

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for a rate ) DOCKET NO. 920655-WS  
increase in Collier County by ) ORDER NO. PSC-93-1740-FOF-WS  
MARCO ISLAND UTILITIES ) ISSUED: 12-03-93  
(Deltona). )  
\_\_\_\_\_ )

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman  
SUSAN F. CLARK  
LUIS J. LAUREDO

ORDER GRANTING IN PART AND DENYING IN PART  
PUBLIC COUNSEL'S MOTION FOR RECONSIDERATION  
AND REQUIRING REFUND

BY THE COMMISSION:

BACKGROUND

On August 10, 1992, Southern States Utilities, Inc. (SSU or utility) filed an application for authority to increase water and wastewater rates and charges for its Marco Island systems in Collier County. On September 9, 1992, the utility completed the minimum filing requirements (MFRs) for a general rate increase and that date was established as the official filing date for this proceeding. A projected test year ending April 30, 1993, was approved for establishing final rates. The test year for the interim rate increase was the historic test year which ended April 30, 1992.

According to the utility's MFRs, annual revenues for the twelve month period ended April 30, 1992, were \$4,135,902 for water and \$1,090,910 for wastewater. The utility requested final rates designed to generate annual revenues of \$8,571,656 for water and \$3,343,777 for wastewater. The corresponding requested revenue increases were \$4,394,093 or 105.18 percent for water and \$1,519,000 or 83.24 percent for wastewater.

On February 26, 1993, a prehearing conference was held in Tallahassee, Florida. The hearing was held on March 8 and 9, 1993, in Marco Island, Florida, and was continued on March 26, 1993, in Tallahassee, Florida. By Order No. PSC-93-1070-FOF-WS (Final Order), issued July 23, 1993, this Commission established final rates and charges for this utility.

DOCUMENT WILL BE FORGOTTEN

12909 DEC-3 82

FPSC-RECORDS REPORTING

On August 9, 1993, the Office of Public Counsel (OPC) timely filed a Motion for Reconsideration, pursuant to Rule 25-22.060, Florida Administrative Code, wherein OPC requested that the Commission reconsider certain provisions of Order No. PSC-93-1070-FOF-WS. Specifically, OPC requested reconsideration of the Commission's decision concerning chemical, purchased power, and purchased water expenses associated with the reverse osmosis plant (R.O. plant) and the lime softening plant. Further, OPC requested reconsideration of the Commission's treatment concerning \$1,449,641 of plant additions for the R.O. plant.

On August 16, 1993, SSU timely filed a Response to Public Counsel's Motion for Reconsideration. This Order addresses OPC's Motion for Reconsideration and the utility's response.

#### MOTION FOR RECONSIDERATION

By Order No. PSC-93-1070-FOF-WS, the Commission made certain adjustments to the utility's operating expenses, including reductions to chemical and electric expenses at the utility's R.O. and lime softening plants. The adjustments made in that Order are discussed below.

#### R.O. Plant Operating Expenses

By Order No. PSC-93-1070-FOF-WS, the Commission rejected one of OPC's proposals and reduced electric power and chemicals for the R.O. plant by \$131,895. In the proceeding, OPC contended that projections for chemical and purchased power expenses, which are based upon both plants operating at capacity, overstate the amount of water demanded by the customers by 748,246 thousand gallons. OPC gave three alternatives for reduction of these expenses:

1. Assume all of the gallons not needed would come from the R.O. plant. Chemical and power expenses should be reduced by \$624,317.
2. Assume all of the gallons not needed would come from the lime softening plant. Chemical and power expenses should be reduced by \$378,394.
3. Assume 30 percent of the gallons needed would be produced by the R.O. plant and 70 percent would be produced by the lime softening plant. The concomitant reduction would be \$509,238.

In rejecting OPC's position, we relied on Exhibit 81, prepared by Utility Witness Elliott, which indicated that projected expenses for the R.O. plant were overstated by \$131,895. Exhibit 81 used actual data from October 1992 through February 1993. In the Final Order, the Commission stated that the amount in Exhibit 81 "is a reasonable approximation of the overstated projection." OPC's first two proposals were unpersuasive since the evidence in the record clearly showed that blending production from both of the plants is necessary to meet the Department of Environmental Protection (DEP) standards. We rejected OPC's third proposal because a different and lesser adjustment seemed more appropriate.

#### Lime Plant Electric Costs

With regard to this issue, the testimony indicated that the R.O. plant will be providing some of the utility's future production needs. Therefore, we reduced electric expenses by \$165,848 to reflect reduced production at the lime softening plant. This adjustment was based on 25 percent of the 1992 purchased power expense of \$678,181, less a separate \$14,788 reduction due to installation of a new electrical system.

#### Lime Plant Chemical Expenses

In the Final Order, we found that it was appropriate to reduce chemical expenses by \$89,991 and purchased water expenses by \$25,209, or 50 percent, due to reduced production at the lime softening plant.

Our Staff's original recommendation proposed a 40 percent reduction to the treatment plant flows at the lime softening plant, with related reductions to electrical and chemical expenses. That recommendation indicated that the lime plant would provide 3.1 mgd and the R.O. plant would provide 2.0 mgd, on a going forward basis. We did not accept our Staff's recommendation, and instead, approved a 50 percent reduction to the lime plant's flows and chemical expenses, and a 25 percent reduction to electrical expenses. Our decision indicated that the lime and R.O. plants would each be providing about 2.55 mgd on an average day basis.

As stated earlier, OPC has requested reconsideration of certain provisions of the Final Order. The standard for determining whether reconsideration is appropriate is set forth in Diamond Cab Company of Miami v. King, 146 So.2d 89 (Fla. 1962). In Diamond Cab, the Court held that the purpose for a petition for

reconsideration is to bring to the attention of the Commission some point which it overlooked or failed to consider when it rendered its decision in the first instance, such as a mistake of law or fact. In Stewart Bonded Warehouses v. Bevis, 294 So.2d 315 (Fla. 1974), the Court held that a petition for reconsideration should be based upon specific factual matters set forth in the record and susceptible to review. We have relied on the standard set forth in the above-referenced cases in making our decision herein.

CHEMICAL, PURCHASED POWER, AND PURCHASED WATER

In its Motion for Reconsideration, OPC made five primary arguments for reconsideration of this issue.

1. At the June 22, 1993, Agenda Conference, as well as in the Staff's recommendation, Staff represented to the Commissioners that evidence to support one of OPC's proposals "Alternative 3," was not in the record. It is OPC's belief that, but for Staff's representation to the Commissioners, the Commissioners would have adopted OPC's proposal. Instead, in OPC's opinion, the Commission relied upon the assumptions of its Staff, rather than evidence in the record;
2. Exhibit 25 supports OPC's Alternative 3. It is OPC's assertion that the basis for its proposed 30/70 split is that for the months of June, 1992 through December 1992, the R.O. plant produced approximately 30 percent of the water consumed and the lime softening plant produced approximately 70 percent of the water consumed. Exhibit 25 reflects the production at both plants for those months; but OPC believes the Commission failed to consider Exhibit 25;
3. Exhibit C attached to OPC's brief supports OPC's proposed \$509,238 adjustment for the combined R.O. and lime softening plants. OPC asserts that every number in Exhibit C is contained in the record (See Exhibit 95, Schedule 5);
4. There is no evidence in the record to support the Commission's 50 percent reduction to the production at the lime softening plant; and

5. There is no evidence in the record to support the Commission's 50 percent reduction to chemical and purchased water expenses at the lime softening plant.

SSU's response to OPC's motion basically states that OPC's motion should be denied, and in support thereof, asserts the following with regard to this issue: 1) OPC is attempting to re-hash the arguments made in OPC's brief; 2) OPC identifies no new facts or evidence which would justify reconsideration; 3) the 30/70 proposal is first raised in OPC's brief; and 4) OPC has not shown a proper basis for reconsideration.

We agree with OPC that Exhibit 25 is in the record. We also agree that Alternative 3, although first raised in OPC's brief, is supported by information which may be derived from Exhibit 25. We do not believe that these facts were misrepresented to us. In any case, we do concur that when the data found in Exhibit 25 is examined, the resulting percentages are 30/70.

OPC argues that its calculation of the annual expense for the combined R.O. and lime plants under its "third" alternative was proper. That projection is based on certain underlying assumptions concerning how the operating expenses for the R.O. and lime plants, combined together, should be derived. OPC's scenario concerning the expected production level assumed that the lime plant would contribute 70 percent of the combined production level and that the R.O. plant would contribute the remaining 30 percent. The relative contribution levels, per OPC's proposal, were based on actual production conditions for the seven month period from June 1992 to December 1992.

OPC's position prior to the hearing assumed two alternatives: what the expected production level should be, and, consequently, what amount of "excess" plant should be removed either from the R.O. plant (with its expenses reduced in an equivalent manner) or from the lime plant (with its expenses likewise reduced). Those opposing, posthearing positions were either that the Commission should reduce projected expenses by \$624,317, the expense associated with the R.O. plant, or by \$378,294, the expense associated with the lime plant. At that time, OPC had not offered an alternative whereby expenses from both plants would be reduced on some pro rata basis. Those initial calculations of the forecasted expense (which treatment is likewise assumed in the "third" alternative) were based on an inherent proposition that a plant's operating expenses should contract or expand in direct

proportion to that plant's relative contribution to the combined systems' production capability. OPC contends that this combined expense, whereby each system's level of charges would be reduced in direct proportion to its share of the overall production level, is proper. Inherent in this proposal is an assumption that expenses vary in direct proportion to the level of production; a linear relationship is presumed to exist.

Conversely, the expense calculated in our Final Order was based on the assumption that expenses for the R.O. plant, for the five months ended February of 1993, should be annualized to estimate that plant's annual expense. For the same reason, expenses for the lime plant should be reduced to show a correspondingly reduced flow, but with the flow level being reduced more than expenses were reduced. That calculation assumed the reduction for the lime plant would be 2 to 2.5 million gallons per day, and that its expenses would fall as a consequence. The different reductions for power and chemicals were based on the premise that there is no linear relationship between reduced capacity and a plant's operating expenses.

OPC's proposal and the Commission's previous decision differ because different assumptions underlie the respective calculations of each model. First, different periods are compared to achieve estimated annualization costs. OPC's proposal depends upon reasonably accurate approximations regarding each plant's respective cost of production, and with expenses reduced in parity with reduced capacity. On the other hand, the Commission's decision first assumes a given annual expense for the R.O. plant, and then a matching reduction to the lime plant's capacity - but that plant's capacity is reduced more than its expenses decrease.

We acknowledge that a critical element in our decision concerned whether a reduction to capacity would yield a concomitant reduction to expenses. Our decision assumed an exact two-to-one reduction to chemical expenses versus electrical expenses. While the record revealed that some disjointed reduction to a plant's capacity and its level of expenses may be proper, it clearly did not demonstrate that a perfect two-to-one reduction is correct.

Therefore, upon consideration, we find it appropriate to grant OPC's motion for reconsideration on the adjustments concerning the projected operating expenses. The corresponding reduction to the utility's revenue requirement will be \$102,600, which would reduce the utility's annual earnings level by approximately 1 percent.

R.O. PLANT LABOR EXPENSES

OPC alleged that the Commission failed to consider the testimony of Witness Elliott, wherein he testified that the R.O. plant was more labor intensive when it was operated in the manual mode; and therefore, the labor costs contained in Exhibit 81 are overstated on a going forward basis. We do not agree.

OPC cites Witness Elliott's testimony wherein he discusses the difference between the manual and automatic modes of operation of a plant, explaining that manual operation is more labor intensive. We would agree that a more "hands on" effort is required for manual operation of a plant. That is not to say that more employees are required to complete the tasks, which is exactly what Witness Denny addressed when he testified that while the last operator had not been hired for the R.O. plant, employee overtime, required during the startup period, was more than the cost that would have been incurred in salary for the additional operator needed.

Witness Denny further testified that the utility did operate the R.O. plant manually during the first three or four months of start up while the company was testing and calibrating the plant, its chemical feed pumps, and telemetry system. During the early months of operation, labor was not more intensive than it is now. Mr. Denny testified that the company had one operator per shift on the job, along with the engineers that were still on site. Full automation had been achieved, for the most part, by the time of the hearing.

For these reasons, we believe the labor costs included on a proforma basis for the R.O. plant were appropriate. OPC's Motion for Reconsideration on this point is denied, and no further adjustments to the R.O. plant labor expenses are warranted.

ADDITIONAL EXPENDITURES FOR THE R.O. PLANT

The second portion of OPC's motion for reconsideration addressed the Commission's decision to allow the utility additional expenditures for the R.O. plant. In support of its request for reconsideration of this point, OPC stated the following: 1) the audit was conducted prior to the utility's request to include an additional \$1.4 million in rate base; 2) the utility did not specifically furnish OPC with the alleged documents; 3) OPC did not have adequate opportunity to conduct additional discovery on this new issue; 4) OPC did not have the opportunity to present direct

testimony on this subject; 5) it is improper to raise an issue for the first time in rebuttal testimony; and 6) this issue was not addressed at length in OPC's brief because OPC believed the Commission would reject the utility's request.

In its response to this issue, the utility stated that: first, OPC's argument that it believes such a request would be denied is not a sufficient argument for reconsideration. Second, at hearing, OPC requested to supplement its testimony to address this very issue, which resulted in the continuation of the hearing. Third, OPC's argument in the reconsideration motion is inconsistent with the argument OPC made at the hearing in support of its Motion to Strike SSU's supplemental rebuttal testimony. There, OPC represented that this very issue was thoroughly examined by all of the parties. Finally, OPC was provided access to and copies of the utility's records relating to the total investment of the R.O. plant, and OPC's Document Request No. 109 contained copies of all correspondence and documents relating to the total investment in the R.O. plant.

Utility witness Kimball testified that an inadvertent error caused the construction cost of the utility's R.O. plant to be understated in the MFRs. On that basis, she requested that the Commission allow corresponding upward adjustments of \$1,075,821 for the water system and \$373,820 for the wastewater system, or a total of \$1,449,641. With respect to other plant-in-service accounts, OPC witness Dismukes testified that an adjustment to reduce the average plant balances by \$838,558 was necessary to correct a mistake regarding the installation cost of a water transmission main and a double counting error. Ms. Dismukes also proposed a corresponding \$23,958 reduction to depreciation expense.

In reliance on that evidence in the record, we found it appropriate, in the Final Order, to reduce the average test year plant balance by \$838,558, and depreciation expense by \$23,958. Additionally, with respect to the R.O. plant additions, because an average test year was used in the proceeding, we allowed 50 percent of the additions to the R.O. plant or respective increases of \$537,911 for water and \$186,910 for wastewater.

OPC, as discussed above, makes six arguments on this issue, which when summarized, basically state that OPC did not have the opportunity to conduct discovery or investigate further the utility's request to include the additional \$1.4 million in rate base. As stated earlier, the purpose of a motion for



reconsideration is to bring to the Commission's attention matters of fact or law that were misapprehended or that were not considered in reaching its decision. OPC has failed to establish that the Commission overlooked any point with regard to these expenditures when we rendered our decision.

OPC's arguments are not persuasive because OPC had ample opportunity to pursue this issue and conduct discovery. First, the discovery period did not end until one week prior to the hearing. Second, on numerous occasions, the Prehearing Officer expanded the discovery limit to accommodate OPC's many discovery requests. Third, the Prehearing Officer granted OPC's request to file supplemental rebuttal testimony for this very issue, which resulted in a continuance of the hearing. Fourth, at hearing, OPC argued to strike the utility's supplemental rebuttal testimony and even acknowledged that this was a "subject that was covered by Ms. Dismukes' direct testimony." Finally, we do not have reason to believe that OPC was not provided every document requested. In any case, if documents were not provided to OPC, the appropriate time to notify the Commission of the utility's alleged failure to provide certain documents would have been prior to or at the hearing. Such an assertion now is untimely and does not justify granting this portion of OPC's Motion for Reconsideration.

The Court in Diamond Cab specifically stated that the purpose of a motion for reconsideration is not to re-argue the whole case merely because the losing party disagrees with the judgment or order. Id. at 891. In consideration of the foregoing, we believe that the Commission did not overlook or misapprehend any facts or law in rendering the decision on this issue. Accordingly, we find that it is appropriate that OPC's motion for reconsideration on this point be denied.

#### FINAL RATES

Based upon our adjustments and findings herein, we find that the utility's rates shall be adjusted to produce annual revenues of \$7,591,520 during Phase One. For Phase Two, the revenues shall be reduced by \$199,263 to \$7,392,257, following the reduction in the cost of capital which is expected to occur December 31, 1994. Our approved revenue requirement results in an increase of 76.49 percent.

The rates are structured in the same manner as approved in Order No. PSC-93-1070-FOF-WS. This rate structure provides a 20

percent recovery of revenues through the base facility charge and 80 percent through the gallonage charge. The rate structure spreads the revenue increase more evenly across the customer types and should encourage conservation.

The approved rates are shown on Schedules Nos. 7-A for Phase One and 7-B for Phase Two. The rates shall be effective for service rendered on or after the stamped approval date on the tariff sheets. The utility may pro rate the customer bills. The utility shall file within thirty days of the Commission vote a sufficient proposed customer notice and revised tariff sheets that are consistent with the Commission's decision. The tariff sheets will be approved following staff's verification that they are consistent with the Commission's decision and the customer notice is adequate.

REFUND REQUIRED

By Order No. PSC-93-1070-FOF-WS, we authorized certain final rates for this utility. On September 15, 1993, the tariff sheets reflecting the Commission's approved final rates became effective. As a result of our findings and adjustments herein, the utility shall have a 1.3 percent reduction in annual revenues, or a \$102,600 reduction from \$7,694,120 to \$7,591,520. Therefore, revenues shall be refunded in exact proportion to the relative reduction to revenues. As of October 28, 1993, the revenues subject to refund are approximately \$15,000.

Therefore, we find that 1.3 percent of the revenues collected under the currently approved final rates shall be refunded by the utility. The refund shall be made with interest and in accordance with Rule 25-30.360, Florida Administrative Code. Any unclaimed refunds shall be applied to the utility's Contributions-in-Aid-of-Construction account for Marco Island's water system.

This docket shall be closed after the order disposing of reconsideration has been issued, upon Staff's verification that the tariff sheets and customer notice are consistent with the Commission's decision, upon Staff's verification that the refunds have been made, and after all other requirements of Order No. PSC-93-1070-FOF-WS have been met.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that the Office of Public Counsel's Motion for Reconsideration of Order No. PSC-93-1070-FOF-WS is granted in part and denied in part, to the extent set forth herein. 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 Schedules attached hereto are by reference incorporated herein. It is further

ORDERED that Southern States Utilities, Inc., shall adjust its rates for its Marco Island systems in Collier County, to the extent set forth herein, to produce annual revenues of \$7,591,520 during Phase One. For Phase Two, the revenue requirement shall be reduced by \$199,263 to \$7,392,257. It is further

ORDERED that the rates shall be effective for service rendered on or after the stamped approval date on the tariff sheets, and Southern States Utilities, Inc., may pro rate the customer bills. It is further

ORDERED that Southern States Utilities, Inc., shall file within thirty days of the Commission's vote an adequate customer notice and revised tariff sheets consistent with our decision herein. It is further

ORDERED that the tariff sheets will be approved upon Staff's verification that the revised tariff sheets are consistent with the decision herein, and the proposed customer notice is adequate. It is further

ORDERED that Southern States Utilities, Inc., shall refund 1.3 percent of the revenues collected under the currently approved final rates. It is further

ORDERED that the refund shall be made with interest and in accordance with Rule 25-30.360, Florida Administrative Code. Any unclaimed refunds shall be applied to the utility's Contributions-in-aid-of-Construction account for Marco Island's water system. It is further

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ORDERED that this docket may be closed upon issuance of this Order disposing of reconsideration, upon Staff's verification that the tariff sheets and customer notice are consistent with the Commission's decision, upon Staff's verification that the refunds have been made, and after all other requirements of Order No. PSC-93-1070-FOF-WS have been met.

By ORDER of the Florida Public Service Commission, this 3rd day of December, 1993.

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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

LAJ

by: Kay Flynn  
Chief, Bureau of Records

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.

Any party adversely affected by the Commission's final action in this matter may request 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 sewer 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 Civil Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.

COMPANY: SSU / COLLIER / MARCO ISLAND  
 SCHEDULE OF WATER RATE BASE - PHASE 1 RATES  
 TEST YEAR ENDED APRIL 30, 1993

SCHEDULE NO. 1-A  
 DOCKET NO. 920655-WS

COMPONENT	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR PER UTILITY	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR
1 UTILITY PLANT IN SERVICE	\$ 34,723,838	\$ 0	\$ 34,723,838	(298,467)	\$ 34,425,371
2 LAND	368,967	0	368,967	(221,000)	147,967
3 NON-USED & USEFUL COMPONENTS	0	0	0	0	0
4 ACCUMULATED DEPRECIATION	(6,166,245)	0	(6,166,245)	(246)	(6,166,491)
5 CIAC	(4,789,508)	0	(4,789,508)	0	(4,789,508)
6 AMORTIZATION OF CIAC	891,099	0	891,099	0	891,099
7 ACQUISITION ADJUSTMENTS - NET	0	0	0	0	0
8 ADVANCES FOR CONSTRUCTION	0	0	0	0	0
9 DEFERRED TAXES	304,548	0	304,548	(86,756)	217,792
10 WORKING CAPITAL ALLOWANCE	220,213	137,448	357,661	(75,303)	282,358
<b>RATE BASE</b>	<b>\$ 25,552,912</b>	<b>\$ 137,448</b>	<b>\$ 25,690,360</b>	<b>(681,772)</b>	<b>\$ 25,008,588</b>

COMPANY: SSU / COLLIER / MARCO ISLAND			SCHEDULE NO. 1-B			
SCHEDULE OF WASTEWATER RATE BASE - PHASE 1 RATES			DOCKET NO. 920655-WS			
TEST YEAR ENDED APRIL 30, 1993						
COMPONENT	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR PER UTILITY	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR	
1 UTILITY PLANT IN SERVICE	\$ 19,368,943	\$ 0	\$ 19,368,943	(\$ 58,455)	\$ 19,310,488	
2 LAND	234,336	0	234,336	0	234,336	
3 NON-USED & USEFUL COMPONENTS	(1,681,877)	0	(1,681,877)	(920,815)	(2,602,692)	
4 ACCUMULATED DEPRECIATION	(3,720,709)	0	(3,720,709)	131,614	(3,589,095)	
5 CIAC	(3,967,920)	0	(3,967,920)	(23,100)	(3,991,020)	
6 AMORTIZATION OF CIAC	1,218,644	0	1,218,644	547	1,219,191	
7 ACQUISITION ADJUSTMENTS - NET	0	0	0	0	0	
8 ADVANCES FOR CONSTRUCTION	0	0	0	0	0	
9 DEFERRED TAXES	(139,374)	0	(139,374)	(47,296)	(186,670)	
10 WORKING CAPITAL ALLOWANCE	95,148	5,649	100,797	(3,406)	97,391	
<b>RATE BASE</b>	<b>\$ 11,407,191</b>	<b>\$ 5,649</b>	<b>\$ 11,412,840</b>	<b>(\$ 920,911)</b>	<b>\$ 10,491,929</b>	

COMPANY: SSU / COLLIER / MARCO ISLAND  
ADJUSTMENTS TO RATE BASE - PHASE 1 RATES  
TEST YEAR ENDED APRIL 30, 1993

SCHEDULE NO. 1-C  
DOCKET NO. 920655-WS  
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EXPLANATION	WATER	WASTEWATER
<b>(1) UTILITY PLANT IN SERVICE</b>		
a) Adjustment to show retirement of percolation ponds	\$	\$ (135,000)
b) Adjustment to correct double counting error and to show reduced cost of transmission main	(838,558)	
c) Test year additions for RO plant and deep well injection plants	537,911	186,910
d) Adjustment to remove effluent line construction cost		(78,866)
e) Adjustment to show reduced cost of catwalks		(31,499)
f) Adjustment to capitalize misclassified charges (S#B19)	2,180	
	<u>\$ (298,467)</u>	<u>\$ (58,455)</u>
<b>(2) LAND</b>		
a) Adjustment to classify 160 acre site as non-used and useful: property held for future use	\$	<u>(221,000)</u>
<b>(3) NON-USED AND USEFUL PLANT</b>		
a) Used and useful adjustment to wastewater treatment plant includes adjustments for retirements and revised costs		\$ <u>(920,815)</u>
<b>(4) ACCUMULATED DEPRECIATION</b>		
a) Adjustment to show retirement of percolation ponds	\$	\$ 135,000
b) Adjustment to correct double counting error and to show reduced cost of transmission main	11,979	
c) Test year additions for RO plant and deep well injection plants	(12,225)	(5,192)
d) Adjustment to remove effluent line construction cost		1,314
e) Adjustment to show reduced cost of catwalks		492
	<u>\$ (246)</u>	<u>\$ 131,614</u>
<b>CIAC</b>		
a) Imputation of CIAC to offset margin reserve		\$ <u>(23,100)</u>
<b>ACCUMULATED AMORTIZATION</b>		
a) Pro forma provision of amortization of imputed CIAC		\$ <u>547</u>
<b>DEFERRED INCOME TAXES</b>		
a) Reduced provision for deferred taxes - post-retirement benefits	\$ (2,888)	\$ (1,018)
b) Remove deferred taxes related to interim rates - Docket 900329-WS	(83,868)	(46,278)
	<u>\$ (86,756)</u>	<u>\$ (47,296)</u>
<b>WORKING CAPITAL</b>		
a) Adjustment to agree with recommended operating expenses	\$	<u>(75,303)</u> <u>\$ (3,406)</u>



COMPANY: SSU / COLLIER / MARCO ISLAND  
 CAPITAL STRUCTURE - PHASE 1 RATES  
 TEST YEAR ENDED APRIL 30, 1993

DESCRIPTION	ADJUSTED TEST YEAR PER UTILITY	WEIGHT	COST	UTILITY WEIGHTED COST	COMMISSION RECONC. ADJ. TO UTILITY EXHIBIT	BALANCE PER COMMISSION	WEIGHT	COST	WEIGHTED COST PER COMMISSION	
1 LONG TERM DEBT	\$ 74,241,621	46.09%	10.53%	4.85%	\$ (57,397,375)	\$ 16,844,246	47.45%	9.50%	4.51%	
2 SHORT-TERM DEBT	10,000,000	6.21%	6.71%	0.42%	(7,851,612)	2,148,388	6.05%	5.20%	0.31%	
3 PREFERRED STOCK	3,145,284	1.95%	0.00%	0.00%	(2,469,555)	675,729	1.90%	0.00%	0.00%	
4 COMMON EQUITY	72,800,857	45.20%	12.10%	5.47%	(57,160,410)	15,640,447	44.06%	12.19%	5.37%	
5 CUSTOMER DEPOSITS	1,366,291	0.85%	7.64%	0.06%	(1,072,759)	293,532	0.83%	7.64%	0.06%	
7 DEFERRED ITC'S	2,410,038	1.50%	10.78%	0.16%	(1,892,268)	517,770	1.46%	10.21%	0.15%	
8 ADJUSTMENT FOR GAS	(2,884,000)	-1.79%	12.10%	-0.22%	2,264,405	(619,595)	-1.75%	12.19%	-0.21%	
9 TOTAL CAPITAL	\$ 161,080,091	100.00%		10.74%	\$ (125,579,574)	\$ 35,500,517	100.00%		10.19%	
=====							=====			
RANGE OF REASONABLENESS							LOW	HIGH		
RETURN ON EQUITY							11.19%	13.19%		
OVERALL RATE OF RETURN							9.75%	10.63%		
=====							=====			

COMPANY: SSU / COLLIER / MARCO ISLAND  
 ADJUSTMENTS TO CAPITAL STRUCTURE - PHASE 1  
 TEST YEAR ENDED APRIL 30, 1993

SCHEDULE NO. 2-B  
 DOCKET NO. 920655-WS

DESCRIPTION	SPECIFIC ADJUSTMENT (1)	SPECIFIC ADJUSTMENT (2)	PRO RATA RECONCILE	NET ADJUSTMENT
1 LONG TERM DEBT	\$ 4,162,500	\$ 0	\$ (61,559,875)	\$ (57,397,375)
2 SHORT-TERM DEBT	0	0	(7,851,612)	(7,851,612)
3 PREFERRED STOCK	0	0	(2,469,555)	(2,469,555)
4 COMMON EQUITY	0	0	(57,160,410)	(57,160,410)
5 CUSTOMER DEPOSITS	0	0	(1,072,759)	(1,072,759)
6 ACCUM. DEFERRED INCOME TAX	0	0	(1,892,268)	(1,892,268)
7 OTHER (Explain)	0	0	2,264,405	2,264,405
8 TOTAL CAPITAL	\$ 4,162,500	\$ 0	\$ (129,742,074)	\$ (125,579,574)

COMPANY: SSU / COLLIER / MARCO ISLAND		SCHEDULE NO. 3-A					
STATEMENT OF WATER OPERATIONS - PHASE 1 RATES		DOCKET NO. 920655-WS					
TEST YEAR ENDED APRIL 30, 1993							
DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	UTILITY ADJUSTED TEST YEAR	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 4,177,563	\$ 4,394,093	\$ 8,571,656	\$(4,383,093)	\$ 4,188,563	\$ 3,402,957	\$ 7,591,520
OPERATING EXPENSES:		105.18%				81.24%	
2 OPERATION AND MAINTENANCE	\$ 1,761,702	\$ 1,099,587	\$ 2,861,289	\$(602,427)	\$ 2,258,862	\$	\$ 2,258,862
3 DEPRECIATION	1,365,052	0	1,365,052	684	1,365,736		1,365,736
4 AMORTIZATION	0	0	0	0	0		0
5 TAXES OTHER THAN INCOME	551,432	239,738	791,170	(197,525)	593,645	153,133	746,778
6 INCOME TAXES	(352,000)	1,147,001	795,001	(1,346,256)	(551,255)	1,222,909	671,654
7 TOTAL OPERATING EXPENSES	\$ 3,326,186	\$ 2,486,326	\$ 5,812,512	\$ 9,479,500	\$ 3,666,988	\$ 1,376,042	\$ 5,043,030
8 OPERATING INCOME	\$ 851,377	\$ 1,907,767	\$ 2,759,144	\$(13,862,593)	\$ 521,575	\$ 2,026,915	\$ 2,548,490
9 RATE BASE	\$ 25,552,912		\$ 25,690,360		\$ 25,008,588		\$ 25,008,588
RATE OF RETURN	3.33%		10.74%		2.09%		10.19%

COMPANY: SSU / COLLIER / MARCO ISLAND  
 STATEMENT OF WASTEWATER OPERATIONS - PHASE 1 RATES  
 TEST YEAR ENDED APRIL 30, 1993

SCHEDULE NO. 3-B  
 DOCKET NO. 920655-WS

DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	UTILITY ADJUSTED TEST YEAR	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 1,824,777	\$ 1,519,000	\$ 3,343,777	\$ (2,003,889)	\$ 1,339,888	\$ 1,673,797	\$ 3,013,685
OPERATING EXPENSES		83.24%				124.92%	
2 OPERATION AND MAINTENANCE	\$ 761,185	\$ 45,190	\$ 806,375	\$ (27,249)	\$ 779,126	\$	\$ 779,126
3 DEPRECIATION	599,525	0	599,525	(48,734)	550,791		550,791
4 AMORTIZATION	0	0	0	0	0		0
5 TAXES OTHER THAN INCOME	280,991	90,473	371,464	(98,375)	273,089	75,321	348,410
6 INCOME TAXES	(179,887)	520,447	340,560	(675,885)	(335,325)	601,506	266,181
7 TOTAL OPERATING EXPENSES	\$ 1,461,814	\$ 656,110	\$ 2,117,924	\$ (850,242)	\$ 1,267,682	\$ 676,827	\$ 1,944,509
8 OPERATING INCOME	\$ 362,963	\$ 862,890	\$ 1,225,853	\$ (1,153,647)	\$ 72,206	\$ 996,969	\$ 1,069,176
9 RATE BASE	\$ 11,407,191		\$ 11,412,840		\$ 10,491,929		\$ 10,491,929
RATE OF RETURN	3.18%		10.74%		0.69%		10.19%

COMPANY: SSU / COLLIER / MARCO ISLAND  
 ADJUSTMENTS TO OPERATING STATEMENTS - PHASE 1 RATES  
 TEST YEAR ENDED APRIL 30, 1993

SCHEDULE NO. 3-C  
 DOCKET NO. 920655-WS  
 PAGE 1 OF 2

EXPLANATION	WATER	WASTEWATER
<b>(1) OPERATING REVENUES</b>		
a) Reverse utility's proposed rate increase	\$ (4,394,093)	\$ (1,519,000)
b) Correct Marco Shores billing error	11,000	
c) Adjustment to reflect additional effluent revenues		10,000
d) Remove interim rate increase approved in Docket No. 900329-WS		(494,889)
	<u>\$ (4,383,093)</u>	<u>\$ (2,003,889)</u>
<b>(2) OPERATING REVENUES</b>		
a) Adjustment to reduce administrative expenses - allocation to St. Augustine system (S#A1)	(11,722)	(2,755)
b) Reclassification of vendor discounts (S#B3)	(1,496)	(527)
c) Amortization of merger costs (S#B6)	(281)	(99)
d) Remove charitable contributions - (S#B7)	(18)	(6)
e) Remove chamber of commerce and public relation expenditures - (S#B8)	(121)	(42)
f) Remove gas advertising expenses - (S#B9)	(435)	(153)
g) Adjustment to miscellaneous expenses (S#B10)	(8,106)	(2,858)
h) Adjustment to correct overaccrual of materials (S#B11)	(3,316)	
i) Adjustment to remove pay-as-you-go post-retirement benefits (S#B14)	(2,211)	(776)
j) Reclassify expenditures at R.O. Plant - clearing test and rebuilding of lime sludge pump (S#B20)	(4,360)	
k) Recommended reduction to post-retirement benefits	(15,349)	(5,410)
l) Adjustment to assign retirement benefits to construction efforts	(6,198)	(2,184)
m) Adjustment to reflect reduced allowance for bad debt expense	(1,559)	(550)
n) Reduce provision for payroll increase to 3%	(12,121)	(5,095)
o) Adjustment to show office closing costs	(1,994)	(703)
p) Remove wage provision related to gas promotional efforts	(2,335)	(823)
q) Remove expense caused by changing accounting treatment regarding deferred organization costs	(291)	(103)
r) Adjust provision for rate case expense	12,608	4,444
s) Adjustment to show reduced expenses for RO and lime plants	(509,238)	
t) Adjustment to electrical expenses	(14,788)	(5,212)
u) Adjustment to chemical expenses	(12,475)	(4,397)
v) Reduced provision for purchased water	(6,621)	
	<u>\$ (602,427)</u>	<u>\$ (27,249)</u>
<b>(3) DEPRECIATION EXPENSE</b>		
a) Adjustment to reflect retirement of percolation pond (S#B15)	\$	\$ (7,500)
b) Depreciation related to misclassified plant costs	192	
c) Used and useful adjustment to wastewater plant		(46,912)
d) Adjustment to correct double counting error and to show reduced cost of transmission main	(23,958)	
e) Test year additions for RO plant and deep well injection plants	24,450	10,384
f) Adjustment to remove effluent line construction cost		(2,629)
g) Adjustment to show reduced cost of catwalks		(984)
h) Amortization of imputed CIAC		(1,093)
	<u>\$ 684</u>	<u>\$ (48,734)</u>

COMPANY: SSU / COLLIER / MARCO ISLAND  
 ADJUSTMENTS TO OPERATING STATEMENTS - PHASE 1 RATES  
 TEST YEAR ENDED APRIL 30, 1993

SCHEDULE NO. 3-C  
 DOCKET NO. 920655-WS  
 PAGE 2 OF 2

EXPLANATION	WATER	WASTEWATER
<b>(4) TAXES OTHER THAN INCOME TAXES</b>		
a) Regulatory assessment fees related to revenue adjustment	\$ (197,239)	\$ (90,175)
b) Adjustment to remove duplicate payment of intangible taxes (S#B16)	(147)	(52)
c) Used and useful adjustment to property taxes		(8,148)
d) Property taxes related to 160 acre site	(139)	
	<u>\$ (197,525)</u>	<u>\$ (98,375)</u>
<b>(5) INCOME TAXES</b>		
a) Income taxes associated with adjusted test year income	<u>\$ (1,346,256)</u>	<u>\$ (675,885)</u>
<b>(6) OPERATING REVENUES</b>		
a) Adjustment to reflect recommended revenue requirement	<u>\$ 3,402,957</u>	<u>\$ 1,673,797</u>
<b>(7) TAXES OTHER THAN INCOME TAXES</b>		
a) Regulatory assessment taxes on additional revenues	<u>\$ 153,133</u>	<u>\$ 75,321</u>
<b>(8) INCOME TAXES</b>		
a) Income taxes related to recommended income amount	<u>\$ 1,222,909</u>	<u>\$ 601,506</u>

COMPANY: SSU / COLLIER / MARCO ISLAND			SCHEDULE NO. 4-A		
SCHEDULE OF WATER RATE BASE - PHASE 2 RATES			DOCKET NO. 920655-WS		
TEST YEAR ENDED APRIL 30, 1993					
COMPONENT	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR PER UTILITY	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR
1 UTILITY PLANT IN SERVICE	\$ 34,723,838	\$ 0	\$ 34,723,838	\$(298,467)	34,425,371
2 LAND	368,967	0	368,967	(221,000)	147,967
3 NON-USED & USEFUL COMPONENTS	0	0	0	0	0
4 ACCUMULATED DEPRECIATION	(6,166,245)	0	(6,166,245)	(246)	(6,166,491)
5 CIAC	(4,789,508)	0	(4,789,508)	0	(4,789,508)
6 AMORTIZATION OF CIAC	891,099	0	891,099	0	891,099
7 ACQUISITION ADJUSTMENTS - NET	0	0	0	0	0
8 ADVANCES FOR CONSTRUCTION	0	0	0	0	0
9 DEFERRED TAXES	304,548	0	304,548	(66,756)	217,792
10 WORKING CAPITAL ALLOWANCE	220,213	137,448	357,661	(75,303)	282,358
<b>RATE BASE</b>	<b>\$ 25,552,912</b>	<b>\$ 137,448</b>	<b>\$ 25,690,360</b>	<b>\$(681,772)</b>	<b>25,008,588</b>
	=====	=====	=====	=====	=====

COMPANY: SSU / COLLIER / MARCO ISLAND						SCHEDULE NO. 4-B
SCHEDULE OF WASTEWATER RATE BASE - PHASE 2 RATES						DOCKET NO. 920655-WS
TEST YEAR ENDED APRIL 30, 1993						
COMPONENT	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR PER UTILITY	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR	
1 UTILITY PLANT IN SERVICE	\$ 19,368,943	\$ 0	\$ 19,368,943	(58,455)	\$ 19,310,488	
2 LAND	234,336	0	234,336	0	234,336	
3 NON-USED & USEFUL COMPONENTS	(1,681,877)	0	(1,681,877)	(920,815)	(2,602,692)	
4 ACCUMULATED DEPRECIATION	(3,720,709)	0	(3,720,709)	131,614	(3,589,095)	
5 CIAC	(3,967,920)	0	(3,967,920)	(23,100)	(3,991,020)	
6 AMORTIZATION OF CIAC	1,218,644	0	1,218,644	547	1,219,191	
7 ACQUISITION ADJUSTMENTS - NET	0	0	0	0	0	
8 ADVANCES FOR CONSTRUCTION	0	0	0	0	0	
9 DEFERRED TAXES	(139,374)	0	(139,374)	(47,296)	(186,670)	
10 WORKING CAPITAL ALLOWANCE	95,148	5,649	100,797	(3,406)	97,391	
<b>RATE BASE</b>	<b>\$ 11,407,191</b>	<b>\$ 5,649</b>	<b>\$ 11,412,840</b>	<b>(920,911)</b>	<b>\$ 10,491,929</b>	



COMPANY: SSU / COLLIER / MARCO ISLAND  
 ADJUSTMENTS TO RATE BASE - PHASE 2 RATES  
 TEST YEAR ENDED APRIL 30, 1993

SCHEDULE NO. 4-C  
 DOCKET NO. 920655-WS  
 PAGE 1 OF 1

EXPLANATION	WATER	WASTEWATER
<b>(1) UTILITY PLANT IN SERVICE</b>		
a) Adjustment to show retirement of percolation ponds	\$	\$ (135,000)
b) Adjustment to correct double counting error and to show reduced cost of transmission main	(838,558)	
c) Test year additions for RO plant and deep well injection plants	537,911	186,910
d) Adjustment to remove effluent line construction cost		(78,866)
e) Adjustment to show reduced cost of catwalks		(31,499)
f) Adjustment to capitalize misclassified charges (S#B19)	2,180	
	<u>\$ (298,467)</u>	<u>\$ (58,455)</u>
<b>(2) LAND</b>		
a) Adjustment to classify 160 acre site as non-used and useful: property held for future use	\$	<u>(221,000)</u>
<b>(3) NON-USED AND USEFUL PLANT</b>		
a) Used and useful adjustment to wastewater treatment plant includes adjustments for retirements and revised costs		<u>\$ (920,815)</u>
<b>(4) ACCUMULATED DEPRECIATION</b>		
a) Adjustment to show retirement of percolation ponds	\$	\$ 135,000
b) Adjustment to correct double counting error and to show reduced cost of transmission main	11,979	
c) Test year additions for RO plant and deep well injection plants	(12,225)	(5,192)
d) Adjustment to remove effluent line construction cost		1,314
e) Adjustment to show reduced cost of catwalks		492
	<u>\$ (246)</u>	<u>\$ 131,614</u>
<b>CIAC</b>		
a) Imputation of CIAC to offset margin reserve		<u>\$ (23,100)</u>
<b>ACCUMULATED AMORTIZATION</b>		
a) Pro forma provision of amortization of imputed CIAC		<u>\$ 547</u>
<b>DEFERRED INCOME TAXES</b>		
a) Reduced provision for deferred taxes - post-retirement benefits	\$ (2,888)	\$ (1,018)
b) Remove deferred taxes related to interim rates - Docket 900329-WS	(83,868)	(46,278)
	<u>\$ (86,756)</u>	<u>\$ (47,296)</u>
<b>WORKING CAPITAL</b>		
a) Adjustment to agree with recommended operating expenses	\$	<u>(75,303)</u> <u>\$ (3,406)</u>

COMPANY: SSU / COLLIER / MARCO ISLAND  
 CAPITAL STRUCTURE - PHASE 2 RATES  
 TEST YEAR ENDED APRIL 30, 1993

SCHEDULE NO. 5-A  
 DOCKET NO. 920655-WS

DESCRIPTION	ADJUSTED TEST YEAR PER UTILITY	WEIGHT	COST	UTILITY WEIGHTED COST	COMMISSION RECONC. ADJ. TO UTILITY EXHIBIT	BALANCE PER COMMISSION	WEIGHT	COST	WEIGHTED COST PER COMMISSION	
1 LONG TERM DEBT	\$ 74,241,621	46.09%	10.53%	4.85%	\$ (57,397,375)	\$ 16,844,246	47.45%	7.92%	3.76%	
2 SHORT-TERM DEBT	10,000,000	6.21%	6.71%	0.42%	(7,851,612)	2,148,388	6.05%	5.20%	0.31%	
3 PREFERRED STOCK	3,145,284	1.95%	0.00%	0.00%	(2,469,555)	675,729	1.90%	0.00%	0.00%	
4 COMMON EQUITY	72,800,857	45.20%	12.10%	5.47%	(57,160,410)	15,640,447	44.06%	12.19%	5.37%	
5 CUSTOMER DEPOSITS	1,366,291	0.85%	7.64%	0.06%	(1,072,759)	293,532	0.83%	7.64%	0.06%	
7 DEFERRED ITC'S	2,410,038	1.50%	10.78%	0.16%	(1,892,268)	517,770	1.46%	9.44%	0.14%	
8 ADJUSTMENT FOR GAS	(2,884,000)	-1.79%	12.10%	-0.22%	2,264,405	(619,595)	-1.75%	12.19%	-0.21%	
9 TOTAL CAPITAL	\$ 161,080,091	100.00%		10.74%	\$ (125,579,574)	\$ 35,500,517	100.00%		9.43%	
RANGE OF REASONABLENESS							LOW	HIGH		
							-----	-----		
							RETURN ON EQUITY	11.19%	13.19%	
							=====	=====		
							OVERALL RATE OF RETURN	8.99%	9.87%	
							=====	=====		

COMPANY: SSU / COLLIER / MARCO ISLAND		SCHEDULE NO. 5-B			
ADJUSTMENTS TO CAPITAL STRUCTURE - PHASE 2		DOCKET NO. 920655-WS			
TEST YEAR ENDED APRIL 30, 1993					
DESCRIPTION	SPECIFIC ADJUSTMENT (1)	SPECIFIC ADJUSTMENT (2)	PRO RATA RECONCILE	NET ADJUSTMENT	
1 LONG TERM DEBT	\$ 4,162,500	\$ 0	\$ (61,559,875)	\$ (57,397,375)	
2 SHORT-TERM DEBT	0	0	(7,851,612)	(7,851,612)	
3 PREFERRED STOCK	0	0	(2,469,555)	(2,469,555)	
4 COMMON EQUITY	0	0	(57,160,410)	(57,160,410)	
5 CUSTOMER DEPOSITS	0	0	(1,072,759)	(1,072,759)	
6 ACCUM. DEFERRED INCOME TAX	0	0	(1,892,268)	(1,892,268)	
7 OTHER (Explain)	0	0	2,264,405	2,264,405	
8 TOTAL CAPITAL	\$ 4,162,500	\$ 0	\$ (129,742,074)	\$ (125,579,574)	

COMPANY: SSU / COLLIER / MARCO ISLAND						SCHEDULE NO. 6-A	
STATEMENT OF WATER OPERATIONS - PHASE 2 RATES						DOCKET NO. 920655-WS	
TEST YEAR ENDED APRIL 30, 1993							
DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	UTILITY ADJUSTED TEST YEAR	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 4,177,563	\$ 4,394,093	\$ 8,571,656	(\$ 4,383,093)	\$ 4,188,563	\$ 3,203,694	\$ 7,392,257
OPERATING EXPENSES:		105.18%				76.49%	
2 OPERATION AND MAINTENANCE	\$ 1,761,702	\$ 1,099,587	\$ 2,861,289	(\$ 602,427)	\$ 2,258,862	\$	\$ 2,258,862
3 DEPRECIATION	1,365,052	0	1,365,052	684	1,365,736		1,365,736
4 AMORTIZATION	0	0	0	0	0		0
5 TAXES OTHER THAN INCOME	551,432	239,738	791,170	(197,525)	593,645	144,166	737,811
6 INCOME TAXES	(352,000)	1,147,001	795,001	(1,274,651)	(479,650)	1,151,300	671,651
7 TOTAL OPERATING EXPENSES	\$ 3,326,186	\$ 2,486,326	\$ 5,812,512	\$ 9,551,105	\$ 3,738,593	\$ 1,295,467	\$ 5,034,060
8 OPERATING INCOME	\$ 851,377	\$ 1,907,767	\$ 2,759,144	(\$ 13,934,198)	\$ 449,970	\$ 1,908,228	\$ 2,358,198
9 RATE BASE	\$ 25,552,912		\$ 25,690,360		\$ 25,008,588		\$ 25,008,588
RATE OF RETURN	3.33%		10.74%		1.80%		9.43%

COMPANY: SSU / COLLIER / MARCO ISLAND  
 STATEMENT OF WASTEWATER OPERATIONS - PHASE 2 RATES  
 TEST YEAR ENDED APRIL 30, 1993

SCHEDULE NO. 6-B  
 DOCKET NO. 920655-WS

DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	UTILITY ADJUSTED TEST YEAR	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 1,824,777	\$ 1,519,000	\$ 3,343,777	(\$ 2,003,889)	\$ 1,339,888	\$ 1,590,199	2,930,087
OPERATING EXPENSES		83.24%				118.68%	
2 OPERATION AND MAINTENANCE	\$ 761,185	\$ 45,190	\$ 806,375	(\$ 27,249)	\$ 779,126	\$	779,126
3 DEPRECIATION	599,525	0	599,525	(48,734)	550,791		550,791
4 AMORTIZATION	0	0	0	0	0		0
5 TAXES OTHER THAN INCOME	280,991	90,473	371,464	(98,375)	273,089	71,559	344,648
6 INCOME TAXES	(179,887)	520,447	340,560	(645,845)	(305,285)	571,464	266,180
7 TOTAL OPERATING EXPENSES	\$ 1,461,814	\$ 656,110	\$ 2,117,924	(\$ 820,202)	\$ 1,297,722	\$ 643,023	\$ 1,940,746
8 OPERATING INCOME	\$ 362,963	\$ 862,890	\$ 1,225,853	(\$ 1,183,687)	\$ 42,166	\$ 947,176	\$ 989,342
9 RATE BASE	\$ 11,407,191		\$ 11,412,840		\$ 10,491,929		\$ 10,491,929
RATE OF RETURN	3.18%		10.74%		0.40%		9.43%

COMPANY: SSU / COLLIER / MARCO ISLAND		SCHEDULE NO. 6-C	
ADJUSTMENTS TO OPERATING STATEMENTS - PHASE 2 RATES		DOCKET NO. 920655-WS	
TEST YEAR ENDED APRIL 30, 1993		PAGE 1 OF 2	
EXPLANATION	WATER	WASTEWATER	
<b>(1) OPERATING REVENUES</b>			
a) Reverse utility's proposed rate increase	\$ (4,394,093)	\$ (1,519,000)	
b) Correct Marco Shores billing error	11,000		
c) Adjustment to reflect additional effluent revenues		10,000	
d) Remove interim rate increase approved in Docket No. 900329-WS		(494,889)	
	\$ <u>(4,383,093)</u>	\$ <u>(2,003,889)</u>	
<b>(2) OPERATING REVENUES</b>			
a) Adjustment to reduce administrative expenses - allocation to St. Augustine system (S#A1)	(11,722)	(2,755)	
b) Reclassification of vendor discounts (S#B3)	(1,496)	(527)	
c) Amortization of merger costs (S#B6)	(261)	(99)	
d) Remove charitable contributions - (S#B7)	(18)	(6)	
e) Remove chamber of commerce and public relation expenditures - (S#B8)	(121)	(42)	
f) Remove gas advertising expenses - (S#B9)	(435)	(153)	
g) Adjustment to miscellaneous expenses (S#B10)	(8,106)	(2,658)	
h) Adjustment to correct overaccrual of materials (S#B11)	(3,316)		
i) Adjustment to remove pay-as-you-go post-retirement benefits (S#B14)	(2,211)	(776)	
j) Reclassify expenditures at R.O. Plant - clearing test and rebuilding of lime sludge pump (S#B20)	(4,360)		
k) Recommended reduction to post-retirement benefits	(15,349)	(5,410)	
l) Adjustment to assign retirement benefits to construction efforts	(6,198)	(2,184)	
m) Adjustment to reflect reduced allowance for bad debt expense	(1,559)	(550)	
n) Reduce provision for payroll increase to 3%	(12,121)	(5,095)	
o) Adjustment to show office closing costs	(1,994)	(703)	
p) Remove wage provision related to gas promotional efforts	(2,335)	(823)	
q) Remove expense caused by changing accounting treatment regarding deferred organization costs	(291)	(103)	
r) Adjust provision for rate case expense	12,608	4,444	
s) Adjustment to show reduced expenses for RO and lime plants	(509,238)		
t) Adjustment to electrical expenses	(14,788)	(5,212)	
u) Adjustment to chemical expenses	(12,475)	(4,397)	
v) Reduced provision for purchased water	(6,621)		
	\$ <u>(602,427)</u>	\$ <u>(27,249)</u>	
<b>(3) DEPRECIATION EXPENSE</b>			
a) Adjustment to reflect retirement of percolation pond (S#B15)	\$	\$ (7,500)	
b) Depreciation related to misclassified plant costs	192		
c) Used and useful adjustment to wastewater plant		(46,912)	
d) Adjustment to correct double counting error and to show reduced cost of transmission main	(23,958)		
e) Test year additions for RO plant and deep well injection plants	24,450	10,384	
f) Adjustment to remove effluent line construction cost		(2,629)	
g) Adjustment to show reduced cost of catwalks		(984)	
h) Amortization of imputed CIAC		(1,093)	
	\$ <u>684</u>	\$ <u>(48,734)</u>	

COMPANY: SSU / COLLIER / MARCO ISLAND  
 ADJUSTMENTS TO OPERATING STATEMENTS - PHASE 2 RATES  
 TEST YEAR ENDED APRIL 30, 1993

SCHEDULE NO. 6-C  
 DOCKET NO. 920655-WS  
 PAGE 2 OF 2

EXPLANATION	WATER	WASTEWATER
<b>(4) TAXES OTHER THAN INCOME TAXES</b>		
a) Regulatory assessment fees related to revenue adjustment	\$ (197,239)	\$ (90,175)
b) Adjustment to remove duplicate payment of intangible taxes (S#B16)	(147)	(52)
c) Used and useful adjustment to property taxes		(8,148)
d) Property taxes related to 160 acre site	(139)	
	<u>\$ (197,525)</u>	<u>\$ (98,375)</u>
<b>(5) INCOME TAXES</b>		
a) Income taxes associated with adjusted test year income	<u>\$ (1,274,651)</u>	<u>\$ (645,845)</u>
<b>(6) OPERATING REVENUES</b>		
a) Adjustment to reflect recommended revenue requirement	<u>\$ 3,203,694</u>	<u>\$ 1,590,199</u>
<b>(7) TAXES OTHER THAN INCOME TAXES</b>		
a) Regulatory assessment taxes on additional revenues	<u>\$ 144,166</u>	<u>\$ 71,559</u>
<b>(8) INCOME TAXES</b>		
a) Income taxes related to recommended income amount	<u>\$ 1,151,300</u>	<u>\$ 571,464</u>

UTILITY: Southern States Utilities, Inc./Deltona Utilities, Inc.  
 SYSTEM: MARCO ISLAND  
 COUNTY: COLLIER  
 DOCKET NO. 920655-WS  
 PROJECTED TEST YEAR ENDED: APRIL 30, 1993

Schedule 7-A

WATER  
 RATE SCHEDULE

PHASE 1

Monthly Rates

	<u>Prior</u>	<u>Utility Requested Final</u>	<u>Previously Approved Final</u>	<u>Commission Approved Final</u>
<b><u>Residential, Multi-Family, and General Service</u></b>				
Base Facility Charge:				
Meter Size:				
5/8"x3/4"	\$5.81	\$22.25	\$8.19	\$8.08
3/4"	---	\$33.38	\$12.29	\$12.12
1"	\$13.01	\$55.63	\$20.48	\$20.20
1-1/2"	\$24.99	\$111.25	\$40.95	\$40.40
2"	\$39.38	\$178.00	\$65.52	\$64.64
3"	\$77.73	\$356.00	\$131.04	\$129.28
4"	\$120.90	\$556.25	\$204.75	\$202.00
6"	\$240.77	\$1,112.50	\$409.50	\$404.00
8"	\$464.80	\$1,780.00	\$655.20	\$646.40
10"	\$668.15	\$2,558.75	\$941.85	\$929.20
Gallonge Charge per 1,000 G.	\$1.60	\$2.18	\$3.08	\$3.03
<b><u>Bulk Raw Water Service</u></b>				
Base Facility Charge:				
All Meter Sizes	\$99.50	\$99.50	\$120.53	\$120.53
Gallonge Charge per 1,000 G.	\$0.53	\$0.53	\$0.64	\$0.64
<b><u>Private Fire Protection</u></b>				
Meter Size:				
5/8"x3/4"	---	\$7.42	---	---
3/4"	---	\$11.13	---	---
1"	---	\$18.54	---	---
1-1/2"	---	\$37.08	---	---
2"	\$13.81	\$59.33	\$21.84	\$21.55
3"	\$26.59	\$118.67	\$43.68	\$43.09
4"	\$40.98	\$185.42	\$68.25	\$67.33
6"	\$80.94	\$370.83	\$136.50	\$134.67
8"	\$128.89	\$593.33	\$218.40	\$215.47
10"	\$184.84	\$852.92	\$313.95	\$309.73
<b><u>5/8" x 3/4" meter</u></b>				
3 M	\$10.61	\$28.79	\$17.43	\$17.17
5 M	\$13.81	\$33.15	\$23.59	\$23.23
10 M	\$21.81	\$44.05	\$38.99	\$38.38



UTILITY: Southern States Utilities, Inc./Deltona Utilities, Inc.  
 SYSTEM: MARCO ISLAND  
 COUNTY: COLLIER  
 DOCKET NO. 920655-WS  
 PROJECTED TEST YEAR ENDED: APRIL 30, 1993

Schedule 7-B

WATER  
 RATE SCHEDULE

PHASE 2

Monthly Rates

	<u>Prior</u>	<u>Utility Requested Final</u>	<u>Previously Approved Final</u>	<u>Commission Approved Final</u>
<u>Residential, Multi-Family, and General Service</u>				
Base Facility Charge:				
Meter Size:				
5/8"x3/4"	\$5.81	\$22.25	\$7.97	\$7.86
3/4"	---	\$33.38	\$11.96	\$11.79
1"	\$13.01	\$55.63	\$19.93	\$19.65
1-1/2"	\$24.99	\$111.25	\$39.85	\$39.30
2"	\$39.38	\$178.00	\$63.76	\$62.88
3"	\$77.73	\$356.00	\$127.52	\$125.76
4"	\$120.90	\$556.25	\$199.25	\$196.50
6"	\$240.77	\$1,112.50	\$398.50	\$393.00
8"	\$464.80	\$1,780.00	\$637.60	\$628.80
10"	\$668.15	\$2,558.75	\$916.55	\$903.90
Gallonage Charge per 1,000 G.	\$1.60	\$2.18	\$3.00	\$2.95
<u>Bulk Raw Water Service</u>				
Base Facility Charge:				
All Meter Sizes	\$99.50	\$99.50	\$120.53	\$120.53
Gallonage Charge per 1,000 G.	\$0.53	\$0.53	\$0.64	\$0.64
<u>Private Fire Protection</u>				
Meter Size:				
5/8"x3/4"	---	\$7.42	---	---
3/4"	---	\$11.13	---	---
1"	---	\$18.54	---	---
1-1/2"	---	\$37.08	---	---
2"	\$13.81	\$59.33	\$21.25	\$20.96
3"	\$26.59	\$118.67	\$42.51	\$41.92
4"	\$40.98	\$185.42	\$66.42	\$65.50
6"	\$80.94	\$370.83	\$132.83	\$131.00
8"	\$128.89	\$593.33	\$212.53	\$209.60
10"	\$184.84	\$852.92	\$305.52	\$301.30
<u>5/8" x 3/4" meter</u>				
3 M	\$10.61	\$28.79	\$16.97	\$16.71
5 M	\$13.81	\$33.15	\$22.97	\$22.61
10 M	\$21.81	\$44.05	\$37.97	\$37.36