<u>Meter Size</u>	<u>Amount</u>
5/8" x 3/4"	\$200.00

Rule 25-30.580 (1)(a) and (b), Florida Administrative Code, establishes guidelines for maximum and minimum CIAC levels of water and wastewater utilities. Ravenswood's current level of CIAC is 84%. The utility's contribution level is greater than the 75% maximum level at build out. Because all new CIAC will be directly offset by plant with this redefined service availability policy, the utility's contribution level will not increase. Therefore, we have redefined the existing charges and find that the appropriate service availability charges are as follows:

Meter Installation Charge

<u>Meter Size</u>	<u>Amount</u>
5/8" x 3/4"	\$100.00
All over 5/8 x 3/4"	Actual Cost

Tap-In Charge

<u>Meter Size</u>	<u>Amount</u>
5/8" x 3/4" (Metered service)	\$100.00
All over 5/8 X 3/4"	Actual Cost

Customer Deposits

Rule 25-30.311, Florida Administrative Code, provides that customer deposits are calculated on the average monthly billing for a two-month period. The average monthly bill for all of the 40 residential water customers with 5/8" x 3/4" meters is approximately \$25.00. Therefore, we find that the appropriate amount for customer deposits is \$50.00. Because the utility currently does not have customers with meters larger than 5/8" x 3/4", deposits for customers with those size meters have not been established.

The utility's tariff for customer deposits shall conform with Rule 25-30.311, Florida Administrative Code, to include those

requirements for new or additional deposits, interest on deposits, and refunds of deposits.

Temporary Rates in the Event of Protest

This order proposes an increase in water rates. A timely protest might delay what may be a justified rate increase resulting in an unrecoverable loss of revenue to the utility. Therefore, in the event of a protest filed by a party other than the utility, we hereby authorize the utility to collect the rates approved herein, on a temporary basis, subject to refund, provided that the utility first furnish and have approved by Commission Staff adequate security for a potential refund, through a bond or letter of credit in the amount of \$2,735, or an escrow agreement, as well as a proposed customer notice and revised tariff sheets.

If the utility chooses a bond as security, the bond should contain wording to the effect that it will be terminated only under the following conditions:

- 1) The Commission approves the rate increase; or
- 2) If the Commission denies the increase, the utility shall refund the amount collected that is attributable to the increase.

If the utility chooses a letter of credit as security, it should contain the following conditions:

- 1) The letter of credit is irrevocable for the period it is in effect.
- 2) The letter of credit will be in effect until a final Commission order is rendered, either approving or denying the rate increase.

If the security is provided through an escrow agreement, the following conditions should be part of the agreement:

- 1) No refunds in the escrow account may be withdrawn by the utility without the express approval of the Commission.
- 2) The escrow account shall be an interest bearing account.

- 3) If a refund to the customers is required, all interest earned by the escrow account shall be distributed to the customers.
- 4) If a refund to the customers is not required, the interest earned by the escrow account shall revert to the utility.
- 5) All information on the escrow account shall be available from the holder of the escrow account to a Commission representative at all times.
- 6) The amount of revenue subject to refund shall be deposited in the escrow account within seven days of receipt.
- 7) This escrow account is established by the direction of the Florida Public Service Commission for the purpose(s) set forth in its order requiring such account. Pursuant to Consentino v. Elson, 263 So. 2d 253 (Fla. 3d DCA 1972), escrow accounts are not subject to garnishments.
- 8) The Director of Records and Reporting must be a signatory to the escrow agreement.

In no instance shall the maintenance and administrative costs associated with the refund be borne by the customers. These costs are the responsibility of, and shall be borne by, the utility. Irrespective of the form of security chosen by the utility, an account of all monies received as a result of the rate increase should be maintained by the utility. This account must specify by whom and on whose behalf such monies were paid. If a refund is ultimately required, it should be paid with interest calculated pursuant to Rule 25-30.360(4), Florida Administrative Code.

The utility shall maintain a record of the amount of the bond, and the amount of the revenues that are subject to refund. In addition, after the increased rates are in effect, the utility should file reports with the Division of Water and Wastewater no later than 20 days after each monthly billing. These reports shall indicate the amount of revenue collected under the increased rates.

Based on the foregoing, it is, therefore

ORDERED by the Florida Public Service Commission that the application of Theodore S. Jansen d/b/a Ravenswood Water System for an increase in its wastewater rates in Pasco County is approved as set forth in the body of this Order. It is further

ORDERED that each of the findings made in the body of this Order is hereby approved in every respect. It is further

ORDERED that all matters contained in the body of this Order and in the schedules attached hereto are by reference incorporated herein. It is further

ORDERED that Theodore S. Jansen d/b/a Ravenswood Water System, is authorized to charge the new rates and charges set forth in the body of this Order. It is further

ORDERED that the rates approved herein shall be effective for service rendered on or after the stamped approval date on the revised tariff pages. It is further

ORDERED that the service availability charges approved herein shall be effective for service rendered on or after the stamped approval date on the revised tariff sheets. It is further

ORDERED that the customer deposits approved herein shall be effective for service rendered on or after the stamped approval date on the revised sheets. It is further

ORDERED that, prior to its implementation of the rates and charges approved herein, Theodore S. Jansen d/b/a Ravenswood Water System shall submit and have approved a proposed notice to its customers of the increased rates and charges and the reasons therefor. The notice will be approved upon our Staff's verification that it is consistent with our decision herein. It is further

ORDERED that prior to its implementation of the rates approved herein, Theodore S. Jansen d/b/a Ravenswood Water System shall submit and have approved revised tariff sheets. The revised tariff pages will be approved upon our Staff's verification that they are consistent with our decision herein and that the protest period has expired. It is further

ORDERED that the provisions of this Order are issued as proposed agency action, except for the provisions for temporary rates, subject to refund, in the event of a protest and shall become final, unless an appropriate petition in the form provided by Rule 25-22.029, Florida Administrative Code, is received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida, 32399-0870, by the date set forth in the Notice of Further Proceedings below. It is further

ORDERED that, in the event of a protest by any substantially affected person other than the utility, Theodore S. Jansen d/b/a Ravenswood Water System is authorized to collect the rates approved herein on a temporary basis, subject to refund, in accordance with Rule 25-30.360, Florida Administrative Code, provided that Theodore S. Jansen d/b/a Ravenswood Water System has furnished satisfactory security for any potential refund and provided that it has submitted and Staff has approved revised tariff sheets, a proposed customer notice, and satisfactory security for any potential refund. It is further

ORDERED that, prior to its implementation of the temporary rates approved herein, Theodore S. Jansen d/b/a Ravenswood Water system shall submit and have approved a bond or letter of credit in the amount of \$2,735 or an escrow agreement as a guarantee of any potential refunds collected on a temporary basis as set forth in the body of this Order. It is further

ORDERED that, in the event no timely protest is received, and Staff has approved the revised tariff sheets and the proposed customer notice, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 14th day of June, 1993.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

SFS

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

As identified in the body of this order, our action herein, except for providing for temporary rates, subject to refund, in the event of a protest, is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on July 6, 1993. In the absence of such a petition, this order shall become effective on the date subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If the relevant portion of this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

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DOCKET NO. 921102-WU
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Any party adversely affected by the Commission's final action in this matter may request: (1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

RAVENSWOOD WATER SYSTEM
SCHEDULE OF WATER RATE BASE
Test year ended November 30, 1992

SCHEDULE NO. 1
921102-WU

	TEST YEAR PER UTILITY	COMM ADJUST TO UTIL. BAL.	BALANCE PER COMM
	-----	-----	-----
UTILITY PLANT IN SERVICE	\$ 12,762 A	\$ 818	\$ 13,580
LAND/NON-DEPRECIABLE ASSETS	2,000 B	(1,632)	368
PLANT HELD FOR FUTURE USE	0	0	0
ACQUISITION ADJUSTMENT	0 C	7,445	7,445
C.W.I.P.	0	0	0
C.I.A.C.	(3,232)D	(7,697)	(10,929)
ACCUMULATED DEPRECIATION	(11,113)E	1,893	(9,220)
AMORTIZATION OF ACQUISITION ADJUSTMENT	0 F	(4,826)	(4,826)
AMORTIZATION OF C.I.A.C.	0 G	6,982	6,982
WORKING CAPITAL ALLOWANCE	367 H	801	1,168
	-----	-----	-----
WATER RATE BASE	\$ 784	\$ 3,784	\$ 4,568
	=====	=====	=====

RAVENSWOOD WATER SYSTEM
 ADJUSTMENTS TO RATE BASE
 Test year ended November 30, 1992

SCHEDULE NO. 1-A
 921102-WU
 PAGE 1 OF 2

DESCRIPTION	WATER

A. UTILITY PLANT IN SERVICE	
1. To correct transposition error in Order No. 12505	\$ (27)
2. To reflect utility plant additions through November 30, 1992	923
3. To reflect averaging adjustment	(78)

TOTAL ADJUSTMENTS	\$ 818
	=====
B. LAND/NON-DEPRECIABLE ASSETS	
1. To reflect land value established in Order No. 12505	\$ (1,632)

TOTAL ADJUSTMENTS	\$ (1,632)
	=====
C. ACQUISITION ADJUSTMENT	
1. To record the acquisition adjustment established in Order No. 7413 and included in rate base approved by Order No. 12505	\$ 7,445

TOTAL ADJUSTMENTS	\$ 7,445
	=====
D. C.I.A.C.	
1. To reconcile the utility's CIAC balance as of December 31, 1992 as established in Order No. 12505	\$ (7,697)

TOTAL ADJUSTMENTS	\$ (7,697)
	=====
E. ACCUMULATED DEPRECIATION	
1. To adjust accumulated depreciation balances through November 30, 1992 as approved by the Commission (Pursuant to Rule 25-30.140)	\$ 1,625
2. To reflect averaging adjustment	267

TOTAL ADJUSTMENTS	\$ 1,893
	=====

RAVENSWOOD WATER SYSTEM
 ADJUSTMENTS TO RATE BASE
 Test year ended November 30, 1992

SCHEDULE NO. 1-A
 921102-WU
 PAGE 2 OF 2

DESCRIPTION	WATER

F. AMORTIZATION OF ACQUISITION ADJUSTMENT	
1. To reflect balance established in Order No. 12505	\$ (2,070)
2. To reflect Commission-approved amortization through November 30, 1992 (Applying composite percentages)	(2,901)
3. To reflect averaging adjustment	145

TOTAL ADJUSTMENTS	\$ (4,826) =====
G. AMORTIZATION OF C.I.A.C.	
1. To reflect balance established in Order No. 12505	\$ 3,087
2. To reflect Commission-approved amortization of CIAC through November 30, 1992 (Pursuant to Rule 25-30.570)	4,109
3. To reflect averaging adjustment	(214)

TOTAL ADJUSTMENTS	\$ 6,982 =====
H. WORKING CAPITAL ALLOWANCE	
1. To reflect working capital allowance (Based on 1/8th of operation and maintenance Expense)	\$ 801

TOTAL ADJUSTMENTS	\$ 801 =====

RAVENSWOOD WATER SYSTEM
 SCHEDULE OF CAPITAL STRUCTURE
 Test year ended November 30, 1992

SCHEDULE NO. 2
 921102-WU

	PER UTILITY	COMM ADJUST. TO UTIL. BAL.	BALANCE PER COMM	PERCENT OF TOTAL	COST	WEIGHTED COST
	-----	-----	-----	-----	-----	-----
LONG-TERM DEBT	\$ 0	\$ 0	\$ 0	0.00%	0.00%	0.00%
SHORT-TERM DEBT	0	0	0	0.00%	0.00%	0.00%
PREFERRED EQUITY	0	0	0	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	0	0	0	0.00%	0.00%	0.00%
COMMON EQUITY	417	4,151	4,568	100.00%	10.44%	10.44%
INVESTMENT TAX CREDITS	0	0	0	0.00%	0.00%	0.00%
DEFERRED TAXES	0	0	0	0.00%	0.00%	0.00%
OTHER	0	0	0	0.00%	0.00%	0.00%
TOTAL	\$ 417	\$ 4,151	\$ 4,568	100.00%		10.44%

RANGE OF REASONABLENESS	LOW	HIGH
-----	-----	-----
RETURN ON EQUITY	9.44%	11.44%
OVERALL RATE OF RETURN	9.44%	11.44%

RAVENSWOOD WATER SYSTEM
SCHEDULE OF WATER OPERATING INCOME
Test year ended November 30, 1992

SCHEDULE NO. 3
921102-WU

	TEST YEAR PER UTILITY	COMM ADJUST ⁵ TO UTIL. BAL.	COMM ADJUST TEST YEAR	COMM ADJUST FOR INCREASE	BALANCE PER COMM
	-----	-----	-----	-----	-----
OPERATING REVENUES	\$ 7,223	\$ 0	\$ 7,223 E	\$ 4,014	\$ 11,237
	-----	-----	-----	-----	-----
OPERATING EXPENSES:					
OPERATION AND MAINTENANCE	2,937 A	6,410	9,347	0	9,347
DEPRECIATION	140 B	(33)	107	0	107
AMORTIZATION	0 C	290	290	0	290
TAXES OTHER THAN INCOME TAXES	328 D	507	835 F	181	1,016
INCOME TAXES	0	0	0	0	0
	-----	-----	-----	-----	-----
TOTAL OPERATING EXPENSES	3,405	\$ 7,174	\$ 10,579	\$ 181	\$ 10,750
	-----	-----	-----	-----	-----
OPERATING INCOME/(LOSS)	3,818	\$ (7,174)	\$ (3,356)	\$ 3,833	\$ 477
	=====	=====	=====	=====	=====
WATER RATE BASE	784		\$ 4,568		\$ 4,568
	=====		=====		=====
RATE OF RETURN	486.99%		-73.46%		10.44%
	=====		=====		=====

RAVENSWOOD WATER SYSTEM
 ADJUSTMENTS TO THE OPERATING STATEMENT
 Test year ended November 30, 1992

SCHEDULE NO. 3-A
 921102-WU
 PAGE 1 OF 2

DESCRIPTION	WATER

OPERATION AND MAINTENANCE:	
A. 1. Salaries & Wages - Employees	4,380
A. To reflect pro forma salaries allowance	<u>4,380</u>
2. Contractual Services Expense	
A. To reflect reclassification of laboratory testing to contractual services from miscellaneous expense	11
B. To reflect laboratory testing for primary and secondary volatiles	208
C. To remove nonrecurring temporary services	(205)
D. To reflect an annual allowance for lead and copper testing	480
	<u>494</u>
3. Rent Expense	300
A. To reflect pro forma rent expense (\$75 x 12)	<u>300</u>
4. Transportation Expense	109
A. To reflect pro forma transportation expense	<u>109</u>
5. Regulatory Commission Expense	18
A. To reflect regulatory commission expense (\$150/4)	<u>18</u>
6. Miscellaneous Expense	
A. To reflect reclassification of laboratory testing from miscellaneous to contractual services expense	(11)
	<u>(11)</u>
TOTAL ADJUSTMENTS	\$ 5,410

B. DEPRECIATION:	894
1. To record last year depreciation expense	894
2. To reflect last year amortization of CIAC	(427)
	<u>(427)</u>
TOTAL ADJUSTMENTS	\$ (33)

C. AMORTIZATION:	100
1. To reflect last year acquisition adjustment amortization	100
	<u>100</u>
TOTAL ADJUSTMENTS	\$ 100

RAVENSWOOD WATER SYSTEM
 ADJUSTMENTS TO THE OPERATING STATEMENT
 Test year ended November 30, 1992

SCHEDULE NO. 3-A
 921102-WU
 PAGE 2 OF 2

DESCRIPTION	WATER

D. TAXES OTHER THAN INCOME TAXES	
1. To adjust gross receipts tax (\$7,223-6.624 x 4.5%)	\$ 27
2. To reflect property tax (paid out of test year)	250
4. To reflect tangible tax (paid out of test year)	220

TOTAL ADJUSTMENTS	\$ 507
	=====
E. OPERATING REVENUE	
1. To reflect increase in revenue.	\$ 4014
	=====
F. TAXES OTHER THAN INCOME TAXES	
1. To reflect regulatory assessment fees on increased revenue.	\$ 181
	=====

RAVENSWOOD WATER SYSTEM
 ANALYSIS OF WATER O & M EXPENSES
 Test year ended November 30, 1992

ACCOUNT TITLE	BALANCE PER UTIL.	COMM. ADJUST.	COMM. BALANCE
SALARIES AND WAGES - EMPLOYEES	\$ 0	\$ 4,680	\$ 4680
SALARIES AND WAGES - OFFICERS	0	0	0
PENSIONS AND BENEFITS	0	0	0
PURCHASED WATER	0	0	0
PURCHASED POWER	373	0	373
FUEL FOR POWER PRODUCTION	0	0	0
CHEMICALS	92	0	92
MATERIALS AND SUPPLIES	0	0	0
CONTRACTUAL SERVICES	1,502	494	1996
RENTS	0	900	900
TRANSPORTATION EXPENSES	0	309	309
INSURANCE EXPENSE	727	0	727
REGULATORY COMMISSION EXPENSES	0	38	38
BAD DEBT EXPENSE	27	0	27
MISCELLANEOUS EXPENSES	216	(11)	205
TOTAL	\$ 2,937	\$ 6,410	\$ 9,347

ORDER NO. PSC-93-0901-FOF-WU
DOCKET NO. 921102-WU
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RAVENSWOOD WATER SYSTEM
TEST YEAR ENDED NOVEMBER 30, 1992

SCHEDULE NO. 4
RATE REDUCTION AFTER
RECOVERY OF RATE
CASE EXPENSE

RESIDENTIAL

MONTHLY RATES

<u>BASE FACILITY CHARGE</u> <u>METER SIZE</u>	<u>APPROVED</u> <u>RATES</u>	<u>APPROVED</u> <u>RATE DECREASE</u>
5/8" X 3/4"	\$ 11.10	\$.04
3/4"	16.65	.06
1"	27.75	.10
1-1/2"	55.50	.20
2"	88.80	.31
3"	177.60	.63
4"	277.50	.98
6"	555.00	1.96
<u>Gallonage Charge</u> Per 1,000 gallons	\$ 1.57	\$.01