GULF UTILITY COMPANY

REBUTTAL TESTIMONY OF KEITH R. CARDEY

Q. State your name and business address.

A. Keith R. Cardey, 460 Oriole, Elmhurst, IL 60126.

Q. What is your occupation?

A. I am a consultant in the public utility field.

Q. And are you the same Keith R. Cardey who gave direct testimony in this docket?

A. Yes, I am.

RATE BASE

Q. Have you reviewed both Staff's and OPC's proposed adjustments to rate base and if so what are your recommendations?

A. I have reviewed both studies, and in broad measure, these studies do not reflect the operations of the Company in the immediate future when the new rates become effective. Except as noted below, their proposed adjustments should be rejected.

On Exhibit_(KRC-7) I have summarized the adjustments to rate base stemming from Staff's and/or OPC studies that Gulf agrees with. There are four adjustments:

(1) A $2,265 reduction in wastewater plant account (Andrews' rebuttal testimony, page 12).

(2) A decrease of $116,696 in cash working capital (Nixon's rebuttal testimony).

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(3) An increase of $130,228 in Reserves for Depreciation (Andrews' rebuttal testimony, page 8).

(4) increased CIAC in the water operations to reflect the $300,000 grant from South Florida Water Management District's Alternative Water Supply Grant Program (Andrews' rebuttal testimony page 12).

PREPAID CONNECTION FEES

Q. Staff has proposed that prepaid connection fees be deducted in computing rate base. What are your comments?

A. That recommendation is inconsistent with the legal framework in determining just and reasonable rates and should be rejected.

Staff said "these connections appear to be related to plant already in service". There is no study supporting that statement.

A "test year" synchronizes four basic determinants in setting rates namely (1) the revenues produced under the rate structure, (2) the expenses, including depreciation and taxes incurred to produce these revenues, (3) the property (rate base) that provides the service, and (4) return on said rate base. Staff's proposal destroys the orthodox method of

ratemaking outlined above as well as the fundamentals in the MFRs and should be rejected.

The prepaid connection fees relate to future customers and the Company's contractual obligation to meet their service requirement.

In the test year in this case, the investment in non-used and useful plant exceed prepaid connection fees, including the $300,000 to be received in the future from the South Florida Water Management District by 21%. The Company's treatment of prepaid connection fees is consistent with prior rate orders for Gulf. Staff's and OPC's proposed adjustment for prepaid connection fees should be rejected.

MARGIN RESERVE

Q. Mr. Biddy of OPC indicated a utility does not need a marginal reserve. What are your comments?

A. Of course he's wrong. As a public utility, the Company has an obligation to meet the service requirements in its certificated area, including both present and potential customers. A system that is 100% at capacity could not meet that obligation. On this matter, the Commission said this in the Palm Coast case: "Section 367.111(1) Florida Statutes, provides that "each utility shall provide service to the area described in its certificate of authorization

within a reasonable time." In order for a utility to meet its statutory responsibilities, it must have sufficient capacity and investment to meet the existing and changing demands of present and potential customers. Therefore, we have consistently recognized margin reserve as an element in used and useful calculations. Accordingly, we find that a margin reserve must be included in the calculations for used and useful plant for PCUC. (Palm Coast Utility Corporation, Docket No. 951056-WS, Order No. PSC-96-1338-FOF-WS, November 7, 1996)."

The argument normally advanced is marginal reserve serves only customer growth, but in fact, it serves both existing and new customers. Businesses expand and need additional service, homes are remodeled and new dishwashers or garbage disposal units may be installed, families grow requiring more utility service and, as systems get older, losses and infiltration increase, so some margin reserve is needed to meet these changing needs of existing customers.

A good example of the increase from existing customers is the Estero High School. Five years ago it had total pupil enrollment of 1,226, and in 1996 it was 2,451.

In a growth company--and Gulf is growing at 5-7% a year--there is an ongoing investment in margin reserve. As one group of customers take service, a margin reserve must be provided for another group. The Company has a permanent investment in margin reserve.

Q. How is reserve capacity treated in the electric utilities?

A. The margin reserve is included in the rate base and a return on and the return of the investment in the margin reserve is included in consumer rates.

The doctrine that a utility company is entitled to a fair return on property devoted to public service is fundamental to rate regulation and should apply to both electric and water companies. The electric companies receive a fair return through rates charged the general body of customers, while with Gulf Utility Company the stockholder absorbs most of the cost.

In the final analysis, for Gulf to provide safe and adequate service, it must have a margin reserve.

IMPUTED CIAC

Q. Neither Staff or OPC developed a rate base for the test year, so there is no indication of the magnitude of any adjustment where imputed CIAC offsets margin reserve. However Ms. Dismukes, starting on page 20 of

her testimony, indicate such an adjustment should be made. What are your recommendations to the Commission on this matter?

A. It is my recommendation the Commission not impute CIAC to offset margin reserve. I believe imputing CIAC deprives the owners of the Company of a return on and a return of their investment in margin reserve. The Commission has recognized the Company's obligation to meet the service needs of existing customers as well as anticipate the service needs within the area it serves by including the investment in margin reserve in rate base.

When the investment in plant is offset by imputed CIAC, there is a mismatch of economics with the stockholder, in large part, absorbing the cost of meeting this obligation imposed on the Company.

Q. Turning to the water operations, what is the investment in margin reserve and how much if imputed would be offset by CIAC?

A. The margin reserve only applies to the investment in Source of Supply and Water Treatment. The amount allocated to Margin Reserve is 8.0% of the investment in these functions as shown in Exhibit_(KRC-8), Column 6.

A summary of the margin reserve, CIAC if imputed, then

the investment that would be included in rate base is as follows:

Gross Investment	$543,885
Reserve for Depreciation	(146,555)
Net	$397,330
Imputed CIAC	412,500*
Amount Included in Rate Base	$<15,170>

* $550 ERC x 1.5 yrs x $500/ERC = $453,750.

With an ongoing investment of $397,330 (Net Plant) and growing, $15,170 would be deducted from rate base. The loss of earning and loss of capital each year would be:

Return: $412,500 x .0925	$ 38,156
Depreciation Expense: $412,500 x .043	17,737
Annual Loss	$ 55,893

The negative amount of $15,170 results primarily because capacity fees of $550/ERC are based on gross plant while the above computation reflects Reserve For Depreciation of 27% of gross plant.

Included in the investment shown above is the cost of the reuse holding tank and associated pumps, controls, etc. The $300,000 grant from South Florida Water Management District to help financing this project would be recorded as CIAC. Unless further allocations are made to the $300,000 grant, the losses to

stockholders will be substantially greater than shown above.

Imputing CIAC as shown above ignores the Company's obligation to serve the changing demands of present and potential customers. There should be no imputed CIAC in this case.

Q. In proposed rule making Docket No. 960258-WS, two Staff witnesses, namely Mr. Robert J. Crouch, P.E. and Mr. Norwell D. Walker, appeared on behalf of the Staff. Are your recommendations in this case consistent with these two witnesses?

A. Yes, it is. They recommended margin reserve with no imputed CIAC. My testimony is consistent with the two Staff witnesses in the above docket.

RENT

Q. Should the rental charges Gulf is paying on the new office building be included in cost of service?

A. Yes, it should. Mr. Moore in his rebuttal testimony pages 10 to 15 reviewed the factors management took into consideration in leasing the new office, including the fact the rent did not exceed the going market value. Mr. Gatlin advised me that if the lease is equal to comparable prices within the area, that meets the test of reasonableness. In GTE Florida Incorporated v. J. Terry Deason, etc. et al, Appellee

No. 82003; Supreme Court of Florida; July 7, 1994; Section 4; the Supreme Court of Florida states "Mere fact that telephone utility was doing business with affiliate did not mean that unfair or excess profits were being generated, without more, and did not warrant reduction in requested telephone rate increase; rather, standard should have been whether transactions exceeded going market rate or were otherwise inherently unfair". In [3,4] they stated "We do find, however, that the PSC abused its discretion in its decision to reduce in whole or in part certain costs arising from transactions between GTE and its affiliates, GTE Data Services and GTE Supply. The evidence indicates that GTE's costs were no greater than they would have been, had GTE purchased service and supplies elsewhere. The mere fact that a utility is doing business with an affiliate does not mean that unfair or excess profits are being generated without more. Charles F. Phillips, Jr., The Regulation of Public Utilities 54-55 (1988). "We believe the standard must be whether the transactions exceed the going market rate or are otherwise inherently unfair. See id. If the answer is "no", then the PSC may not reject the utility's position. The PSC obviously applied a different

standard, and we thus must reverse the FPSC's determination of this question."

An explanation on page 6 of Gulf's December 6, 1996 response to the Audit Report dated November 25, 1996, discusses the Utility rental charge for the Utility's leased area of the building indicating an independent appraiser give his opinion that $15.00 per month including taxes, maintenance and insurance was a reasonable charge. In addition Lee Memorial Hospital in 1996 leased two-thirds of the building at comparable rental charges Gulf is paying. It is my judgement that the rental charge is reasonable and should be included fully in operating expenses.

PAYROLL - SERVICE PROVIDED CALOOSA

Q. Please comment on Staff's and OPC's allocation of additional payroll to Caloosa.

A. The first observation is that I am the only witness who reviewed the work Gulf's employees perform for Caloosa, reviewed the time each employee spends on Caloosa's work, then priced this time at the present salaries and insurance benefits. The result of this study was that the present allocation of payroll was reasonable as set forth on page 13 and 14 of my direct testimony.

This contrast with Staff and OPC that made no study of

the work performed or the time spent by the personnel who performed the work. Instead they compared the payroll of the 5 employees who do the work for Caloosa with total payroll, which includes plant operator, meter readers and others. This ratio that includes meter readers, plant operators, etc. has absolutely no relationship to the work that the 5 Gulf employees perform for Caloosa or the cost of that work.

Ms. Dismukes attempted to prove the hourly rate the 5 employees receive from Gulf were higher than from Caloosa. Again she failed to deal with the facts and came to the wrong conclusion. While I disagree with her methods, the table shows the error in her study:

	CALOOSA		
	Payments	Hours	Hourly Rate
Mr. Moore	$5,900	104(a)	$56.73
Ms. Andrews	$3,474	42(b)	$82.71

(a) 2080 hrs/yr x 5%

(b) 2080 hrs/yr x 2%

On Exhibit No._(KHD-1) Schedule 6, Ms. Dismukes shows for Mr. Moore an hourly rate of $49.04 for Gulf and $22.69 for Caloosa. As the table shows, the actual hourly rate for Caloosa is $56.73, 2.5 times her computation. A similar error is associated with Ms.

Andrews hourly rate. The payroll adjustments proposed by Staff and OPC for service provided Caloosa should be rejected.

EXPENSES ALLOCATED TO CALOOSA

Q. OPC increased the allocation of office expense to Caloosa. Do you agree with this allocation?

A. No, I do not. Again, OPC used an allocation that does not apply to the facts. OPC used an allocation based upon the payroll of 5 employees who provide a service to Caloosa to total Company payroll that includes plant operators, meter readers, etc. The payroll of 22 employees out of a total of 27 employees has nothing to do with Caloosa. If you start out with an allocation formula that is wrong, you end up with the wrong answer.

Office expenses incurred by Gulf that are partially allocated to Caloosa are security, office cleaning, electric power at the office, office supplies, and pest control. These total $11,280 per year. It's quite obvious the payroll of meter readers or plant operators have nothing to do with these expenses.

Caloosa does have its own telephone and pays for their own stationery and items directly related to Caloosa. The five employees who do work for Caloosa in total spend 2.6% of their time on Caloosa; 2.8% of the

office space was allocated to Caloosa and 2.8% of the common expenses were allocated to Caloosa.

I have found, however, Caloosa should pay an additional $1,400 per year due primarily to the level of office rent.

Water	$ 924
Wastewater	476
	$1,400

Staff's and OPC's adjustments should be rejected by the Commission.

BIDDY'S EXHIBIT TLB-2

USED AND USEFUL CALCULATIONS

WATER OPERATION

Q. Mr. Biddy on Exhibit_(TLB-2) made adjustments to the used and useful determinations made by the Company in the MFR for the water operations. What are your comments?

A. As a general observation he ignored the Commission's findings on this matter in the Company's previous rate case; ignored a requirement for margin reserve, failed to recognize the service needs of Florida Gulf Coast University, and ignored the factual characteristics of the storage facilities. There follows comments related to specific allocations (lines 11-47) on Exhibit_(TLB-2).

WELLS

In the prior case, the Commission found the San Carlos supply and treatment plant 100% used and useful (Order No. 24735, Docket No. 900718-WW, dated 7/1/91). There has been no changes in the plant since that time, and Mr. Biddy in reducing source of supply 14% is inconsistent with that order, and regulatory requirements as stated by Mr. Elliott in his rebuttal testimony, page 7.

With reference to wells at Corkscrew, in the previous case (Docket No. 24735), the Commission included 3 wells in used and useful property, and since then two additional wells were activated for Skid 2 and Skid 3. The MFR's are consistent with the previous case.

Mr. Elliott on page 6 of his rebuttal testimony, after stating the design practice and regulatory requirement, said the used and useful requirements must be in concert with accepted design and regulatory requirements.

Mr. Biddy's proposed adjustment for wells should be rejected.

USED AND USEFUL CALCULATIONS

Mr. Biddy made an adjustment to water treatment plant with no testimony to support the adjustment. Note II on Exhibit_(TLB-1), states..."It is not cost effective

to size water treatment plant to meet instantaneous demands like fire flow and peak hour demands." How peak hour flows or fire flows fit into his determination of used and useful he does not explain. Mr. Biddy distorts the function of the flows developed in the MFR's for determining used and useful. The table below, which is taken from F-3 and F-5 of the MFR, is developed as a reasonable procedure in determining the investment in the supply and treatment facilities utilized in meeting the service obligations of the Company.

Five Day Average (1995)	Flows
3/24/95	3.294 MGD
3/25/95	3.294
3/26/95	2.594
3/27/95	2.255
3/28/95	2.293
Average	2.746
Growth - 1996	0.240
FGCU	0.073
Fire Flows	0.360
Margin Reserve	0.297
	3.716
Plant Capacity	4.215
% Used and Useful	88.2%

The above flows of 3.716 MGD is Gulf's obligation in providing service to its certificated area.

With reference to fire flows, in the design of the plant capacity, peak day flow, excluding fire flows, are used while in rate making, 5 day average flows, plus fire flow are included.

In setting rates, four basic determinants are required, namely (1) the revenue produced under existing rates (2) the expenses, including depreciation and taxes to produce these revenues, (3) the property (Rate Base) to provide the source, and (4) a return on rate base. The 88.2% used and useful shown in the table above is used to determine the investment to meet Gulf's legal obligation of providing adequate service to its certificated area. This method is consistent with the Company's previous rate case, plus every case I have seen before this Commission since the early 1970's.

In the design of treatment facilities, Mr. Elliott on page 11 of his rebuttal testimony stated that peak flows including fire flows, are the determining factors in adding or expanding treatment capacity. The peak day of 1996 was 3.312 MGD.

With reference to the flows shown in the table on page 15, the five day average varies from 2.255 MGD to

3.294 MGD, or a 31% difference. The five day average is not used in the design of treatment plants.

A comparison of the peak flow and the five day average is:

Peak Flow	3.312 mgd
5 Day Average	2.746
Difference	0.566

The difference of 0.566 mgd is greater than fire flows of 0.360 mgd that Mr. Biddy excluded from his calculation.

In conclusion, the flows shown in the MFRs and also on page 15 and 16 of this rebuttal testimony is for the purpose of allocating the investment in wells and treatment facilities that is required to meet the service requirements of Gulf in its certificated area. If Mr. Biddy wants to isolate treatment plants, and exclude fire service, the peak flows plus a margin reserve has to be the basis of the allocation formula. However, Mr. Biddy used 5 day average flows, excluded margin reserve, and has distorted the use of the formula in finding used and useful of treatment plants. His adjustments should be rejected.

WATER TREATMENT PLANTS - ECONOMY OF SCALE

The Company MFR's are consistent with the Commission's finding in the prior rate order 24735. In that order,

the Commission recognized the economics of scale in the construction of the Company's well supply and water treatment facilities, and under this theory any excess capacity is related to the last increment of capacity. The economics of scale in the Corkscrew well field is set forth in Appendix A of the MFR's. In this case, the used and usefulness of the water treatment plants is as follows:

	Capacity	Flows	% Used & Useful
San Carlos WTP	2.415 mg	2.415 mg	100%
Corkscrew WTP			
Skid 1	0.500	0.500	100%
Skid 2	0.500	0.500	100%
Skid 3	0.800	0.301	38%
	4.215 mg	3.716 mg	88%

Under the principle set forth by the Commission in the prior case, the excess capacity is related to Skid 3 which went into service in December 1996. What this does is encourage utilities to build economies and efficiencies into the system.

Mr. Biddy on Exhibit_(TLB-2), page 1, failed to reflect the flow responsibility of the Company and failed to recognize economy of scale in the used and useful computation. His adjustments on water treatment plant should be rejected.

LAND - CORKSCREW WTP

In the prior case, the land at Corkscrew WTP was found to be 100% used and useful by the Commission. Nothing has changed since that case.

Mr. Messner, in his rebuttal testimony, page 12, has shown the land at the plant is used in the day-to-day operations of the Company. Mr. Biddy's adjustment should be rejected.

STORAGE

Mr. Biddy on TLB-2, line 36 and 40, says the storage facilities are 70.07% used and useful.

He does not say how the 70.07% was arrived at but it apparently represents what he called "dead" storage in the tank. Mr. Elliott, on pages 8 and 9 of his rebuttal testimony, pointed out the errors in Mr. Biddy's discussion on the subject and again Mr. Biddy's adjustment should be rejected.

BIDDY'S EXHIBIT TLB-2

USED AND USEFUL CALCULATION

WASTEWATER OPERATIONS

Q. Mr. Biddy on Exhibit_(TLB-3) made adjustments to the used and useful determination made by the Company in the MFR for the wastewater operations. What are your comments?

A. As an opening statement, Mr. Biddy's proposed

adjustment should be rejected by the Commission.

A comparison of Exhibit_(TLB-3) and the Company's determination of used and useful of the wastewater treatment plant plus Mr. Elliott's rebuttal testimony will show why Mr. Biddy is wrong.

On Exhibit_(KRC-9) is a comparison of the two studies. My comments are:

(1) The capacity of the plants are the same in both studies, namely 0.968 MGD.

(2) The difference in 1995 flows (lines 6 and 7) is OPC used the annual average flows on the San Carlos Plant while the Company used the peak month flows in August 1995, and both studies used peak month flows at Three Oaks.

The Company followed the same procedure as set forth in the prior rate order. (Order 20272, dated 11/7/88).

(3) The difference in growth stem from both a difference in ERC growth and gals usage per ERC. Note 2 (line 35) of Mr. Biddy's Exhibit_(TLB-3) indicates he determined growth using the ratio of 1996 ERC to 1995 ERC. Using that ratio, the results would be:

1996 ERC	4002
1995	3458

Ratio 1.157

1996 flows 1.157 x 628,749

(1995 flows) = 727,463 mg

1996 Growth 98,714

Mr. Biddy used a growth of 0.075 in the exhibit, which understated the growth as shown above.

More fundamentally, Gulf used a growth of 507 ERC and 250 gallon per ERC. The 507 ERC growth is detailed by customer classes on page 17 of Cardey's direct testimony and the 250 gals/ERC is set forth in the Company's tariffs and was used in the Company's previous rate order.

Another difference is the Company included the flows from Florida Gulf Coast University while OPC did not. Mr. Moore, in his rebuttal testimony, pages 28 and 29 has justified the inclusion of FGCU in the test year.

(4) On line 10, the Company included margin reserve while OPC excluded it.

As indicated on page 3 of my rebuttal testimony and Mr. Elliott's rebuttal testimony pages 2-5, margin reserve is needed if the Company is to provide safe and adequate service in its certificated area.

Again, by omitting margin reserve, Mr. Biddy has

an error in his calculation of used and useful. If Mr. Biddy corrected the error in his study, the percent used and useful would exceed 100%.

Q. Turning now to line 12 through 31 of Mr. Biddy's Exhibit_(TLB-3), please comment on the adjustments to the investment accounts shown.

A. My comments are these.

(1) Treatment Plant and Effluent Disposal: (lines 12-14) - As I have just pointed out, Mr. Biddy has errors in his used and useful calculation, and if corrected, would show the plants are 100% used and useful.

The fact that the Company has obtained permits, taken bids, and intends to let a contract to expand the Three Oaks Treatment Plant is further evidence the existing plants are fully loaded.

(2) Land and Land Rights. Mr. Messner, in his rebuttal testimony, has shown the plant site is fully utilized and Mr. Biddy's adjustment should be disallowed.

(3) Effluent Disposal/Reuse Facilities. Mr. Biddy used the same percent used and useful as for treatment plants. As pointed out in (1) above, Mr. Biddy's error in his calculations carry over to this adjustment and should be rejected.

(4) <u>On-Site Effluent Storage.</u> Mr. Elliott in his rebuttal testimony, pages 5 and 6, pointed out the tanks are needed for compliance with DEP Rule 62-610 requiring Class 1 reliability. Likewise the second chlorine tank is needed to meet the requirement of the same rule.

This adjustment should likewise be rejected.

Q. Does that conclude your rebuttal testimony?

A. Yes, it does.

Exhibit _____ (KRC-7)
Docket No. 960329-WS
Witness: Cardey

GULF UTILITY COMPANY

TEST YEAR RATE BASE, AS ADJUSTED

Gulf Utility Company
Water Operations
Test Year Rate Base as Adjusted

Exhibit _____ (KRC -7)
Schedule 1
Docket No. 980329-WS
Witness: Cardey

Line No.	(1) Description	(2) Adjusted Utility Balance (a)	(3) Adjustment	(4) As Adjusted
1	Utility Plant in Service	$ 18,494,782		$ 18,494,782
2	Utility Land & land Rights	200,372		200,372
3	Non-Used & Useful Plant (Net)	(1,075,489)		(1,075,489)
4	Accumulated Depreciation	(4,266,892)	(87,458)	(4,354,350)
5	CIAC	(12,220,685)	(300,000)	(12,520,685)
6	Accumulated Amortization CIAC	2,942,325		2,942,325
7	Advances for Construction	(4,885)		(4,885)
8	Working Capital Allowance	358,144	(77,019)	281,125
9	Total Water Rate Base	$ 4,427,672	$ (464,477)	$ 3,963,195

(a) Source: Schedule A-2, Page 1 of MFR

Gulf Utility Company
Wastewater Operations
Test Year Rate Base as Adjusted

Exhibit _____ (KRC-7)
Schedule 2
Docket No. 980329-WS
Witness: Cardey

Line No.	(1) Description	(2) Adjusted Utility Balance (a)	(3) Adjustment	(4) As Adjusted
1	Utility Plant in Service	$ 14,282,349	$ (2,265)	$ 14,280,084
2	Utility Land & land Rights	473,626		473,626
3	Non-Used & Useful Plant (Net)			
4	Accumulated Depreciation	(2,978,837)	(42,770)	(3,021,607)
5	CIAC	(9,060,383)		(9,060,383)
6	Accumulated Amortization CIAC	1,976,074		1,976,074
7	Advances for Construction			
8	Working Capital Allowance	235,467	(39,677)	195,790
9	Total Sewer Rate Base	$ 4,928,296	$ (84,712)	$ 4,843,584

(a) Source: Schedule A-2 Page 1 of MFR

Gulf Utility Company
Water Operations
Average Investment and Margin Reserve

Exhibit _____ (KRC-8)
Docket No. 980329-WS
Witness: Cardey

Line No.	(1) Description	(2) 12/31/98	(3) Non-Used & Useful	(4) Rate Base	(5) Margin Percent	(6) Reserve Amount
1	Utility Plant					
2	Source of Supply	$ 2,366,746	$ (241,215)	$ 2,125,531		
3	Water Treatment	3,811,056		3,811,056		
4	Skid #3 - Corkscrew WTP	1,794,445	(932,465)	861,980		
5	Sub-total	7,972,247	(1,173,680)	6,798,567	8.0%	543,885
6	Reserve for Depreciation					
7	Source of Supply	(613,525)	47,261	(566,264)		
8	Water Treatment	(1,223,383)		(1,223,383)		
9	Skid #3 - Corkscrew WTP	(93,220)	50,930	(42,290)		
10	Sub-Total	(1,930,128)	98,191	(1,831,937)	8.0%	(146,555)
11	Net Plant	$ 6,042,119	$ (1,075,489)	$ 4,966,630		397,330

(a) Source: Sch. F-1
0.297 MGD/3.718 MGD = 8.0%

Gulf Utility Company
Wastewater Operations
Comparison of Company MFR and OPC's Determination of Used and Useful

Exhibit _____ (KRC-9)
Docket No. 960329-WS
Witness: Cardey

Line No.	(1) Description	(2) MFR	(3) OPC
		MGD	
1	Capacity of Plant:		
2	San Carlos WWTP	0.218	0.218
3	Three Oaks WWTP	0.750	0.750
4		0.968	0.968
5	Flows:		
6	San Carlos WWTP (1995)	0.245 *	0.200
7	Three Oaks WWTP (1995)	0.426 *	0.428
8	Growth - 1996	0.127	0.075
9	Florida Gulf Coast Universalty	0.052	--
10	Margin Reserve	0.300	--
11		1.149	0.703
12	Percent Used and Useful	1.187	0.726

* Rounded to 0.670 MGD