STATE OF FLORIDA

Commissioners: JOE GARCIA, CHAIRMAN J. TERRY DEASON SUSAN F. CLARK E. LEON JACOBS, JR. LILA A. JABER



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DIVISION OF LEGAL SERVICE NOREEN S. DAVIS DIRECTOR (850) 413-6199

Public Service Commission

June 30, 2000

Mr. Martin S. Friedman Rose, Sundstrom & Bentley, LLP 2548 Blairstone Pines Drive Tallahassee, Florida 32301

> Re: Docket No. 990080-WS - Complaint and request for hearing by Linda J. McKenna and 54 petitioners regarding unfair rates and charges of Shangri-La by the Lake Utilities, Inc. in Lake County.

Dear Mr. Friedman:

Per your request, staff has estimated the financial impact of the Office of Public Counsel's proposed used and useful adjustments to the rates of Shangri-La by the Lake Utilities, Inc., and proposed refund. Staff has prepared these estimates to assist the Utility and the Office of Public Counsel in settlement negotiations only. This letter should not be construed to reflect the position that the staff of the Florida Public Service Commission will take if this matter proceeds to hearing.

Staff has calculated new rates for three different options, which will be explained in more detail below. Also, staff has estimated the total company-wide refunds based upon a comparison of the utility's current rates to the protested PAA rates and each of the three new rate options. A comparison of the rate base, operating revenues, operating income, rates, and potential refunds for each option is shown on Attachment A. Supporting data for the new rate calculations is shown on Attachments B through G.

APP _____ CAF _____ COMP _____ CTR _____ ECR _____ LEG _____ PAI ____ RGO _____ SEC ____ SER ____ OTH

<u>RATES</u>

In preparing these estimates, staff reviewed Mr. Ted L. Biddy's used and useful calculations as shown on his schedule entitled "December 10, 1999 Revisions to Calculated Rate Base and Comparison to PSC Staff Estimates", as provided by the Office of Public Counsel. During our review, staff noted several minor discrepancies between staff's and Mr. Biddy's plant-in-service estimates. Staff was not able to determine the cause of the discrepancies from the information shown on that schedule, and thus, were unable to adjust our estimates to match Mr. Biddy's estimates

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Accordingly, staff advised Mr. Steve Burgess with the Office of Public Counsel of the discrepancies. Mr. Burgess indicated that he was agreeable to staff using our numbers rather than Mr. Biddy's for this stage of the calculations. Therefore, we have used our plant-in-service figures as reflected in protested Order No. PSC-00-0259-PAA-WS as the starting point in the new calculations.

However, staff has not yet conducted a detailed analysis of how Mr. Biddy determined the used and useful percentages shown on that schedule. Although we are using Mr. Biddy's proposed used and useful percentages in our calculations, this should not be construed as staff's agreement with or the Commission's approval of those percentages.

As stated above, staff has calculated new rates for three different options. They are as follows:

Option 1: Used & Useful Adjustment to Wastewater Treatment Plant Only

- <u>Option 2</u>: Used & Useful Adjustment to Wastewater Treatment Plant, and Water and Wastewater Lines **Excluding** Services and Meters
- <u>Option 3</u>: Used & Useful Adjustment to Wastewater Treatment Plant, and Water and Wastewater Lines **Including** Services and Meters

Mr. Biddy has proposed making used and useful adjustments to the water transmission and distribution system, wastewater collection system, and wastewater treatment plant, including services and meters. Staff's preliminary opinion is that it is inappropriate to adjust the water and wastewater lines in this case because the lines and services are of the minimum size necessary to serve the existing customers. Therefore, under **Option 1** staff has calculated new wastewater rates reflecting Mr. Biddy's proposed used and useful adjustment to the wastewater treatment plant only. This adjustment does not affect the water rates, therefore, the Option 1 water rates are the same as the PAA rates proposed by Order No. PSC-00-0259-PAA-WS.

Additionally, Commission practice is that a used and useful adjustment is not made to services or meters. Staff's preliminary opinion is that even if Mr. Biddy's proposal to adjust lines is accepted, the used and useful adjustment should not be applied to the water and wastewater services or water meters. Therefore, under **Option 2** staff has calculated new water and wastewater rates which reflect Mr. Biddy's proposed used and useful adjustments to the wastewater treatment plant, the wastewater collection system <u>excluding services</u>, and water transmission and distribution system <u>excluding services and meters</u>.

Finally, **Option 3** reflects Mr. Biddy's proposed used and useful adjustments, including an adjustment to services and meters. The non used and useful adjustments differ from those shown on Mr. Biddy's schedule due to the plant-in-service discrepancies mentioned above.

Mr. Martin S. Friedman Page 3 June 30, 2000

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Attachments B-1 and B-2 show staff's starting plant in service and depreciation figures for water and wastewater, respectively. A breakdown of plant into four categories is shown at the bottom left hand corner of each schedule. That breakdown is carried forward to Attachment C, which shows staff's calculation of the non used and useful adjustments using Mr. Biddy's proposed percentages.

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Attachments D through G are the rate base, adjustments to rate base, capital structure, operating income, and adjustments to operating income schedules for the protested PAA rates and three new rate options. The non used and useful plant and depreciation adjustments are shown on Schedule No. 1-B, Section C, of each attachment. The corresponding depreciation expense adjustment is shown on Schedule No. 3-B, Section B, of each attachment. The adjustments can be tied back to the used and useful calculations shown on Attachment C.

<u>REFUNDS</u>

As stated above, staff has estimated the potential refund between the utility's current rates, and the PAA, Option 1, Option 2, and Option 3 rates. Again, the estimated total refunds are shown at the bottom of **Attachment A**. We must stress that these estimates are based on incomplete information, are preliminary in nature, and are subject to further review. Any refunds resulting from this proceeding will be based upon the utility's actual records and thus, the refund may be higher or lower than estimated by staff.

For purposes of the refund calculation, staff has estimated that the five houses located outside the mobile home park began being billed the current water rates in March of 1996. The five houses outside the mobile home park are on septic tanks and do not receive wastewater service from the Utility. Therefore, only the water refund would apply to those customers. As to billing of the customers within the mobile home park, the Utility began billing separately for water and wastewater service in January 1999. Therefore, the estimated water refunds cover the time period from March 1996 through July 2000. The estimated wastewater refunds cover the shorter time period from January 1999 through July 2000, for the mobile home park only.

Staff estimated the refunds based upon meter reading records for January and February 1999, a report of customers improperly billed and already refunded for January and February 1999 service, utility billing reports for the mobile home park which have been submitted monthly by the utility from March 1999 to the present, and water billing data for the five houses for the time period from February 2000 through June 2000. The refund calculation spreadsheets are quite lengthy, therefore, staff is not providing the supporting documentation for those calculations at this time. However, we will make that data available if deemed necessary.

Mr. Martin S. Friedman Page 4 June 30, 2000

As stated previously, this document was prepared to assist the Utility and Office of Public Counsel in settlement negotiations, and in no way binds the Commission, nor should this document be construed as being supported by the Commission staff. Furthermore, this document in no way reflects the position that the staff will take if this matter proceeds to hearing.

In conclusion, we hope this information will be helpful to both parties. If you have any questions, please feel free to call me at (850) 413-6185.

Sincerely, D. Tyler Van Leuven

Staff Attorney

DTV/MAG/dm

Attachments (7)

cc: (with attachments)

Office of Public Counsel (Burgess) Division of Appeals (Brown) Division of Policy Analysis & Interagency Liaison (Golden) Division of Regulatory Oversight (Rieger) Division of Economic Regulation (Devlin) Division of Records and Reporting

(without attachments) Division of Legal Services (Gervasi) Division of Policy Analysis & Interagency Liaison (J. Williams) Division of Regulatory Oversight (Hoppe)

SHANGRI-LA BY THE LAKE UTILITIES, INC. DOCKET NO. 990080-WS COMPARISON OF RATES WITH VARIOUS NON USED & USEFUL ADJUSTMENTS

	PAA Rates	Option 1	Option 2	Option 3
Rate Base Reduction from PAA Rates	\$52,454	\$52,454 \$0	\$49,424 (\$3,030)	\$45,822 (\$6,632)
Operating Revenues Reduction from PAA Rates	\$36,950	\$36,950 \$0	\$36,486 (\$464)	\$35,863 (\$1,087)
Operating Income Reduction from PAA Rates	\$5,673	\$5,673 \$0	\$5,345 (\$328)	\$4,956 (\$717)
Rates for 5/8" x 3/4" meter size: Base Facility Charge Gallonage Charge	\$12.87 \$1.22	\$12.87 \$1.22	\$12.80 \$1.19	\$12.67 \$1.16
Average Bill: 3,000 gallons per month 5,000 gallons per month 6,000 gallons per month 10,000 gallons per month	\$16.53 \$18.97 \$20.19 \$25.07	\$16.53 \$18.97 \$20.19 \$25.07	\$16.37 \$18.75 \$19.94 \$24.70	\$16.15 \$18.47 \$19.63 \$24.27

WASTEWATER SYSTEM

	PAA Rates	Option 1	Option 2	Option 3
Rate Base	\$45,563	\$36,176	\$31,533	\$30,981
Reduction from PAA Rates		(\$9,387)	(\$14,030)	(\$14,582)
Operating Revenues	\$39,715	\$36.672	\$35.811	\$35.722
Reduction from PAA Rates		(\$3,043)	(\$3,904)	(\$3,993)
Operating Income	\$4.928	\$3.913	\$3,410	\$3,351
Reduction from PAA Rates		(\$1,015)	(\$1,518)	(\$1,577)
Rates for 5/8" x 3/4" meter size:				
Base Facility Charge	\$9.91	\$8.69	\$8.49	\$8.47
Gallonage Charge (6,000 gpm cap)	\$2.43	\$2.32	\$2.27	\$2.26
Average Bill:				
3,000 gallons per month	\$17.20	\$15.65	\$15.30	\$15.25
5,000 gallons per month	\$22.06	\$20.29	\$19.84	\$19.77
6,000 gallons per month	\$24.49	\$22.61	\$22.11	\$22.03
10,000 gallons per month	\$24.49	\$22.61	\$22.11	\$22.03

	PAA Rates	Option 1	Option 2	Option 3
Water System Wastewater System Total Refund	\$420 <u>\$4,035</u> <u>\$4,454</u>	\$420 <u>\$6,998</u> \$7,417	\$861 <u>\$7,615</u> \$8,476	\$1,453 <u>\$7,697</u> <u>\$9,150</u>

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ACCUMULATED DEPRECIATION - WATER

Shangri-La By The Lake Utilities, Inc.

Docket No. 940653-WS

As of June 30, 1994

NOTE: Original file adjusted to remove lines from Phase IIB and Phase IIIA that were never constructed; filename sl-depw2.wk3

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Acct. No.	Description	Amount	Year Installed	No. Years Thru 1983	No. Years Thru Beg. of Test Year 6-30-93	Avg. Serv Life	Depr. Rate 1984	2.5% Acc. Depr. Thru 1983	Additional Depreciation 1984 Thru Beg. of Test Year 1984 to 6/30/93	Beginning Balance at Beg. of Test Year 6/30/93	Test Year Depreciation Expense	Ending Acc. Depr. Balance at End of Test Year 6/30/94	Averaging Adjustment	Average Balance
301	Organization	\$750	1994			40	2.5000%	\$0.00	\$0.00	\$0.00	\$18.75	\$18.75	\$9.38	\$9.38
307	Wells & Springs	\$12,500	1980	4.00	9.50	27	3.7037%	\$1,250.00	\$4,398.15	\$5,648.15	\$462.96	\$6,111.11	\$231.48	\$5,879.63
309	Supply Mains	\$300	1994			32	3.1250%	\$0.00	\$0.00	\$0.00	\$9.38	\$9.38	\$4. 69	\$4.69
311	Pumping Equipment	\$800 \$364 \$1,760 \$575	1980 1994 1993 1994	4.00 	9.50 0.50	-	5.8824% 5.8824% 6.6667% 6.6667%	\$80.00 \$0.00 \$0.00 \$0.00 \$0.00	\$447.06 \$0.00 \$58.67 \$0.00	\$527.06 \$0.00 \$58.67 \$0.00	\$47.06 \$21.41 \$117.33 \$38.33	\$574.12 \$21.41 \$176.00 \$38.33	\$23.53 \$10.71 \$58.67 \$19.17	\$550.59 \$10.71 \$117.33 \$19.17
320	Water Treatment Equipment Chlorination Equipment Chlorination Equipment	\$7,800 \$900 \$205	1980 1980 1994	4.00 4.00 	9.50 9.50	7	5.8824% 14.2857% 14.2857%	\$780.00 \$90.00 \$0.00	\$4,358.82 \$1,221.43 \$0.00	\$5,138.82 \$1,311.43 \$0.00	\$458.82 \$128.57 \$29.29	\$5,597.65 \$1,440.00 \$29.29	\$229.41 \$64.29 \$14.64	\$5,368.24 \$1,375.71 \$14.64
330	Steel Pneumatic Tank	\$1,500	1980	4.00	9.50	30	3.3333%	\$150.00	\$475.00	\$625.00	\$50.00	\$675.00	\$25.00	\$650.00
331	Transmission & Dist. Mains	\$15,069 \$2,460 \$2,460 \$2,614 \$3,895	1980 1981 1982 1983 1991	4.00 3.00 2.00 1.00	9.50 9.50 9.50 9.50 2.50	38 38 38 38 38	2.6316% 2.6316% 2.6316% 2.6316% 2.6316%	\$1,506.93 \$184.52 \$123.01 \$65.35 \$0.00	\$3,767.33 \$615.07 \$615.07 \$653.52 \$256.25	\$5,274.27 \$799.60 \$738.09 \$718.87 \$256.25	\$396.56 \$64.74 \$64.74 \$68.79 \$102.50	\$5,670.83 \$864.34 \$802.83 \$787.66 \$358.75	\$198.28 \$32.37 \$32.37 \$34.40 \$51.25	\$5,472.55 \$831.97 \$770.46 \$753.26 \$307.50
333	Services	\$4,900 \$800 \$800 \$850 \$325	1980 1981 1982 1983 1991	4.00 3.00 2.00 1.00	9.50 9.50 9.50 9.50 2.50	35 35 35 35 35		\$490.00 \$60.00 \$40.00 \$21.25 \$0.00	\$1,330.00 \$217.14 \$217.14 \$230.71 \$23.21	\$1,820.00 \$277.14 \$257.14 \$251.96 \$23.21	\$140.00 \$22.86 \$22.86 \$24.29 \$9.29	\$1,960.00 \$300.00 \$280.00 \$276.25 \$32.50	\$70.00 \$11.43 \$11.43 \$12.14 \$4.64	\$1,890.00 \$288.57 \$268.57 \$264.11 \$27.86
334	Meters and Meter Installations (\$125 *135 future meters)	\$625 <u>\$16.875</u>	1991 1996		2.50 	17 17	5.8824% 5.8824%	\$0.00 \$0,00	\$91.91 \$0.00	\$91.91 <u>\$0.00</u>	\$36.76 <u>\$992.65</u>	\$128.68 <u>\$992.65</u>	\$18.38 <u>\$496.32</u>	\$110.29 <u>\$496.32</u>
	Total	<u>\$79.128</u>								<u>\$23.818</u>	<u>\$3,328</u>	<u>\$27.146</u>	<u>\$1.664</u>	<u>\$25.482</u>

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PLANT BREAKDOWN FOR USED & USEFUL CALCULATION:

Organization: Account 301 (Total = \$750)

Trans & Dist System: Account 331 (Total = \$26,499)

Services & Meters: Accounts 333 & 334 (Total = \$25,175)

Treatment Plant: Accounts 307, 309, 311, 320, 330 (Total = \$26,704)

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ACCUMULATED DEPRECIATION - WASTEWATER Shangri-La By The Lake Utilities, Inc.

Docket No. 940653-WS

As of June 30, 1994

NOTE: Original file adjusted to remove lines from Phase IIB and Phase IIIA that were never constructed; filename sI-deps2.wk3

	· · · · ·	• ;			No. Years				Additional Depreciation	Beginning	,	Ending Acc. Depr.		
	:			No.	Thru	_	_	2.5%	1984 Thru	Balance		Balance		
Acct.				Years	Beg. of	Avg.	Depr.	Acc. Depr.	Beg. of Test	at Beg. of	Test Year	at End of		
No.	Description	A	Year	Thru	Test Year		Rate	Thru	Year	Test Year	Depreciation	Test Year	Averaging	Average
NO.	Description	Amount	Installed	1983	6-30-93	Life	1984	1983	1984 to 6/30/93	6/30/93	Expense	6/30/94	Adjustment	Baiance
351	Organization	\$750	1994			40	2.5000%	\$0.00	\$0.00	\$0.00	\$18.75	\$18.75	\$9,38	\$9.38
354	Structures & Improvements	\$6,080	1980	4.00	9.50	27	3.7037%	\$608.00	\$2,139.26	\$2,747.26	\$225.19	\$2,972.44	\$112.59	\$2,859.85
360	Collection Sewers - Force	\$2,092	1980	4.00	9.50	27	3.7037%	\$209.20	\$736.07	\$945.27	\$77.48	\$1,022.76	\$38.74	\$984.01
	*Note: Showing all of Phase II	\$1,046	1981	3.00	9.50	27	3.7037%	\$78.45	\$368.04	\$ 446.49	\$38.74	\$485.23	\$19.37	\$465.86
	forcemain in 1981 instead of	\$0	1982	2.00	9.50	27	3.7037%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	splitting between 3 years	\$0	1983	1.00	9.50	27	3.7037%	\$0.00	\$ 0.00	\$0.00	\$0.00	\$0.00	\$0 .00	\$0.00
361	Collection Sewers - Gravity	\$10,322	1980	4.00	9.50	40	2.5000%	\$1,032.20	\$2,451.48	\$3,483.68	\$258.05	\$3,741.73	\$129.03	\$3.612.70
		\$1,685	1981	3.00	9.50	40	2.5000%	\$126.39	\$400.24	\$526.63	\$42.13	\$568.76	\$21.07	\$547.70
	· · · · · · · · · · · · · · · · · · ·	\$1,685	1982	2.00	9.50	40	2.5000%	\$84.26	\$400.24	\$484.50	\$42.13	\$526.63	\$21.07	\$505.57
		\$1,791	1983	1.00	9.50	40	2.5000%	\$44.76		\$470.02	\$44.76		-	•
	Manholes	\$3,000	1980	4.00		27			\$425.26			\$514.78	\$22.38	\$492.40
	Hermore's				9.50		3.7037%	\$300.00	\$1,055.56	\$1,355.56	\$111.11	\$1,466.67	\$55.56	\$1,411.11
		\$500	1981	3.00	9.50		3.7037%	\$37.50	\$175.93	\$213.43	\$18.52	\$231.94	\$9.26	\$222.69
	1	\$500	1982	2.00	9.50	27	3.7037%	\$25.00	\$175.93	\$200.93	\$18.52	\$219.44	\$9.26	\$210.19
	:	\$500	1983	1.00	9.50	27	3.7037%	\$12.50	\$175.93	\$188.43	\$18.52	\$206.94	\$9.26	\$197.69
362	Special Collecting Structures	\$120	1993		0.50	37	2.7027%	\$0.00	\$1.62	\$1.62	\$3.24	\$4.86	\$1.62	\$3.24
		\$80	1994			37	2.7027%	\$0.00	\$0.00	\$0.00	\$2.16	\$2.16	\$1.08	\$1.08
363	Services to Customers	\$3,430	1980	4.00	9.50	35	2.8571%	\$343.00	\$931.00	\$1,274.00	\$98.00	\$1,372.00	\$49.00	\$1,323.00
		\$560	1981	3.00	9.50	35	2.8571%	\$42.00	\$152.00	\$194.00	\$16.00	\$210.00	\$8.00	\$202.00
		\$560	1982	2.00	9.50	35	2.8571%	\$28.00	\$152.00	\$180.00	\$16.00	\$196.00	\$8.00	\$188.00
		\$595	1983	1.00	9.50	35	2.8571%	\$14.88	\$161.50	\$176.38	\$17.00	\$193.38	\$8.50	\$184.88
364	Flow Measuring Devices	\$2,474	1993		0.50	5	20.0000%	\$0.00	\$247.40	\$247.40	\$494.80	\$742.20	\$247.40	\$494.80
	•								1					
365	Flow Measuring Installations	\$2,540	1993		0.50	35	2.8571%	\$0.00	\$36.29	\$36.29	\$72.57	\$108.86	\$36.29	\$72.57
370	Receiving Wells	\$8,000 j	1980	4.00	9.50	25	4.0000%	\$800.00	\$3,040.00	\$3,840.00	\$320.00	\$4,160.00	\$160.00	\$4,000.00
	Note: Only have 2 lift stations	\$8,000	1981	3.00	9.50	25	4.0000%	\$600.00	\$3,040.00	\$3,640.00	\$320.00	\$3,960.00	\$160.00	\$3,800.00
	instead of 5, so showing one for	\$0	1982	2.00	9.50	25	4.0000%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
:	Phase I in 1980 & one for Phase II in 1981	\$0	1983	1.00	9.50	25	4.0000%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
371	Pumping Equipment	\$420	1980	4.00	9.50	15	6.6667%	\$42.00	\$266.00	\$308.00	\$28.00	\$336.00	\$14.00	\$322.00
380	Treatment & Disposal Equip.	\$25,000	1980	4.00	9.50	15	6.6667%	\$2,500.00	\$15,833.33	\$18,333.33	\$1,666.67	\$20,000.00	\$833.33	\$19,166.67
		\$3,500	1980	4.00	9.50	15	6.6667%	\$350.00	\$2,216.67	\$2,566.67	\$233.33	\$2,800.00	\$116.67	\$2,683.33
		\$899 :	1993		0.50	18	5.5556%	\$0.00	\$24.97	\$24.97	\$49.94	\$74.92	\$24 .97	\$49.94
393	Tools, Shop & Garage Equip.	\$203	1994			15	6.6667%	\$0.00	\$0.00.	<u>\$0.00</u>	<u>\$13,53</u>	<u>\$13,53</u>	\$6 .77	<u>\$6.77</u>
		\$86.332				;				<u>\$41.885</u>	<u>\$4,265</u>	<u>\$46.150</u>	<u>\$2.133</u>	<u>\$44.017</u>
	PLANT BREAKDOWN FOR USED Other Plant & Org: Accounts 351 & Collection System: Accounts 360, 3 Services: Account 363 (Total = \$5.	393 (Total = \$ 61, 362, 364, 3	953)		4,334)									
	Treatment Plant: Accounts 354, 37	. ,	\$35,899)								:			
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SHANGRI-LA BY THE LAKE UTILITIES, INC. DOCKET NO. 990080-WS USED & USEFUL CALCULATIONS

TYPE OF PLANT	PSC PLANT NUMBERS	PSC ACCUM DEPR	OPC USED & USEFUL %	OPC NON- USED & USEFUL %	RESULTING USED & USEFUL PLANT	RESULTING NON-U&U PLANT	RESULTING NON-U&U ACCUM DEPR	NET NON- U&U ADJ	depr. Expense	RESULTING NON-U&U EXPENSE
Water:	· ·						+	· · ·· ··		
Organization	\$750	(\$9)	100.00%	0.00%	\$750	\$-0	\$0	\$0	\$19	\$-0
Trans & Dist System	\$26,499	(\$8,136)	83.50%	16.50%	\$22,127	(\$4,372)	\$1,342	(\$3,030)	\$697	(\$115)
Services & Meters	\$25,175	(\$3,346)	83.50%	16.50%	\$21,021	(\$4,154)	\$552	(\$3,602)	\$1,249	(\$206)
Treatment Plant	\$26.704	(\$13.991)	100.00%	0.00%	<u>\$26,704</u>	\$-0	<u>\$0</u>	<u>\$0</u>	<u>\$1,363</u>	<u>\$-0</u>
Sub-Total	\$79,128	(\$25,482)			\$70.602	(\$8,526)	\$1,895	(\$6,632)	\$3,328	(\$321)
Less: Services & Meters						(\$4,154)	<u>\$552</u>	(\$3.602)		<u>(\$206)</u>
Total						<u>(\$4,372)</u>	<u>\$1,342</u>	(\$3.030)		<u>(\$115)</u>
Wastewater:		• • • • • • • • • • • • • • • • • • •		 				↓ ; ; 		
Other Plant & Org.	\$953	(\$16)	100.00%	0.00%	\$953	\$-0	\$0	\$0	\$32	\$-0
Collection System	\$44,334	(\$17,021)	83.00%	17.00%	\$36,797	(\$7,537)	\$2,894	(\$4,643)	\$1,883	(\$320)
Services	\$5,145	(\$1,898)	83.00%	17.00%	\$4,270	(\$875	\$323	(\$552	\$147	(\$25)
Treatment Plant	\$35,899	(\$25.082)	13.31%	86.69%	<u>\$4.778</u>	(\$31.121)) <u>\$21,744</u>	(\$9.377	\$2,203	(\$1,910)
Sub-Total	\$86.331	(\$44,017)		<u> </u>	\$46,799		\$24,960	(\$14,572)	\$4,265	(\$2,255)
Less: Services						(\$875	\$323	(\$552	1	(\$25)
Total		1	[(\$38.658)	\$ <u>24.637</u>	(\$14.020)		(\$2,230)

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PAA RATES SCHEDULE NO. 1 DOCKET NO. 990080-WS

SCHEDULE OF WATER RATE BASE

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<u>.</u>

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	BALANCE PER UTILITY	STAFF ADJUST. TO UTIL. BAL.		BALANCE PER STAFF
UTILITY PLANT IN SERVICE	\$0	\$79,128	A	\$79,128
LAND/NON-DEPRECIABLE ASSETS	0	0	в	0
PLANT HELD FOR FUTURE USE	0	0		0
NON-USED AND USEFUL PLANT	, 0	0	С	0
CWIP	0	0		0
CIAC	0	(4,520)	D	(4,520)
ACCUMULATED DEPRECIATION	0	(25,482)	Ε	(25,482)
AMORTIZATION OF ACQUISITION ADJUSTMENT	0	0		0
AMORTIZATION OF CIAC	0	363	F	363
WORKING CAPITAL ALLOWANCE	0	2,965	G	2,965
WATER RATE BASE	\$0	\$52,454		\$52,454

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PAA RATES SCHEDULE NO. 1-A DOCKET NO. 990080-WS

SCHEDULE OF WASTEWATER RATE BASE

	BALANCE PER UTILITY	STAFF ADJUST. TO UTIL. BAL.		BALANCE PER STAFF
UTILITY PLANT IN SERVICE	\$0	\$86,331	A	\$86,331
LAND/NON-DEPRECIABLE ASSETS	0	0	в	0
PLANT HELD FOR FUTURE USE	0	0		0
NON-USED AND USEFUL PLANT (NET)	0	0	с	0
CWIP	0	0		0
CIAC	0	0	D	0
ACCUMULATED DEPRECIATION	0	(44,017)	Е	(44,017)
AMORTIZATION OF ACQUISITION ADJUSTMENT	0	0		0
AMORTIZATION OF CIAC	0	0	F	0
WORKING CAPITAL ALLOWANCE	0	3,248	G	3,248
WASTEWATER RATE BASE	\$0	\$45,562		\$45,562

ADJUSTMENTS TO RATE BASE

А.	UTILITY PLANT IN SERVICE	WATER	WASTEWATER
	 To reflect original cost study To reflect 1991 plant additions necessary to provide water service to five single family homes To adjust for 1993 and 1994 plant additions per staff audit report Proforma adjustment to reflect meters and meter installations for 135 existing mobile home lots To reflect organization costs To remove lines that were incorrectly included in the orginal cost study 	\$ 68,500 4,845 3,204 16,875 750 (15,046) \$ 79,128	\$ 145,000 0 6,315 0 750 \$(65,734) \$86,331
В. С.	1. 2.	\$ 0 \$ 0 0	\$ 0 \$0
U.	NON-USED AND USEFUL PLANT	\$0	\$ 0
D. Æ.	CIAC 1. To impute CIAC for water service provided to five single family homes 2. 3. 4. ACCUMULATED DEPRECIATION 1. To reflect accumulated depreciation on plant in service 2. 3. 4. 4. 4. 4. 4. 4. 4. 4. 4	\$ (4,520) 0 0 \$(4,520) \$ (30,692)	\$ 0 0 0 \$0 \$ \$ (70,842)
_	 To remove accumulated depreciation for lines that were incorrectly included in the original cost study 4. 5. 6. 	5,210 0 0 0 <u>0</u> \$ <u>(25,482)</u>	26,825 0 0 0 \$(44,017)
F.	AMORTIZATION OF CIAC	• • • • • •	
	 To reflect accumulated amortization of CIAC . 	\$ 363 0 \$ <u>363</u>	\$ 0 \$ 0 0
G.	WORKING CAPITAL ALLOWANCE		
	1. To reflect 1/8 of test year O & M expenses	\$2,965_	\$3,248

SCHEDULE OF CAPITAL STRUCTURE

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PAA RATES SCHEDULE NO. 2 DOCKET NO. 990080-WS

	BALANC PER UTIL		STAFF ADJUST. TO UTIL. BAL.	BALANCE ER STAFF	PERCENT OF TOTAL	COST	WEIGHTED COST
LONG-TERM DEBT	\$	0	81,213	81,213	82.86%	10.59%	8.78%
EQUITY		0	16,803	 16,803	17.14%	11.88%	2.04%
TOTAL	\$	0	\$ 98,016	\$ 98,016	100.00%		10.82%
RATE BASE				98,016			

RANGE OF REASONABLENESS	LOW	HIGH
RETURN ON EQUITY	10.88%	12.88%
OVERALL RATE OF RETURN	10.64%	10.99%

SHANGRI-LA BY THE LAKE UTILITIE AS OF JUNE 30, 1994	PAA RATES SCHEDULE NO. 3 DOCKET NO. 990080-WS				
SCHEDULE OF WATER OPERATING	INCOME				
	TEST YEAR PER UTILITY		STAFF ADJUSTED TEST YEAR	FOR	TOTAL PER STAFF
OPERATING REVENUES	\$ 0	\$	\$0	\$ 36,950 E	\$ 36,950
OPERATING EXPENSES					
OPERATION AND MAINTENANCE	0	23,720	A 23,720	0	23,720
DEPRECIATION	0	3,328	B 3,328	0	3,328
AMORTIZATION	0	121	C 121	0	121
TAXES OTHER THAN INCOME	0	2,445	D 2,445	1,663 F	= 4,108
INCOME TAXES	0	0	0	0	<u>0</u>
TOTAL OPERATING EXPENSES	\$0	\$ 29,614	\$29,614	\$ 1,663	\$ 31,277
OPERATING INCOME / (LOSS)	\$0		\$(29,614)		\$5,673
WATER RATE BASE	\$0		\$52,454		\$52,454
RATE OF RETURN	N/A		-56.46%		10.82%

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PAA RATES SCHEDULE NO. 3-A DOCKET NO. 990080-WS

SCHEDULE OF WASTEWATER OPERATING INCOME								
	TEST YEAR PER UTILIT		FF ADJ. JTILITY	STAF ADJUST TEST YE	ΓED	FOR		TOTAL R STAFF
OPERATING REVENUES	\$0	\$	0	\$	0 \$	§ 39,715	E \$	39,715
OPERATING EXPENSES								
OPERATION AND MAINTENANCE	0	·	25,987	A 25,9	987	0		25,987
DEPRECIATION	0		4,265	B 4,2	265	0		4,265
AMORTIZATION	0	·	0	С	0	0		0
TAXES OTHER THAN INCOME	0		2,748	D 2,7	48	1,787	F	4,535
INCOME TAXES	0		0		0	0		0
TOTAL OPERATING EXPENSES	\$0	\$	33,000	\$33,0	<u>000</u> \$	5 1,787	\$	34,787
OPERATING INCOME / (LOSS)	\$0			\$ (33,0	00)		\$	4,928
WASTEWATER RATE BASE	\$0			\$ 45,5	62		\$	45,562
RATE OF RETURN	<u>N/A</u>	=		-72.4	3%		· <u></u>	10.82%

SHANGRI-LA BY THE LAKE UTILITIES, INC. AS OF JUNE 30, 1994				PAA RATES SCHEDULE NO. 3-B (Sheet 1 of 2) DOCKET NO. 990080-WS		
ADJ	USTN	IENTS TO OPERATING INCOME				
	REV	(ENUE		WATER	WASTEWATER	
		a. b.		0 0	0 0	
			\$	0	\$ <u> 0</u>	
Α.		RATION AND MAINTENANCE EXPENSES				
	1.	Salaries and Wages (Employees) a. To adjust per audit calculation	\$	2,497	\$ 2,497	
	2.	Salaries and Wages (Officers)				
	L .	a. To reflect officer's salary	\$	2,165	\$ <u>2,165</u>	
	3.	Sludge Removal Expense				
		a. To adjust per audit calculation		0	1,350	
		b.	\$	0	0 \$ <u>1,350</u>	
	4.	Purchased Power a. To adjust per audit calculation				
				3,002 0	4,129 0	
	5.	Chemicals	\$	3,002	\$ 4,129	
	Ο.	a. To adjust per audit calculation		0	410	
		b. To reflect appropriate chemical expense for water plant	\$	495 495	<u>0</u> \$ 410	
	6.	Materials and Supplies	Ψ	<u>+33</u>	\$ <u>410</u>	
		 a. To adjust per audit calculation b. To reflect utility billing expense 		495 840	997 840	
			\$	1,335	\$ 1,837	
	7.	Contractual Services a. To adjust engineering contractual services per audit calculation		3,150	3,763	
		b. To adjust legal contractual services per audit calculation		683	683	
		c. To reflect engineering contractual services for required DEP testingd. To reflect accounting contractual services		2,500 2,100	1,000 2,100	
		e.		0	0	
		f. g.		0	0 0	
		h.		0	0	
		i. j.		0	0 0	
				0	0	
			\$	0 8,433	\$ 7,546	
	8.	Rents	• •.			
		 a. To reflect lease for utility land b. To reflect rent for office space 		3,750 600	3,750 600	
		с.	*	0	0	
	9.	Transportation Expenses	\$	4,350	\$ <u>4,350</u>	
		 To reflect transportation expense for use of truck owned by parent company 		425	405	
		b.		435 0	435 0	
	10.	Insurance Expense	\$	435	\$ 435	
		 To reflect insurance expense on utility facilities 		289	638	
		b. c.		0	0	
		d.		0 0	0 0	
		e.	\$	0 289	0 \$638	
			ψ	209	a 030	

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(Continued on Sheet 2)

PAA RATES SCHEDULE NO. 3-B (Sheet 2 of 2) DOCKET NO. 990080-WS

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SHANGRI-LA BY THE LAKE UTILITIES, INC. AS OF JUNE 30, 1994

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ADJUSTMENTS TO OPERATING INCOME

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	11.	Regulatory Commission Expense		
		a	\$ <u></u> 0	\$ <u>0</u>
	12.	Miscellaneous Expenses		
		 a. To adjust per audit calculation b. To allocate a portion of the office electric expense 	89	0
		 To allocate a portion of the office electric expense to the utility 	72	72
		c. To allocate a portion of the business phone service		
		expense to the utility d. To allocate a portion of the cellular phone service	353	353
		to the utility	205	205
		e.	0	0
		f. g.	0	0 0
		9. h.	ŏ	õ
		i.	0	0
		j. k.	0	0 0
		к. I.	0	0
		m.	0	0
		n.	\$0 \$719	0 \$ 630
	13.	Unclassified disbursements	\$ <u>719</u> _	\$ 030
		a.	0	0
		b.	0	0
		с. d.	0	0
		u .	\$	\$0
		TOTAL O & M ADJUSTMENTS	\$ 23,720	\$ 25,987
В.	DEF	PRECIATION EXPENSE		
В.	1.	To reflect annual depreciation expense	3,724	6,447
В.		To reflect annual depreciation expense To remove depreciation expense for lines that were		·
В.	1. 2. 3.	To reflect annual depreciation expense	3,724 (396) 0	(2,182) 0
B.	1. 2. 3. 4.	To reflect annual depreciation expense To remove depreciation expense for lines that were	(396)	(2,182) 0 0
B.	1. 2. 3.	To reflect annual depreciation expense To remove depreciation expense for lines that were	(396) 0 0	(2,182) 0 0 0
B. C.	1. 2. 3. 4. 5.	To reflect annual depreciation expense To remove depreciation expense for lines that were incorrectly included in the original cost study	(396) 0 0 \$ <u>3,328</u>	(2,182) 0 0 \$ <u>4,265</u>
	1. 2. 3. 4. 5.	To reflect annual depreciation expense To remove depreciation expense for lines that were incorrectly included in the original cost study	(396) 0 0	(2,182) 0 0 0
	1. 2. 3. 4. 5. <u>AMC</u> 1.	To reflect annual depreciation expense To remove depreciation expense for lines that were incorrectly included in the original cost study	(396) 0 0 \$ <u>3,328</u>	(2,182) 0 0 \$ <u>4,265</u>
C.	1. 2. 3. 4. 5. <u>AMC</u> 1. TAX	To reflect annual depreciation expense To remove depreciation expense for lines that were incorrectly included in the original cost study ORTIZATION EXPENSE To reflect annual amortization expense (ES OTHER THAN INCOME	(396) 0 0 \$ <u>3,328</u> \$ <u>121</u>	(2.182) 0 0 \$ <u>4.265</u> \$0
C.	1. 2. 3. 4. 5. <u>AMC</u> 1.	To reflect annual depreciation expense To remove depreciation expense for lines that were incorrectly included in the original cost study DRTIZATION EXPENSE To reflect annual amortization expense CES OTHER THAN INCOME To adjust property taxes per audit calculation To adjust payroll taxes per audit calculation	(396) 0 0 \$ <u>3,328</u>	(2,182) 0 0 \$ <u>4,265</u>
C.	1. 2. 3. 4. 5. AMC 1. TAX • 1. 2. 3.	To reflect annual depreciation expense To remove depreciation expense for lines that were incorrectly included in the original cost study ORTIZATION EXPENSE To reflect annual amortization expense (ES OTHER THAN INCOME To adjust property taxes per audit calculation	(396) 0 0 \$ 3,328 \$ 121 1,667 420 358	(2,182) 0 0 \$ <u>4,265</u> \$ <u>0</u> 1,970 420 358
C.	1. 2. 3. 4. 5. <u>AMC</u> 1. <u>TAX</u> • 1. 2. 3. 4.	To reflect annual depreciation expense To remove depreciation expense for lines that were incorrectly included in the original cost study DRTIZATION EXPENSE To reflect annual amortization expense CES OTHER THAN INCOME To adjust property taxes per audit calculation To adjust payroll taxes per audit calculation	(396) 0 0 \$ <u>3,328</u> \$ <u>121</u> 1,667 420 358 0	(2.182) 0 0 \$ <u>4.265</u> \$ <u>0</u> 1,970 420 358 0
C.	1. 2. 3. 4. 5. AMC 1. TAX • 1. 2. 3.	To reflect annual depreciation expense To remove depreciation expense for lines that were incorrectly included in the original cost study DRTIZATION EXPENSE To reflect annual amortization expense CES OTHER THAN INCOME To adjust property taxes per audit calculation To adjust payroll taxes per audit calculation	(396) 0 0 \$ 3,328 \$ 121 1,667 420 358	(2,182) 0 0 \$ <u>4,265</u> \$ <u>0</u> 1,970 420 358
C.	1. 2. 3. 4. 5. AMC 1. TAX • 1. 2. 3. 4. 5.	To reflect annual depreciation expense To remove depreciation expense for lines that were incorrectly included in the original cost study DRTIZATION EXPENSE To reflect annual amortization expense CES OTHER THAN INCOME To adjust property taxes per audit calculation To adjust payroll taxes per audit calculation	(396) 0 0 \$ <u>3.328</u> \$ <u>121</u> 1,667 420 358 0 0 0 0	(2.182) 0 0 5 4.265 5 0 1,970 420 358 0 0 0 0 0 0
C.	1. 2. 3. 4. 5. AMC 1. TAX • 1. 2. 3. 4. 5. 6. 7.	To reflect annual depreciation expense To remove depreciation expense for lines that were incorrectly included in the original cost study DRTIZATION EXPENSE To reflect annual amortization expense CES OTHER THAN INCOME To adjust property taxes per audit calculation To adjust payroll taxes per audit calculation	(396) 0 0 5 3.328 5 1.667 420 358 0 0 0	(2.182) 0 0 \$ 4.265 \$ 0 1,970 420 358 0 0 0 0
C. D.	1. 2. 3. 4. 5. AMC 1. TAX • 1. 2. 3. 4. 5. 6. 7.	To reflect annual depreciation expense To remove depreciation expense for lines that were incorrectly included in the original cost study DRTIZATION EXPENSE To reflect annual amortization expense CES OTHER THAN INCOME To adjust property taxes per audit calculation To adjust payroll taxes per audit calculation To reflect payroll taxes associated with officer's salary	(396) 0 0 \$ <u>3.328</u> \$ <u>121</u> 1,667 420 358 0 0 0 0	(2.182) 0 0 5 4.265 5 0 1,970 420 358 0 0 0 0 0 0
C. D.	1. 2. 3. 4. 5. AMC 1. TAXX • 1. 2. 3. 4. 5. 6. 7. OPE 1.	To reflect annual depreciation expense To remove depreciation expense for lines that were incorrectly included in the original cost study ORTIZATION EXPENSE To reflect annual amortization expense (ES OTHER THAN INCOME To adjust property taxes per audit calculation To adjust payroll taxes per audit calculation To reflect payroll taxes associated with officer's salary ERATING REVENUES To reflect staff's recommended increase in revenue	$(396) \\ 0 \\ 0 \\ 0 \\ \frac{0}{3.328} \\ \$ _ 121 \\ 1,667 \\ 420 \\ 358 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ \$ _ 2,445 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ $	(2,182) 0 0 5 4,265 5 0 1,970 420 358 0 0 0 5 2,748
C. D.	1. 2. 3. 4. 5. AMC 1. TAXX • 1. 2. 3. 4. 5. 6. 7. OPPE 1. TAX	To reflect annual depreciation expense To remove depreciation expense for lines that were incorrectly included in the original cost study DRTIZATION EXPENSE To reflect annual amortization expense (ES OTHER THAN INCOME To adjust property taxes per audit calculation To adjust property taxes per audit calculation To adjust payroll taxes per audit calculation To reflect payroll taxes associated with officer's salary ERATING REVENUES To reflect staff's recommended increase in revenue CES OTHER THAN INCOME	$(396) \\ 0 \\ 0 \\ 0 \\ \frac{0}{3.328} \\ \$ _ 121 \\ 1,667 \\ 420 \\ 358 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ \$ _ 2,445 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ $	(2,182) 0 0 \$ 4,265 \$ 0 1,970 420 358 0 0 0 \$ 2,748
C. D.	1. 2. 3. 4. 5. AMC 1. TAXX • 1. 2. 3. 4. 5. 6. 7. OPE 1.	To reflect annual depreciation expense To remove depreciation expense for lines that were incorrectly included in the original cost study ORTIZATION EXPENSE To reflect annual amortization expense (ES OTHER THAN INCOME To adjust property taxes per audit calculation To adjust payroll taxes per audit calculation To reflect payroll taxes associated with officer's salary ERATING REVENUES To reflect staff's recommended increase in revenue	$(396) \\ 0 \\ 0 \\ 0 \\ \frac{0}{3.328} \\ \$ _ 121 \\ 1,667 \\ 420 \\ 358 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ \$ _ 2,445 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ $	(2,182) 0 0 5 4,265 5 0 1,970 420 358 0 0 0 5 2,748

OPTION 1 SCHEDULE NO. 1 DOCKET NO. 990080-WS

SCHEDULE OF WATER RATE BASE

	BALANCE PER UTILITY	STAFF ADJUST. TO UTIL. BAL.	BALANCE PER STAFF
UTILITY PLANT IN SERVICE	\$0	\$79,128	A \$79,128
LAND/NON-DEPRECIABLE ASSETS	0	0	B 0
PLANT HELD FOR FUTURE USE	0	0	0
NON-USED AND USEFUL PLANT	0	0	с 0
CWIP	0	0	0
CIAC	0	(4,520)	D (4,520)
ACCUMULATED DEPRECIATION	0	(25,482)	E (25,482)
AMORTIZATION OF ACQUISITION ADJUSTMENT	0	0	0
AMORTIZATION OF CIAC	0	363	F 363
WORKING CAPITAL ALLOWANCE	0	2,965	G <u>2,965</u>
WATER RATE BASE	\$0	\$52,454	\$52,454

SHANGRI-LA BY	THE LAK	E UTILITIES,	INC.
AS OF JUNE 30,	1994	•	

OPTION 1 SCHEDULE NO. 1-A DOCKET NO. 990080-WS

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SCHEDULE OF WASTEWATER RATE BASE

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	BALANCE PER UTILITY	STAFF ADJUST. TO UTIL. BAL.	BALANCE PER STAFF
UTILITY PLANT IN SERVICE	\$0	\$86,331	A \$86,331
LAND/NON-DEPRECIABLE ASSETS	0	0 6	B 0
PLANT HELD FOR FUTURE USE	0	0	0
NON-USED AND USEFUL PLANT (NET)	0	(9,377) (C (9,377)
CWIP	0	0	0
CIAC	0	0 [0 C
ACCUMULATED DEPRECIATION	0	(44,026) E	Ξ (44,026)
AMORTIZATION OF ACQUISITION ADJUSTMENT	0	0	0
AMORTIZATION OF CIAC	0	O F	= 0
WORKING CAPITAL ALLOWANCE	0	3,248	G <u>3,248</u>
WASTEWATER RATE BASE	\$0	\$36,176	\$36,176

ADJUSTMENTS TO RATE BASE

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1. To reflect alginal cost study \$ 68,500 \$ 145,000 2. To reflect alginal cost study 6,315 3. To reflect alginal cost study 6,315 4. Portform adjustments and meter 3,204 6. 5. 5. 7. Perfect alginal cost study 5. 8. Perfect alginal cost study 6,315 9. To reflect algination costs 750 1. To remove ness that were incorrectly included in the original cost study 5 0 1. To remove ness cost study 5 0 5 2. 5 0 5 0 2. 5 0 5 0 2. 5 0 5 0 2. 2. 0 5 0 3. 0 0 0 0 2. 1. To reflect acocumulated stude tonon on stast suseful porti	Α.	UTILITY PLANT IN SERVICE	WATER	WASTEWATER
water service to five single family homes 4,845 0 3. To adjust for 1930 and 1934 plant additions per staff audit report 3,204 6,315 4. Perioforma adjustment to reflect meters and meter installations for 135 existing mobile home lots 16,875 0 5. To reflect organization costs 750 750 6. To remove lines that were incorrectly included in the orginal cost study \$ (15,046) (5,046) (5,047) (6,5,734) (15,048) (15,048) (15,048) (15,048) (15,048) (15,048) (15,048) (15,048) (1,121) C NON-USED AND USEFUL PLANT 1. To remove non used & useful portion of westewater treatment plant per OPC percentage (31,121) C NON-USED AND USEFUL PLANT 1. To impute CIAC for water service provided to five signification for non used & useful portion of wastewater treatment plant per OPC percentage (3,1,121) D CIAC 1. To remove accumulated depreciation on plant in service (4,520) (2,0,651) To remove accumulated depreciation on plant in service (30,692) (70,651) (70,651) (70,651) (70,700) (70,700) (70,700) (70,700) (70,700)			\$ 68,500	\$ 145,000
staf audt report 3,204 6.315 4. Perform adjustment to reflect meters and meter instabilition for 135 existing mobile home lots 16.875 0 5. To reflect organization costs 750 750 750 6. To remove lines that were incorrectly included in the orginal cost study \$ (15.046) (16.017) (16.016) (17.016) (17.016) (17.016) (17.016) (17.016) (17.016) (17.016) (17.016)		water service to five single family homes	4,845	0
4. Proforma adjustment to reflect meters and meter instations for 136 existing mobiles to the loss 16.875 0 5. To reflect organization costs 750 750 6. To remove lines that were incorrectly included in the orginal cost study \$ (15.049) \$ (65.734) 8. LAND \$ 0 \$ 0 \$ 0 0 1. 2. \$ 0 \$ 0 \$ 0 0 2. \$ 0 \$ 0 \$ 0 \$ 0 0 2. \$ 0 \$ 0 \$ 0 \$ 0 0 0 2. \$ 0 \$ 0 \$ 0 \$ 0 <		· · · · · · · · · · · · · · · · · · ·	3 204	6 215
5. To reflect accumulated depreciation of Vastewater treatment plant per OPC percentage 750 750 8. LAND \$ 0 0 \$ 0 0 0 \$ 0 0 0 \$ 0 0 0 0		Proforma adjustment to reflect meters and meter		0,313
6. To remove fines that were incorrectly included in the orginal cost study (15,046) (15,046				
S 79.128 S 69.333 B. LAND S 0 S 0 1. 2. S 0 S 0 2. S 0 S 0 S 0 2. S 0 S 0 S 0 0 2. S 0 S 0 S 0 0 2. To remove accumulated depreciation for non used & useful portion of wastewater treatment plant per OPC percentage S 0 S 21.744 3. 0 S 0 S 0 S 21.744 4. S 0 S 0 S 21.744 9. CIAC S 0 S 21.744 1. To impute CIAC for water service provided to five single family homes S (4.520) S 0 0 2. To impute CIAC for water service provided to five single family homes S (30.692) S 0 0 0 2. To reflect accumulated depreciation for lines that were incorrectly included in the		6. To remove lines that were incorrectly included	750	750
B LAND 1 2 2 S 0 5 0 6 0 7 NON-USED AND USEFUL PLANT 1. To remove non used & useful portion of westewater treatment plant per OPC percentage (31.121) 2. To remove accumulated depreciation for non used & useful portion of wastewater treatment plant per OPC percentage (31.121) 2. To remove accumulated depreciation for non used & useful portion of wastewater treatment plant per OPC percentage (31.121) 0. CLAC S 0 S 1. To impute CLAC for water service provided to five single family homes S (4.520) S 0 2. 0 S 0 0 0 0 3. 0 0 0 0 0 0 4. S 0 0 0 0 0 5. 1. To reflect accumulated depreciation for lines that were incorrectly included in the original cost study 5,210 26.825 3 0 0 0 6. 0 0 0 0 0 0 </td <td></td> <td>in the orginal cost study</td> <td></td> <td></td>		in the orginal cost study		
1 2 \$ 0 </td <td></td> <td></td> <td>······································</td> <td>a</td>			······································	a
2. \$ 0 0 0 \$ 0 0 0 \$ 0 0 0 0 C. NON-USED AND USEFUL PLANT 1. To remove non used & useful portion of wastewater treatment plant per OPC percentage (31,121) 2. To remove accumulated depreciation for non used & useful portion of wastewater treatment plant per OPC percentage (31,121) 2. To remove accumulated depreciation for non used & useful portion of wastewater treatment plant per OPC percentage (31,121) 0. CIAC \$ 0 \$ \$ \$ 0 \$ \$ 0 \$ \$ 0 \$ \$ 0 \$ \$ 0 \$ \$ 0 \$ \$ \$ 0 \$ \$ 0 \$ \$ 0 \$ \$ 0 \$ \$ \$ 0 \$ \$ 0 \$ \$ 0 \$ \$ \$ 0 \$ \$ 0 \$ \$ \$ 0 \$ \$ \$ 0 \$ \$ \$ 0 \$ \$ 0 \$ \$ \$ 0 \$ \$ \$ 0 \$ \$ \$ 0 \$ \$ \$ 0 \$ \$ \$ 0 \$ \$ \$ 0 \$ \$ \$ 0 \$ \$ \$ 0 \$ \$ \$ 0 \$ \$ \$ \$ 0 \$ \$ \$ 0 \$ \$ \$ \$ \$ 0 \$ \$ \$ \$ \$ 0 \$ \$ \$ \$ \$ \$ 0 \$ \$ \$ \$ \$ \$ \$ \$ \$ 0 \$	В.	LAND		
S 0 S 0 C. NON-USED AND USEFUL PLANT (31,121) 1. To remove non used & useful portion of wastewater treatment plant per OPC percentage (31,121) 2. To remove accumulated depreciation for non used & useful portion of wastewater treatment plant per OPC percentage (31,121) D. CIAC S 0 S 1. To impute CIAC for water service provided to five single family homes S (4,520) S 0 2. Accumulated depreciation on plant in service S (30,692) S 0 0 4. S 0 0 0 0 0 0 4. S 0 0 0 0 0 0 0 5. Accumulated depreciation on plant in service S (30,692) S (70,851) 0 <td></td> <td></td> <td>\$0</td> <td>\$ 0</td>			\$ 0	\$ 0
C. NON-USED AND USEFUL PLANT		2.		
1. To remove non used & useful portion of wastewater treatment plant per OPC percentage (31.121) 2. To remove accumulated depreciation for non used & useful portion of wastewater treatment plant per OPC percentage \$			a <u>.</u>	•
per OPC percentage (31,121) 2. To remove accumulated depreciation for non used & useful portion of wastewater treatment plant per OPC percentage \$	C.	NON-USED AND USEFUL PLANT		
2. To remove accumulated depreciation for non used & useful portion of wastewater treatment plant per OPC percentage S		1. To remove non used & useful portion of wastewater treatment plant		
of wastewater treatment plant per OPC percentage 21,744 S 0 S (9,377) D. CIAC (9,377) (9,377) 1. To impute CIAC for water service provided to five single family homes \$ (4,520) \$ 0 2. 0 0 0 0 3. 0 0 0 0 4. 2 0 0 0 5. 0 3 0 0 0 4. 2 0 0 0 0 0 5. 1. To reflect accumulated depreciation on plant in service \$ (30,692) \$ (70,851) 2 0 <td></td> <td></td> <td></td> <td>(31,121)</td>				(31,121)
S 0 S (9,377) D. CIAC 1. To impute CIAC for water service provided to five single family homes S (4,520) S 0 2. 0 0 0 0 0 0 0 3. 0 <		· · · · · · · · · · · · · · · · · · ·		21,744
1. To impute CIAC for water service provided to five single family homes \$ (4,520) \$ 0 2. 0 0 0 3. 0 0 0 4. 0 0 0 5 (4,520) \$ 0 0 6 0 0 0 7. 0 0 0 8 (4,520) \$ 0 0 9 0 0 0 9 0 0 0 1. To reflect accumulated depreciation on plant in service \$ (30,692) \$ (70,851) 2. To remove accumulated depreciation for lines that were incorrectly included in the original cost study 0 0 3. 0 0 0 0 4. 0 0 0 0 5. 0 0 0 0 6. 0 0 0 0 0 5. 0 0 0 0 0 6. 0 0 0 0 0 7 1 <			\$ <u>0</u>	
single family homes \$ (4,520) \$ 0 2. 0 0 3. 0 0 4. 0 0 5 (4,520) \$	D.	CIAC		
single family homes \$ (4,520) \$ 0 2. 0 0 3. 0 0 4. 0 0 5 (4,520) \$				
2 0 0 0 3. 0 0 0 0 4. \$ 0 0 0 0 5. 0 \$ 0 0 0 0 0 1. To reflect accumulated depreciation on plant in service \$ (30,692) \$ 0 0 0 2. To reflect accumulated depreciation for lines that were incorrectly included in the original cost study 5,210 26,825 3 3. 0			\$ (4.520)	\$ 0
4. \$0 _ 0 _ 0 _ 0 _ 0 _ 0 _ 0 _ 0 _ 0		2.	0	0
\$ (4.520) \$ 0 E. ACCUMULATED DEPRECIATION 1. To reflect accumulated depreciation on plant in service \$ (30,692) \$ 0 2. To remove accumulated depreciation for lines that were incorrectly included in the original cost study 5,210 26,825 3 3. 0 0 0 0 0 0 4. 0			-	•
1. To reflect accumulated depreciation on plant in service \$ (30,692) \$ (70,851) 2. To remove accumulated depreciation for lines that were incorrectly included in the original cost study 5,210 26,825 3. 0 0 0 4. 0 0 0 5. 0 0 0 6. 0 0 0 7. 70 reflect accumulated amortization of CIAC \$ 363 \$ 0 7. 70 reflect accumulated amortization of CIAC \$ 363 \$ 0 7. 70 reflect accumulated amortization of CIAC \$ 363 \$ 0 7. 70 reflect accumulated amortization of CIAC \$ 363 \$ 0 7. 70 reflect accumulated amortization of CIAC \$ 363 \$ 0 7. 70 reflect accumulated amortization of CIAC \$ 363 \$ 0 7. 70 reflect accumulated amortization of CIAC \$ 0 \$ 0 8. 0 \$ 0 \$ 0 \$ 0 9. 383 \$ 0 \$ 0 \$ 0 9. 383 \$ 0 \$ 0 \$ 0 9. 383 \$ 0				· · · · ·
1. To reflect accumulated depreciation on plant in service \$ (30,692) \$ (70,851) 2. To remove accumulated depreciation for lines that were incorrectly included in the original cost study 5,210 26,825 3. 0 0 0 4. 0 0 0 5. 0 0 0 6. 0 0 0 7. 26,825 0 0 6. 0 0 0 7. 26,825 0 0 6. 0 0 0 7. 26,825 0 0 6. 0 0 0 7. 26,825 \$ 0 9. (25,482) \$ (44,026) 9. 0 \$ 0 0 9. 363 \$ 0 0 9. 363 \$ 0 0 9. 363 \$ 0 0 9. 363 \$ 0 0 9. 363 \$ 0	E.	ACCUMULATED DEPRECIATION		
2. To remove accumulated depreciation for lines that were incorrectly included in the original cost study 3. 4. 5. 6. 5. 6. 7. 6. 7. 7. AMORTIZATION OF CIAC 7. 7. To reflect accumulated amortization of CIAC 7. 7. 6. 7. 6. 7. 6. 7.		1 To reflect accumulated depreciation on plant in service	\$ (30.692)	-
3. 0 0 4. 0 0 5. 0 0 6. 0 0 5. 0 0 6. 0 0 7. 1. To reflect accumulated amortization of CIAC \$ 363 \$ 0 2. 2. 0 \$ 0 0 0 G. WORKING CAPITAL ALLOWANCE		2. To remove accumulated depreciation for lines that were	4 (30,092)	¢ (70,651)
4. 0 0 5. 0 0 6. 0 0 5. 0 0 6. 0 0 7. 1. To reflect accumulated amortization of CIAC \$ 363 \$ 0 2. 2. 363 \$ 0 0 0 G. WORKING CAPITAL ALLOWANCE				
6. 0 0 S (25,432) S (44,026) F. AMORTIZATION OF CIAC S 363 S 0 1. To reflect accumulated amortization of CIAC S 363 S 0 2. 0 0 0 0 0 0 G. WORKING CAPITAL ALLOWANCE Image: Capital Allowed Capital Capita Capital Ca			•	-
F. AMORTIZATION OF CIAC 1. To reflect accumulated amortization of CIAC 2. \$ 363 \$ 0 \$ 363 \$ 0 \$ 363 \$ 0 \$ 0 \$ 363 \$ 0 \$ 363 \$ 0 \$ 0 \$ 0 \$ 0 \$ 0 \$ 0 \$ 0 \$ 0 \$ 0 \$ 0 \$ 0 \$ 0 \$ 0 \$ 0 \$ 0 \$ 0 \$			-	+
1. To reflect accumulated amortization of CIAC \$ 363 \$ 0 2. 0 <		0.		
1. To reflect accumulated amortization of CIAC \$ 363 \$ 0 2. 0 <				· · · · · · · · · · · · · · · · · · ·
1. To reflect accumulated amortization of CIAC \$ 363 \$ 0 2. 0 0 0 363 \$ 0 0 0 G. WORKING CAPITAL ALLOWANCE 0 0 0				
2. 0 \$	F.	AMORTIZATION OF CIAC		
SO			\$ 363	\$ 0
G. WORKING CAPITAL ALLOWANCE		2.		0
			¢ <u>303</u>	•0
1. To reflect 1/8 of test year O & M expenses \$ 2.965 \$ 3,248	G.	WORKING CAPITAL ALLOWANCE		
		1. To reflect 1/8 of test year O & M expenses	\$ 2.965	\$3,248

OPTION 1 SCHEDULE NO. 2 DOCKET NO. 990080-WS

SCHEDULE OF CAPITAL STRUCTURE

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	BALANC PER UTIL		STAFF ADJUST. TO UTIL. BAL.	BALANCE PER STAFF	PERCENT OF TOTAL	COST	WEIGHTED COST
LONG-TERM DEBT	\$	0	73,437	73,437	82.86%	10.59%	8.78%
EQUITY		0	15,194	15,194	17.14%	11.88%	2.04%
TOTAL	\$	0	\$ 88,630	\$ 88,630	100.00%		10.82%
RATE BASE				88,630		•	

RANGE OF REASONABLENESS	LOW	HIGH
RETURN ON EQUITY	10.88%	12.88%
OVERALL RATE OF RETURN	10.64%	10.99%

SHANGRI-LA BY THE LAKE UTILITIES, INC. AS OF JUNE 30, 1994							SCHEDUL DOCKET		D. 3 990080-WS
SCHEDULE OF WATER OPERATING	INCOME								
	TEST PER U			STAFF ADJ. TO UTILITY		STAFF ADJUSTED TEST YEAR	FOR	F	TOTAL PER STAFF
OPERATING REVENUES	\$	0	\$	0	\$	<u>.</u>	\$ 36,950	E\$	36,950
OPERATING EXPENSES									
OPERATION AND MAINTENANCE		0		23,720	A	23,720	0		23,720
DEPRECIATION		0		3,328	в	3,328	0		3,328
AMORTIZATION		0		121	С	121	0		121
TAXES OTHER THAN INCOME		0		2,445	D	2,445	1,663	F	4,108
INCOME TAXES	····· .	0		0		0	0		ο.
TOTAL OPERATING EXPENSES	\$		\$	29,614	\$	29,614	\$1,663	\$	31,277
OPERATING INCOME / (LOSS)	\$	0			\$	(29,614)		\$	5,673
WATER RATE BASE	\$	0			\$	52,454		\$	52,454
RATE OF RETURN		N/A				-56.46%			10.82%

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OPTION 1

RATE OF RETURN

OPTION 1 SCHEDULE NO. 3-A DOCKET NO. 990080-WS

TOTAL

PER STAFF

2.374

10.82%

-85.99%

0

SCHEDULE OF WASTEWATER OPERATING INCOME STAFF ADJUST. TEST YEAR STAFF ADJ. ADJUSTED FOR PER UTILITY TO UTILITY TEST YEAR INCREASE OPERATING REVENUES \$ 0 \$ 0 \$ 36,672 E \$ 36,672 **OPERATING EXPENSES** OPERATION AND MAINTENANCE 0 25,987 A 25,987 0 25,987 DEPRECIATION 0 2,374 B 2,374 0 AMORTIZATION 0 0 C 0 0 TAXES OTHER THAN INCOME 0 2,748 D 2,748 1,650 F 4,398 INCOME TAXES 0 0 0 0 0 TOTAL OPERATING EXPENSES \$ 0\$ 31,109 \$ 31,109 \$ 1,650 \$ 32,759 \$ (31,109) \$_____0 OPERATING INCOME / (LOSS) \$_____3,913 \$____0 \$_____36,176 WASTEWATER RATE BASE \$_____36,176 _____N/A

AD.	IUSTI	MENTS TO OPERATING INCOME		
	RE	/ENUE a.	WATER 0	WASTEWATER 0
		b.	0 \$ <u>0</u>	\$0
Α.	OPI	ERATION AND MAINTENANCE EXPENSES		
	1.	Salaries and Wages (Employees)	• • • • • •	
		a. To adjust per audit calculation	\$ 2,497	\$ <u>2,497</u>
	2.	Salaries and Wages (Officers)		
		a. To reflect officer's salary	\$ <u>2,165</u>	\$ 2,165
	3.	Sludge Removal Expense		
	J.	a. To adjust per audit calculation	0	1,350
		b.	õ	0
			\$	\$ <u>1,350</u>
	4.	Purchased Power a. To adjust per audit calculation	3,002	4 120
			3,002	4,129 0
			\$ 3,002	\$ 4,129
	5.	Chemicals		
		 a. To adjust per audit calculation b. To reflect appropriate chemical expense for water plant 	0	410
		b. To renect appropriate chemical expense for water plant	495 \$ 495	\$ <u>410</u>
	6.	Materials and Supplies	•	•
		a. To adjust per audit calculation	495	997
		b. To reflect utility billing expense	840	840
	7.	Contractual Services	\$ <u>1,335</u>	\$ <u>1,837</u>
		a. To adjust engineering contractual services per audit calculation	3,150	3,763
		 To adjust legal contractual services per audit calculation 	683	683
		c. To reflect engineering contractual services for required DEP testing	2,500	1,000
		 d. To reflect accounting contractual services e. 	2,100	2,100
		6. f.	0	0
		g.	õ	õ
		h.	0	0
		i. j.	0 0	· 0 0
].	0	0
			Ō	õ
	~	Deste	\$ 8,433	\$ 7,546
	8.	Rents a. To reflect lease for utility land	2 750	2 750
		b. To reflect rent for office space	3,750 600	3,750 600
		С.	0	0
	~		\$ 4,350	\$ 4,350
	9.	Transportation Expenses a. To reflect transportation expense for use of truck	·	
		owned by parent company	435	435
		b.	0	0
	40		\$ <u>435</u>	\$ 435
	10.	Insurance Expense a. To reflect insurance expense on utility facilities	200	629
		b.	289 0	638 0
		C.	õ	õ
		d.	0	0
		e.	0	0
			\$ 289	\$ <u>638</u>

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SHANGRI-LA BY THE LAKE UTILITIES, INC. AS OF JUNE 30, 1994

(Continued on Sheet 2)

OPTION 1 SCHEDULE NO. 3-B (Sheet 1 of 2) DOCKET NO. 990080-WS

	RI-LA BY THE LAKE UTILITIES, INC. UNE 30, 1994	OPTION 1 SCHEDULE NO. 3-B (Sh DOCKET NO. 990080-W	
ADJUST	MENTS TO OPERATING INCOME		
11.	Regulatory Commission Expense a.	\$0	\$0
12.	Miscellaneous Expenses a. To adjust per audit calculation b. To allocate a portion of the office electric expense	89	0
	to the utility c. To allocate a portion of the business phone service	72	72
	expense to the utility d. To allocate a portion of the cellular phone service to the utility	205	353 205
	e. f. g. h. i. j. k. l. m.	0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0
13.	n. Unclassified disbursements a.	\$ <u>7</u> 19 0	\$ <u>630</u> 0
	b. c. d.	0 0 \$0	0 0 \$ <u>0</u>
	TOTAL O & M ADJUSTMENTS	\$ 23,720	\$ 25,987
B. <u>DE</u> 1. 2. 3. 4. 5.	PRECIATION EXPENSE To reflect annual depreciation expense To remove depreciation expense for lines that were incorrectly included in the original cost study To remove depr. expense for non used & useful plant per OPC %	3,724 (396) 0 0 0	6,466 (2,182) (1,910) 0 0
C. AM	ORTIZATION EXPENSE To reflect annual amortization expense	\$ <u>3,328</u> \$121	\$ <u>2,374</u> \$0
D. TA	XES OTHER THAN INCOME		· · · ·
1. 2. 3. 4. 5. 6. 7.	To adjust property taxes per audit calculation To adjust payroll taxes per audit calculation To reflect payroll taxes associated with officer's salary	1,667 420 358 0 0 0 0	1,970 420 358 0 0 0 0
E. OP	ERATING REVENUES	\$ 2,445	\$ 2,74 <u>8</u>
, 1 .	To reflect staff's recommended increase in revenue	\$ <u>36,950</u>	\$ 36, <u>672</u>
F. TA	KES OTHER THAN INCOME		
1 .	To reflect additional regulatory assessment fee associated with recommended revenue requirement	\$ <u>1,663</u>	\$ 1 <u>.650</u>

OPTION 2 SCHEDULE NO. 1 DOCKET NO. 990080-WS

SCHEDULE OF WATER RATE BASE

	BALANCE PER UTILITY	STAFF ADJUST. TO UTIL. BAL.	BALANCE PER STAFF
UTILITY PLANT IN SERVICE	\$0	\$79,128	A \$79,128
LAND/NON-DEPRECIABLE ASSETS	0	0	B 0
PLANT HELD FOR FUTURE USE	0	0	0
NON-USED AND USEFUL PLANT	0	(3,030)	C (3,030)
CWIP	0	0	0
CIAC	0	(4,520)	D (4,520)
ACCUMULATED DEPRECIATION	0	(25,482)	E (25,482)
AMORTIZATION OF ACQUISITION ADJUSTMENT	0	0	0
AMORTIZATION OF CIAC	0	363	F 363
WORKING CAPITAL ALLOWANCE	0	2,965	G 2,965
WATER RATE BASE	\$0	\$49,424	\$49,424

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OPTION 2 SCHEDULE NO. 1-A DOCKET NO. 990080-WS

SCHEDULE OF WASTEWATER RATE BASE

	BALANCE PER UTILITY	STAFF ADJUST. TO UTIL. BAL.	
UTILITY PLANT IN SERVICE	\$0	\$86,331	A \$86,331
LAND/NON-DEPRECIABLE ASSETS	0	0	B 0
PLANT HELD FOR FUTURE USE	0	0	0
NON-USED AND USEFUL PLANT (NET)	0	(14,020)	C (14,020)
CWIP	0	0	0
CIAC	0	0	D 0
ACCUMULATED DEPRECIATION	0	(44,026)	E (44,026)
AMORTIZATION OF ACQUISITION ADJUSTMENT	0	0	0
AMORTIZATION OF CIAC	0	0	F 0
WORKING CAPITAL ALLOWANCE		3,248	G <u>3,248</u>
WASTEWATER RATE BASE	\$0	\$31,533	\$31,533

ADJUSTMENTS TO RATE BASE

/ 10/0				
Α.	UTILITY PLANT IN SERVICE	WATER	WAS	TEWATER
	 To reflect original cost study To reflect 1991 plant additions necessary to provide 	\$ 68,500	\$	145,000
	water service to five single family homes	4,845		0
	 To adjust for 1993 and 1994 plant additions per staff audit report 	3,204		6,315
	Proforma adjustment to reflect meters and meter			
	installations for 135 existing mobile home lots 5. To reflect organization costs	16,875 750		0 750
	6. To remove lines that were incorrectly included			750
	in the orginal cost study	(15.046) \$79,128	\$	(65,734) 86,331
В.	LAND			
	•	•	•	_
	1. 2.	\$0 0	\$	0 0
		\$0	\$	0
C .	NON-USED AND USEFUL PLANT			
	1. To remove non used & useful portion of wastewater treatment plant			(0) () 0
	per OPC percentage 2. To remove non used & useful portion of water transmission			(31,121)
	and distribution system/wastewater collection system			
	per OPC percentage 3. To remove accumulated depreciation for non used & useful portion	(4,372)		(7,537)
	of wastewater treatment plant per OPC %			21,744
	 To remove accumulated depreciation for non-used & useful portion of water trans & dist system/wastewater collection system per OPC % 	1,342		2,894
		\$ (3,030)	\$	(14,020)
D.	CIAC			
	1. To impute CIAC for water service provided to five			
	single family homes	\$ (4,520)	\$	0
	2. 3.	0		0 0
	4.	0		0
		\$(4,520)	\$	<u>0</u>
E.	ACCUMULATED DEPRECIATION			
	1. To reflect accumulated depreciation on plant in service	\$ (30,692)	\$	0 (70,851)
	2. To remove accumulated depreciation for lines that were		·	
	incorrectly included in the original cost study 3.	5,210 0		26,825 0
	4.	Ō		0
	5. 6.	0		0
	-	\$ (25,482)	\$	(44,026)
F.				
	1. To reflect accumulated amortization of CIAC	\$ 363	\$	0
	2.	0		0
		\$363	\$	
G.	WORKING CAPITAL ALLOWANCE			
	1. To reflect 1/8 of test year O & M expenses	\$ 2,965	\$	3,248
				1 A A A A A A A A A A A A A A A A A A A

OPTION 2 SCHEDULE NO. 1-B DOCKET NO 990080-WS

OPTION 2 SCHEDULE NO. 2 DOCKET NO. 990080-WS

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SCHEDULE OF CAPITAL STRUCTURE

	BALANC		ADJUST. IL. BAL.	BALANCE PER STAFF	PERCENT OF TOTAL	COST	WEIGHTED COST
LONG-TERM DEBT	\$	0	67,079	67,079	82.86%	10.59%	8.78%
EQUITY		0	13,878	13,878	17.14%	11.88%	2.04%
TOTAL	\$	0\$	80,957	\$ 80,957	100.00%		10.82%
RATE BASE				80,957			

RANGE OF REASONABLENESS	LOW	HIGH		
RETURN ON EQUITY	10.88%	12.88%		
OVERALL RATE OF RETURN	10.64%	10.99%		

OPTION 2 SCHEDULE NO. 3 DOCKET NO. 990080-WS

SCHEDULE OF WATER OPERATING INCOME							
	TEST YEAR PER UTILITY	STAFF ADJ. TO UTILITY		FOR	TOTAL PER STAFF		
OPERATING REVENUES	\$0	\$0	\$0	\$ 36,486 E	\$ 36,486		
OPERATING EXPENSES							
OPERATION AND MAINTENANCE	• 0	23,720	A 23,720	0	23,720		
DEPRECIATION	0	3,213	B 3,213	0	3,213		
AMORTIZATION	0	121	C 121	0	121		
TAXES OTHER THAN INCOME	0	2,445	D 2,445	1,642	F 4,087		
INCOME TAXES	. 0	0	0	0	0		
TOTAL OPERATING EXPENSES	\$0	\$29,499	\$ 29,499	\$1,642	\$ 31,141		
OPERATING INCOME / (LOSS)	\$ <u>0</u>	:	\$(29,499)		\$ 5,345		
WATER RATE BASE	\$ <u>0</u>		\$49,424		\$ 49,424		
RATE OF RETURN	N/A		-59.69%		10.82%		

OPTION 2 SCHEDULE NO. 3-A DOCKET NO. 990080-WS

SCHEDULE OF WASTEWATER OPERATING INCOME

		ST YEAR R UTILITY			STAFF ADJUSTED TEST YEAR	FOR	E F	TOTAL PER STAFF
OPERATING REVENUES	\$	0	\$ 0	\$	0	\$35,811	E\$	35,811
OPERATING EXPENSES								
OPERATION AND MAINTENANCE		0	25,987	A	25,987	0		25,987
DEPRECIATION		0	2,054	8	2,054	0		2,054
AMORTIZATION		0	0	С	0	0		0
TAXES OTHER THAN INCOME		0	2,748	D	2,748	1,611	F	4,359
INCOME TAXES		0	 0		0	0		0_
TOTAL OPERATING EXPENSES	\$	0	\$ 30,789	\$	30,789	\$ 1,611	\$	32,401
OPERATING INCOME / (LOSS)	\$			\$	(30,789)		\$	3,410
WASTEWATER RATE BASE	\$	0		\$	31,533		\$	31,533
RATE OF RETURN	·	N/A			-97.64%			10.82%

	RE	/ENUE	WATER	WASTEWATER
		a	0	0
		b.	0	0
			\$ <u>0</u>	\$ <u></u> <u>Q</u>
Α.	OP	ERATION AND MAINTENANCE EXPENSES		
	1.	Salaries and Wages (Employees)		
		a. To adjust per audit calculation	\$ 2 <u>,497</u>	\$ 2,497
	2.	Solarian and Magan (Officers)		
	۷.	Salaries and Wages (Officers) a. To reflect officer's salary	P 0.405	* 0.405
		a. To reliect oncer's salary	\$ <u>2,165</u>	\$ 2,165
	3.	Sludge Removal Expense		
		a To adjust per audit calculation	0	1,350
		b.	0	0
			\$0	\$ 1,350
	4.	Purchased Power	·	
		a. To adjust per audit calculation	3,002	4,129
			0	0
	5.	Chemicals	\$3,002	\$ <u>4,129</u>
	U.	a. To adjust per audit calculation	0	410
		b. To reflect appropriate chemical expense for water plant	495	410
			\$ 495	\$ 410
	6	Materials and Supplies	•	• <u> </u>
		a. To adjust per audit calculation	495	997
		 To reflect utility billing expense 	840	840
	_		\$ 1,335	\$ 1,837
	7.	Contractual Services		
		a. To adjust engineering contractual services per audit calculation	3,150	3,763
		 b. To adjust legal contractual services per audit calculation c. To reflect engineering contractual services for required DEP testing 	683	683
		d. To reflect accounting contractual services	2,500 2,100	1,000
		e.	2,100	2,100 0
		f.	0	0
		g.	õ	ő
		h.	0	Ō
		i.	0	0
		j.	0	0
			0	0
	•		0	0
	8.	Rents	\$ <u>8,433</u>	\$ <u>7,546</u>
	0.	a. To reflect lease for utility land	3,750	3,750
		b. To reflect rent for office space	600	600
		с.	0	0
			\$ 4,350	\$ 4,350
	9.	Transportation Expenses		
		a. To reflect transportation expense for use of truck		
		owned by parent company	435	435
		b.	0	0
	10.	Insurance Expense	\$ <u>435</u>	\$ 4 <u>35</u>
		a. To reflect insurance expense on utility facilities	28 9	638
		b.	205	0.00
		c .	ŏ	Ő
		d.	0	0
		е.	0	0
			\$ <u>289</u>	\$ 638

(Continued on Sheet 2)

		I-LA BY THE LAKE UTILITIES, INC. INE 30, 1994	SCHEDULE NO. 3-B (Sh DOCKET NO. 990080-WS	
ADJ	USTN	IENTS TO OPERATING INCOME		
	11.	Regulatory Commission Expense a.	\$ <u>0</u>	\$ <u> 0</u>
	12.	 a. To adjust per audit calculation b. To allocate a portion of the office electric expense to the utility 	89 72	0 72
		 To allocate a portion of the business phone service expense to the utility To allocate a portion of the self business phone service 	353	353
		 To allocate a portion of the cellular phone service to the utility e. 	205 0	205 0
		с. f. g.	0	0
		ň. i. j.	0 0 0	0 0 0
		,, k. I. m.	0 0 0	0 0 0
	13.	n. Unclassified disbursements	\$ <u>719</u>	\$0 \$630
		a. b. c.	0 0 0	0 0 0
		d.	\$ <u>0</u>	\$
		TOTAL O & M ADJUSTMENTS	\$: 23,720	\$ 25,987
Β.				
	1. 2.	To reflect annual depreciation expense To remove depreciation expense for lines that were incorrectly included in the original cost study	3,724 (396)	6,466
	3. 4. 5.	To remove depr. expense for non used & useful plant per OPC %	(115) 0 0	(2,182) (2,230) 0 0
C.	amc ī.	ORTIZATION EXPENSE To reflect annual amortization expense	\$ <u>3,213</u> \$ <u>121</u>	\$ <u>2,054</u> \$0
D.	TAX	ES OTHER THAN INCOME		
	1. 2. 3. 4. 5. 6. 7.	To adjust property taxes per audit calculation To adjust payroll taxes per audit calculation To reflect payroll taxes associated with officer's salary	1,667 420 358 0 0 0 0	1,970 420 358 0 0 0 0
E.	OPE	RATING REVENUES	\$ 2, <u>445</u>	\$ <u>2,748</u>
	1.	To reflect staff's recommended increase in revenue	\$ 36, <u>486</u>	\$ <u>35,811</u>
F.		ES OTHER THAN INCOME		
	1.	To reflect additional regulatory assessment fee associated with recommended revenue requirement	\$ 1.642	\$ <u>1,611</u>

OPTION 2

OPTION 3 SCHEDULE NO. 1 DOCKET NO. 990080-WS

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SCHEDULE OF WATER RATE BASE

	BALANCE PER UTILITY	STAFF ADJUST. TO UTIL. BAL.	BALANCE PER STAFF
UTILITY PLANT IN SERVICE	\$0	\$79,128 A	\$79,128
LAND/NON-DEPRECIABLE ASSETS	0	0 B	0
PLANT HELD FOR FUTURE USE	0	0	0
NON-USED AND USEFUL PLANT	0	(6,632) C	(6,632)
CWIP	0	0	0
CIAC	0	(4,520) D	(4,520)
ACCUMULATED DEPRECIATION	0	(25,482) E	(25,482)
AMORTIZATION OF ACQUISITION ADJUSTMENT	0	0	0
AMORTIZATION OF CIAC	0	363 F	363
WORKING CAPITAL ALLOWANCE	0	<u>2,965</u> G	2,965
WATER RATE BASE	\$0	\$45,822	\$45,822

OPTION 3 SCHEDULE NO. 1-A DOCKET NO. 990080-WS

SCHEDULE OF WASTEWATER RATE BASE

	BALANCE PER UTILITY	STAFF ADJUST TO UTIL. BAL.		BALANCE PER STAFF
UTILITY PLANT IN SERVICE	\$0	\$8 6,331	A	\$86,331
LAND/NON-DEPRECIABLE ASSETS	0	0	в	0
PLANT HELD FOR FUTURE USE	0	0		0
NON-USED AND USEFUL PLANT (NET)	0	(14,572)	с	(14,572)
CWIP	0	0		0
CIAC	0	0	D	0
ACCUMULATED DEPRECIATION	0	(44,026)	E	(44,026)
AMORTIZATION OF ACQUISITION ADJUSTMENT	0	0		0
AMORTIZATION OF CIAC	0	0	F	0
WORKING CAPITAL ALLOWANCE	0	3,248	G	3.248
WASTEWATER RATE BASE	\$0	\$30,981		\$30,981

ADJUSTMENTS TO RATE BASE

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Α.	UTILITY PLANT IN SERVICE		WATER	WAS	TEWATER
	To reflect original cost study To reflect 1991 plant additions necessary to provide	S	68,500	\$	145,000
	 water service to five single family homes To adjust for 1993 and 1994 plant additions per 		4,845		0
	staff audit report 4. Proforma adjustment to reflect meters and meter		3,204		6,315
	installations for 135 existing mobile home lots		16,875		0
	6. To remove lines that were incorrectly included		750		750
	in the orginal cost study	\$	(15.046) 79.128	\$	(65,734) 86,331
В.	LAND				
	1.	\$	0	\$	0
	2.	\$	0 0	s	<u>0</u>
C.	NON-USED AND USEFUL PLANT				
	 To remove non used & useful portion of wastewater treatment plant per OPC percentage 				
	2. To remove non used & useful portion of water transmission				(31,121)
	and distribution system/wastewater collection system per OPC percentage		(4,372)		(7,537)
	3. To remove non used & useful portion of water services & meters, and wastewater services per OPC percentage		(4,154)		(875)
	To remove accumulated depreciation for non-used & useful portion		(4,134)		
	of wastewater treatment plant per OPC % 5. To remove accumulated depreciation for non-used & useful portion				21,744
	of water trans & dist system/wastewater collection system per OPC % 5. To remove accumulated depreciation for non-used & useful portion of		1,342		2,894
	water services & meters/wastewater services	\$	552 (6.632)	s	323 (14.572)
D.	CIAC				<u></u>
	1. To impute CIAC for water service provided to five				
	single family homes	5	(4,520)	\$	0
	2. 3.		0 0		0 0
	4.	c	0 (4,520)	¢	<u>0</u>
<i></i>		• e.e		Ψ	`
Ē.	ACCUMULATED DEPRECIATION				
	 To reflect accumulated depreciation on plant in service To remove accumulated depreciation for lines that were 	\$	(30,692)	\$	(70,851)
	incorrectly included in the original cost study 3.		5,210		26,825
	<i>3.</i> 4.		0 0		0 0
	5. 6		0		0
	0.	\$	(25,482)	\$	(44.026)
F.	AMORTIZATION OF CIAC				
	 To reflect accumulated amortization of CIAC 	\$	363 0	\$	Ŭ O
		\$	363	\$	0
G.	WORKING CAPITAL ALLOWANCE				
	1. To reflect 1/8 of test year O & M expenses	\$	2.965	\$	3,248

OPTION 3 SCHEDULE NO. 2 DOCKET NO. 990080-WS

SCHEDULE OF CAPITAL STRUCTURE

	BALANO PER UTII		STAFF ADJUST. TO UTIL. BAL.	ALANCE R STAFF	PERCENT OF TOTAL	COST	WEIGHTED COST
LONG-TERM DEBT	\$	0	63,637	63,637	82.86%	10.59%	8.78%
EQUITY		0	13,166	 13,166	17.14%	11.88%	2.04%
TOTAL	\$	0	\$ 76,803	\$ 76,803	100.00%		10.82%
RATE BASE				76,803			

RANGE OF REASONABLENESS	LOW	HIGH
RETURN ON EQUITY	10.88%	12.88%
OVERALL RATE OF RETURN	10.64%	10.99%

SHANGRI-LA BY THE LAKE UTILITIES, INC. AS OF JUNE 30, 1994					OPTION 3 SCHEDULE NO. 3 DOCKET NO. 990080-WS	
SCHEDULE OF WATER OPERATING						
	TEST YEAR PER UTILITY			ADJUST. FOR INCREASE	TOTAL PER STAFF	
OPERATING REVENUES	\$ 0 \$	\$0	\$ 0	\$35,863 E	\$ 35,863	
OPERATING EXPENSES						
OPERATION AND MAINTENANCE	0	23,720	A 23,720	0	23,720	
DEPRECIATION	· 0	3,007	B 3,007	0	3,007	
AMORTIZATION	0	121	C 121	0	121	
TAXES OTHER THAN INCOME	0	2,445	D 2,445	1,614	F 4,059	
INCOME TAXES	0	0	0	0	0	
TOTAL OPERATING EXPENSES	\$0	\$29,293	\$29,293	\$ 1,614	\$ 30,907	
OPERATING INCOME / (LOSS)	\$ <u>0</u>		\$(29,293)		\$4.956	
WATER RATE BASE	\$0		\$45,822		\$ 45,822	
RATE OF RETURN	N/A		-63.93%		10.82%	

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SHANGRI-LA BY THE LAKE UTILITIES, INC. AS OF JUNE 30, 1994					OPTION 3 SCHEDULE NO. 3-A DOCKET NO. 990080-WS	
SCHEDULE OF WASTEWATER OPERATING INCOME						
	TEST YEAR PER UTILITY		ADJUSTED		TOTAL PER STAFF	
OPERATING REVENUES	\$0\$	§ <u>0</u>	\$0	\$ 35,722 E	\$ 35,722	
OPERATING EXPENSES						
OPERATION AND MAINTENANCE	0	25,987	A 25,987	0	25,987	
DEPRECIATION	0	2,029	B 2,029	0	2,029	
AMORTIZATION	0	0	C 0	0	0	
TAXES OTHER THAN INCOME	0	2,748	D 2,748	1,608	F 4,356	
INCOME TAXES	0	0	0	0	0	
TOTAL OPERATING EXPENSES	\$\$	§30,764	\$30,764	\$ 1,608	\$32,372	
OPERATING INCOME / (LOSS)	\$0		\$ (30,764)		\$3,351	
WASTEWATER RATE BASE	\$0		\$30,981		\$ 30,981	
RATE OF RETURN	<u>N/A</u>		-99.30%		10.82%	

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ADJUSTMENTS TO OPERATING INCOME

	RE\	/ENUE	WATER	WASTEWATER
		a.	0	Ō
		b	\$ <u>0</u>	0 \$0
Α.		RATION AND MAINTENANCE EXPENSES		
	1.	Salaries and Wages (Employees)	• • • • • •	* • • • • •
		a. To adjust per audit calculation	\$ <u>2,497</u>	\$2,497
	2.	Salaries and Wages (Officers)		
		a. To reflect officer's salary	\$ <u>2,165</u>	\$ <u>2,16</u> 5
	3.	Sludge Removal Expense		
		a. To adjust per audit calculation	0	1,350
		b.	Ō	0
			\$ 0	\$ 1,350
	4.	Purchased Power	· · · · · · · · · · · · · · · · · · ·	
		a. To adjust per audit calculation	3,002	4,129
			0	0
	5.	Chamicala	\$ 3,002	\$4,129_
	э.	Chemicals a. To adjust per audit calculation	0	440
		 a. To adjust per audit calculation b. To reflect appropriate chemical expense for water plant 	0	410
		b. To reflect appropriate chemical expense for water plant	495	<u>0</u>
	6.	Materials and Supplies	\$ 495	\$ <u>410</u>
	0.	a. To adjust per audit calculation	495	997
		b. To reflect utility billing expense	495 840	840
		b. To renear during binning expense	\$ 1 <u>,335</u>	\$1,837
	7.	Contractual Services	Ψ 1,000	Ψ
		a. To adjust engineering contractual services per audit calculation	3,150	3,763
		b. To adjust legal contractual services per audit calculation	683	683
		c. To reflect engineering contractual services for required DEP testing	2,500	1,000
		d. To reflect accounting contractual services	2,100	2,100
		e.	0	0
		f.	Ō	ō
		g.	0	0
		ĥ.	Ō	Ō
		i.	0	ō
		j.	0	0
			0	0
			0	0
	_		\$ 8 <u>,433</u>	\$
	8.	Rents		0.700
		a. To reflect lease for utility land	3,750	3,750
		b. To reflect rent for office space	600	600
		с.	0	0
	~	Transmetation Evanance	\$ <u>4,350</u>	\$ <u>4,350</u>
	9.	Transportation Expenses		
		a. To reflect transportation expense for use of truck	435	435
		owned by parent company b.	+35	400
		Ь.	\$ 435	\$ 435
•	10.	Insurance Expense	¥	* <u></u>
		a. To reflect insurance expense on utility facilities	289	638
		b.	0	0
		с.	õ	õ
		d.	Ő	Õ
		e.	Ō	Ō
			\$ 289	\$ 638

(Continued on Sheet 2)

	RI-LA BY THE LAKE UTILITIES, INC. UNE 30, 1994	OPTION 3 SCHEDULE NO. 3-B (She DOCKET NO. 990080-WS	
ADJUST	MENTS TO OPERATING INCOME		
11.	Regulatory Commission Expense a.	\$0	\$ <u></u> 0_
12. 13.	 a. To adjust per audit calculation b. To allocate a portion of the office electric expense to the utility c. To allocate a portion of the business phone service expense to the utility d. To allocate a portion of the cellular phone service to the utility e. f. g. h. i. j. k. l. m. n. 	89 72 353 205 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 72 353 205 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
	TOTAL O & M ADJUSTMENTS	\$0 \$3,720	\$ <u>0</u> \$25,987
B. <u>DEf</u> 1. 2. 3. 4. 5.	PRECIATION EXPENSE To reflect annual depreciation expense To remove depreciation expense for lines that were incorrectly included in the original cost study To remove depr. expense for non used & useful plant per OPC %	3,724 (396) (321) 0 0	6,466 (2,182) (2,255) 0 0
C. AM 1.	ORTIZATION EXPENSE To reflect annual amortization expense	\$ <u>3,007</u> \$ <u>121</u>	\$ <u>2,029</u> \$ <u>0</u>
D. TAX	ES OTHER THAN INCOME		
1. 2. 3. 4. 5. 6. 7.	To adjust property taxes per audit calculation To adjust payroll taxes per audit calculation To reflect payroll taxes associated with officer's salary	1,667 420 358 0 0 0 0	1,970 420 358 0 0 0
E. OPE	ERATING REVENUES	\$ <u>2,445</u>	\$ <u>2,748</u>
1.	To reflect staff's recommended increase in revenue	\$ <u>35,863</u>	\$ <u>35</u> ,722
F. TAX	ES OTHER THAN INCOME		
1.	To reflect additional regulatory assessment fee associated with recommended revenue requirement	\$ <u>1,614</u>	\$ 1,608

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