

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for) DOCKET NO. 930204-WS
amendment of certificates nos.) ORDER NO. PSC-93-1819-FOF-WS
236-W and 179-S and for a) ISSUED: 12/22/93
limited proceeding to adjust)
rates in St. Johns County by)
JACKSONVILLE SUBURBAN UTILITIES)
CORPORATION.)
_____)

The following Commissioners participated in the disposition of this matter:

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

NOTICE OF PROPOSED AGENCY ACTION ORDER ESTABLISHING RATE BASE,
GRANTING POSITIVE ACQUISITION ADJUSTMENT
AND
DENYING ACQUISITION COSTS

BY THE COMMISSION:

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

BACKGROUND

Jacksonville Suburban Utilities Corporation (JSUC) is a Class A utility providing services to approximately 24,000 water and 19,000 wastewater customers in Duval, Nassau and St. Johns Counties.

By Order No. PSC-93-1480-FOF-WS, issued October 11, 1993, we amended JSUC's Certificates Nos. 236-W and 179-S for water and wastewater service, respectively, to include additional territory in St. Johns County which had been served by Ponte Vedra Utilities (PV). PV provided service to approximately 1,636 water and 721 wastewater customers in St. Johns County.

DOCUMENT NO. 13617

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FPCO-REGULATORY REPORTING

Order No. PSC-93-1480-FOF-WS also approved JSUC's request to implement its rates and charges for the customers of PV. However, at that time, we elected to defer the issues of the appropriate rate base, a positive acquisition adjustment, and acquisition costs to give our Staff additional time to further investigate a land purchase by PV which would have a substantial effect upon the amount determined for rate base. In this Order we will address the appropriate rate base, the appropriateness of a positive acquisition adjustment, and whether any acquisition costs should be recovered.

RATE BASE

Our calculation of the appropriate rate base balances, for the water and wastewater systems, respectively, for the purpose of this proceeding are depicted on Schedules Nos. 1 and 2. Adjustments to rate base are itemized on Schedules Nos. 1-A and 2-A. This rate base calculation is used purely to establish the net book value of the property being transferred and does not include the normal ratemaking adjustments of working capital calculations and used and useful adjustments.

According to JSUC's application, the net book value of the system being transferred as of the date of the proposed transfer is \$1,707,236 for the water system and \$28,285 for the wastewater system. These figures are based on PV's 1991 annual report filed with St. Johns County. Previously, when PV was under Commission jurisdiction, we granted the utility water and wastewater certificates in Docket No. 860047-WS; rates, however, were grandfathered in and rate base was not established. Neither had St. Johns County ever established rate base for PV.

We conducted an audit of the books and records of the utility to determine the rate base (net book value) as of March 31, 1993. The utility recorded \$1,621,633 on its books as rate base for its water system and \$(15,027) as rate base for its wastewater system. The following adjustments were made as a result of the rate base audit.

Utility Plant-in-Service

Plant assets in the amount of \$14,968 for water and \$9,964 for wastewater were not transferred from PV to JSUC. These plant assets will not be reflected on the utility's books; they shall be retired. Therefore, utility plant-in-service (UPIS) for water and wastewater has been decreased by \$14,968 and \$9,964, respectively.

PV carried a 1989 Chevrolet on its books at half its original cost since the vehicle served PV and a sister utility company. The original vehicle cost was \$11,597; PV recorded \$5,798 on its books and the sister utility recorded \$5,799 on its books. On the day of transfer, the vehicle was transferred from PV to JSUC at \$5,798. As this vehicle is no longer being shared with PV's sister utility, the entire vehicle shall be recorded on PV's books at book value. Therefore, UPIS is increased by \$3,479 for water and by \$2,320 for wastewater.

Land

The utility recorded \$34,739 in land additions from June, 1984 to July, 1990.¹ These costs were for site improvements and surveying costs. None of these costs involve actual land purchases or involve costs associated with initially preparing the land for its intended use. Consequently, the additions shall not be classified as land costs; instead, they shall be classified as structures and improvements. Land for the water and wastewater systems is decreased by \$6,561 and \$28,178, respectively. Correspondingly, UPIS for water and wastewater is increased by \$6,561 and \$28,178, respectively.

On July 1, 1986, PV purchased 1.04 acres of land to expand its water plant. PV purchased this land from its parent, Ponte Vedra Corporation, for \$226,462. Because related parties were involved in this transaction, we were quite concerned about the amount paid for this land. On August 12, 1993, PV filed a letter with the Commission which provided an explanation of the purchase in question. PV explained that the parcel of land was acquired because it was contiguous to the existing plant which allowed PV to utilize the existing system design, water mains, lines, and related facilities, thereby, eliminating the need for relocating the water mains. Further, PV contended that it would have incurred much greater costs if it had to relocate the water mains, etc., to a different location.

The determination of land value is based upon the value at the time the property is first dedicated for utility use. The staff audit recommended that the value of the 1.04 acres of land be reduced to reflect the 1986 tax assessment or that an appraisal be done to determine the market value at the time of sale in 1986. On August 12, 1993, JSUC submitted an appraisal of the land by Robert Crenshaw, MAI, of Broom, Moody, Johnson & Grainger, Inc. This appraisal placed the market value of the 1.04 acres of land in 1986 at \$200,000. An investigation revealed that the 1.04 acres of land was first dedicated for utility use in 1986, therefore, the 1.04 acres should be valued at \$200,000. Closing costs on the land sale

amounted to \$2,057. Accordingly, land has been reduced by \$24,405 and the 1.04 acres is valued at \$202,057.

The land transaction discussed above also includes the purchase of a well site. The size of the site is .38 acres and PV paid approximately \$9,800 for this property. Although JSUC has indicated that the well site is currently being used, JSUC did not supply supporting documentation, such as an appraisal, to substantiate the value of this land. In the absence of supporting documentation, land has been reduced by \$9,800. This action does not harm the utility, in that the value of this land may be substantiated and recovered when JSUC files for a rate case.

Finally, on December 30, 1986, the utility purchased a land easement for \$8,776. This property easement was for the installation of a water line. However, it has never been used for that purpose and is presently not in use. Therefore, we have reduced land for the water system by \$8,776, and placed \$8,776 into property held for future use for the water system, accordingly.

Based on the above adjustments, land has been reduced by \$49,542 for water and \$28,178 for wastewater.

Accumulated Depreciation

Accumulated depreciation has been adjusted to account for the depreciation associated with the adjustments discussed above. First, it has been decreased by \$14,968 for water and \$9,964 for wastewater to account for the depreciation related to the plant items that were not transferred from Ponte Vedra to JSUC. Second, it has been increased by \$2,174 for water and \$1,450 for wastewater to account for the depreciation associated with the 1989 Chevrolet referenced above. Third, it has been increased by \$1,075 for water and \$6,106 for wastewater, to reflect the reclassification of the land additions from Land to UPIS.

Based on the above adjustments, accumulated depreciation has been decreased \$11,719 for water and \$2,408 for wastewater.

Based on the foregoing, we find that rate base for PV is \$1,587,658 for the water system and \$(20,263) for the wastewater system as of March 31, 1993.

POSITIVE ACQUISITION ADJUSTMENT

JSUC requested that the Commission approve the inclusion of a positive acquisition adjustment in the rate base of JSUC equal to the purchase price plus the costs of the acquisition less the rate

base of PV. An acquisition adjustment results when the purchase price differs from the original cost calculation. On December 19, 1991, JSUC and its parent, General Waterworks, agreed to purchase the assets of PV for \$1,790,000, which resulted in a premium being paid for the assets. We will first address the company's request for inclusion of acquisition costs in rate base.

Acquisition Costs

JSUC provided us with an estimate of the costs involved with acquiring this utility. The total costs were \$124,767. They include St. Johns County filing fees, the Public Service Commission filing fees, legal fees, noticing and recording fees. It is Commission practice that the costs incurred for a transfer are not capitalized and shall be recorded as below the line costs of the shareholder. We believe the only organizational costs that should be allowed are those which are incurred when a utility is first organized. Any organizational costs incurred beyond that time frame serve to benefit the shareholder and not the ratepayer. If this were not the practice, it is conceivable that if a utility was purchased and resold several times, rate base could be artificially inflated above the original cost of the assets. Therefore, acquisition costs in the amount of \$124,767 shall not be included in rate base.

Acquisition Adjustment

The acquisition adjustment resulting from the transfer of Ponte Vedra is calculated as follows:

Purchase Price:	\$1,790,000
Acquisition Costs:	<u>0</u>
Subtotal	\$1,790,000
Commission Calculated Rate Base:	<u>\$1,567,395</u>
Positive Acquisition Adjustment:	<u>\$ 222,605</u>

It has been our policy not to allow acquisition adjustments, positive or negative, unless extraordinary circumstances can be demonstrated. In support of its request for a positive acquisition adjustment, JSUC states that the customers of PV will derive numerous benefits from the acquisition: JSUC will be better able to attract capital at a lower cost to meet the existing and future needs for water and wastewater service; economies of scale will produce lower operating costs, and the ability to buy equipment,

materials and supplies at more favorable prices; professional management, with extensive knowledge of utility operations, maintenance, and regulation, will result in greater reliability and quality of service provided; a larger customer base may result in smaller future increases in rates; and, the customers will be served by a company whose primary business is water and wastewater utilities -- not by a development company who is divesting itself of its secondary utility businesses, and, accordingly, has a reduced interest in the long term needs of the PV facilities.

In addition, JSUC states because of the immediate need for a supplemental supply of water and the poor condition of the two water treatment plants in the southern part of PV's service area, it was necessary for JSUC to interconnect one of its water facilities with the water system of PV. The proximity of JSUC's and PV's service areas promotes such an interconnection. The integration of PV's water facilities into JSUC's water facilities is part of the lowest cost alternative for a plant expansion and improvements. However, the cost of such improvements will be mitigated by the interconnection to JSUC's water facilities. The plan for improvements of the water treatment plants and interconnection of water facilities also will prevent duplication of utility facilities and provide greater reliability of service. JSUC will be able to utilize excess capacity in its water treatment facilities through such interconnection, which in turn will promote the efficient utilization of plant capacity. We recognize that there is a distinct benefit to the public when a small company is purchased by a regional company whose service territory immediately adjoins its own. In this instance by PV being able to interconnect with JSUC's water system, it was not necessary to drill a new well, and, consequently, an environmentally sensitive area was preserved.

We also note that a potential exists for significant savings to property owners not yet served who would benefit from much lower service availability charges than those formerly charged by PV. This may enable condominiums served by septic tank systems to avail themselves of wastewater service, which in itself may have a significant positive environmental effect.

It is not clear that PV was earning an appropriate rate of return at the time of the purchase. It appears PV would have had to apply for a rate increase from the St. Johns County Water Authority even before any consideration of the funds needed for future plant improvements. On a stand-alone basis, this potential rate increase would probably result in PV's rates being greater than JSUC's system wide rates. JSUC argues and we agree that the inclusion of a positive acquisition adjustment in the rate base of

JSUC will not harm existing customers as the amortized amount would be too small to cause a general rate increase since it would be spread over approximately 45,000 customers.

Finally, we note that there were several bidders for this system, which could have had an effect on the ultimate price paid by JSUC, the only regional system bidding. Over the next few years, a restructuring of the water and wastewater industry will have to take place in order for utilities to be able to meet federal water quality standards at an affordable price. The consolidation of the PV systems into the strong regional system operated by JSUC is a very positive step towards the necessary restructuring. We believe, based on the foregoing, that "extraordinary circumstances" exist in this instance and the granting of a positive acquisition adjustment provides the proper incentive to the utility, and is in the public interest. Therefore, a positive acquisition adjustment in the amount of \$222,605 is granted.

CLARIFICATION TO ORDER NO. PSC-93-1480-FOF-WS

We hereby make a clarification to Proposed Agency Action Order No. PSC-93-1480-FOF-WS dated October 11, 1993. That order erroneously reflected that the rates would become effective 30 days from the date of the Order or from the closing of the sale, whichever comes later. It should have provided that the rates for the utility shall become effective either upon the effective date of Order No. PSC-93-1480-FOF-WS, or upon the date of the closing of the sale of PV to JSUC, whichever comes later.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that the rate base for the Ponte Vedra System, which for transfer purposes reflects the net book value, is \$587,658 for the water system and (\$20,263) for the wastewater system. It is further

ORDERED that JSUC's request for acquisition costs is hereby denied. It is further

ORDERED that JSUC's request that a positive acquisition adjustment be included in the rate base for transfer purposes is hereby approved as set forth herein. It is further

ORDERED that Order No. PSC-93-1480-FOF-WS is hereby clarified to reflect that rates shall become effective either upon the effective date of Order No. PSC-93-1480-FOF-WS, or upon the date of

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the closing of the sale of PV to JSUC, whichever comes later. It is further

ORDERED that the provisions of this Order, are issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that this docket will be closed if no timely protest is received from a substantially affected person by the expiration of the protest period.

By ORDER of the Florida Public Service Commission, this 22nd day of December, 1993.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

SLE

by: Kay Flynn
Chief, Bureau of Records

Commissioner Julia L. Johnson dissents on the issue of including a positive acquisition adjustment in rate base.

The Commission's past policy, with respect to positive or negative acquisition adjustments, has been to evaluate the facts of the case and to make a determination of whether there are extraordinary circumstances warranting the approval of an adjustment. In the absence of extraordinary circumstances,

acquisition adjustments have not been allowed. Although the policy is easy to articulate, it is often difficult to apply because the current policy does not provide a clear definition of what constitutes extraordinary circumstances.

To better understand what is meant by extraordinary circumstances, for purposes of positive acquisition adjustments, I believe that one must look to: past Commission cases and to the Commission's stated policy for allowing positive acquisition adjustments.

The Commission has allowed positive acquisition adjustments for water and wastewater utilities in very few cases. In the few cases where positive acquisition adjustments were allowed there were, generally, common factors leading to the allowance of the acquisition adjustment. Those factors being: major service problems with the utility, overall rate reduction to water and wastewater customers, or savings to customers.

The instant case is a shift in Commission policy because the rationale stated for allowing positive acquisition adjustments does not exist in the Ponte Vedra case. The Ponte Vedra transfer does not have any major service problems. It is not a troubled utility. Additionally, there will be an overall rate increase to the water and wastewater customers of Ponte Vedra under Jacksonville Suburban. Furthermore, there is not an immediate cost reduction to the customers of Ponte Vedra. Based upon an analysis of past cases, I do not believe that a positive acquisition adjustment was warranted, nor should it have been granted.

An analysis and application of the purpose for allowing acquisition adjustments also demonstrates that the Commission was in error in allowing the positive acquisition adjustment. The Commission has stated that the purpose for allowing positive acquisition adjustments is to provide an incentive for larger utilities to acquire small, troubled utilities. I am in full support of the policy. I recognize that with the increased requirements related to the Safe Water Drinking Act and other federal, state and local laws, it has become more and more costly to operate public utility systems. I believe that the Commission must be concerned with the impact of such costs on the ratepayers, and should encourage a situation which best serves the customers by providing them with the most cost-effective system. Encouraging large, financially stable utilities to purchase smaller utilities could help, in that it will allow the cost of complying with environmental requirements to be spread over a larger customer base.

The facts of the instant case do not provide the type of circumstances under which the purpose underlying allowing positive acquisition adjustments would apply. As previously discussed, Ponte Vedra is not a troubled utility. The record reflects that the utility is located in a high growth area and has been managed and operated adequately. The facts indicate that there was no need to give the purchaser an "incentive" to purchase the utility because there were several interested buyers bidding to purchase the utility. If the Commission had denied Jacksonville Suburban's request for a positive acquisition adjustment, the sale would have taken place anyway. I believe that the utility's over-valuation resulted from multiple bidders seeking to buy the utility because of its future value.

Absent the positive acquisition adjustment, Jacksonville Suburban still had an incentive to purchase the utility. Because of the transfer, Jacksonville Suburban will be able to utilize the excess capacity of its Ponce de Leon plant. Thus, the company's used and useful adjustment will decrease, given the broader customer base, and will lead to a higher return on more plant. Additionally, the territory being served is a high growth area, thus the utility can expect a larger customer base over time. In light of these benefits, there was no need for the Commission to apply the incentive policy and allow the positive acquisition adjustment.

I do believe, however, that the facts demonstrate that the transfer of the utility was in the public interest. Anytime a larger utility purchases a smaller utility there is going to be an economies of scales due to the fact that the larger utility has a larger customer base over which to spread its costs. I do not believe this to be extraordinary, just a fact.

I agree that the interconnection of JSUC's facilities with the water system of Ponte Vedra is in the public interest in that the integration of Ponte Vedra's water facilities into JSUC's water facilities is a part of the lowest cost alternative for a plant expansion and improvements. However, I believe that the primary beneficiary of the interconnection is JSUC, in that it will now be able to utilize the excess capacity in its water treatment facilities. This, in and of itself, provided JSUC with the incentive it needed to purchase the utility. I also agree that the public benefitted by the interconnection in that the interconnection alleviated the need to drill a well in an environmentally sensitive area. However, I believe that the public benefit derived was totally coincidental -- totally unaffected and unrelated to the acquisition adjustment. While I believe the facts presented in this particular case show that the transfer of Ponte

Vedra to Jacksonville Suburban is in the public interest, I do not believe that the facts show the existence of extraordinary circumstances, therefore a positive acquisition adjustment should not have been allowed.

I believe that the finding of a positive acquisition adjustment in this case is a shift in Commission policy allowing for a more liberal interpretation of extraordinary circumstances. I have not yet been persuaded that a more liberal interpretation is justified at this time. I believe, however, that it would be beneficial to consider the issue in a more comprehensive manner and make a determination as to the criteria to be applied when determining positive acquisition adjustments in the context of the acquisition adjustment rule docket.

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

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

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on January 12, 1994.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

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

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

Ponte Vedra Utilities Company

SCHEDULE OF WATER RATE BASE

As of March 31, 1993

<u>DESCRIPTION</u>	<u>BALANCE PER UTILITY</u>	<u>COMMISSION ADJUSTMENTS</u>	<u>BALANCE PER COMMISSION</u>
Utility Plant in Service	\$3,239,805	\$ (4,928)(1)	\$3,234,877
Land	255,299	(49,542)(2)	205,757
Plant Held For Future Use	0	8,776 (3)	8,776
Contributions-in-aid-of-Construction	(1,232,249)	0	(1,232,249)
Construction Work In Progress	1,172	0	1,172
Accumulated Depreciation	(812,876)	11,719 (4)	(801,157)
CIAC Amortization	246,667	0	246,667
Advances for Construction	<u>(76,185)</u>	<u>0</u>	<u>(76,185)</u>
TOTAL	<u>\$1,621,633</u>	<u>\$ (33,975)</u>	<u>\$1,587,658</u>

Ponte Vedra Utilities Company
Schedule of Water Rate Base Adjustments

Schedule 1-A
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<u>Explanation</u>	<u>Adjustment</u>
<u>Utility Plant-in-Service</u>	
To adjust for plant assets recorded on Ponte Vedra's books that were not transferred from Ponte Vedra to Jacksonville Suburban.	(1) \$(14,968)
To record 1989 Chevrolet at book value.	(1) 3,479
To record land additions that were reclassified as structures and improvements.	(1) <u>6,561</u>
Total	\$ <u>(4,928)</u>
<u>Land</u>	
To decrease land for additions that were reclassified as structures and improvements.	(2) \$ (6,561)
To reduce 1.04 acres of land to reflect 1986 appraisal and to include closing costs associated with the land transaction.	(2) (24,405)
To remove cost of well site.	(2) (9,800)
To reduce land for property easement that has been placed into Property Held for Future Use.	(2) <u>(8,776)</u>
Total	\$ <u>(49,542)</u>
<u>Property Held for Future Use</u>	
To account for property easement that is presently not being used by the utility.	(3) \$ <u>8,776</u>

Ponte Vedra Utilities Company
Schedule of Water Rate Base Adjustments

<u>Accumulated Depreciation</u>	<u>Adjustment</u>
To account for depreciation associated with plant items that were not transferred from Ponte Vedra to Jacksonville Suburban.	(4) \$ 14,968
To account for depreciation on 1989 Chevrolet recorded at book value.	(4) (2,174)
To record depreciation for land additions that were reclassified to structures and improvements.	(4) <u>(1,075)</u>
Total	\$ <u>11,719</u>

Ponte Vedra Utilities Company

SCHEDULE OF WASTEWATER RATE BASE

As of March 31, 1993

<u>DESCRIPTION</u>	<u>BALANCE PER UTILITY</u>	<u>COMMISSION ADJUSTMENTS</u>	<u>BALANCE PER COMMISSION</u>
Utility Plant in Service	\$3,223,141	\$ 20,534(1)	\$3,243,675
Land	42,082	(28,178)(2)	13,904
Plant Held For Future Use	0	0	0
Contributions-in-aid-of-Construction	(2,717,077)	0	(2,717,077)
Construction Work In Progress	47,632	0	47,632
Accumulated Depreciation	(1,337,019)	2,408(3)	(1,334,611)
CIAC Amortization	802,399	0	802,399
Advances For Construction	<u>(76,185)</u>	<u>0</u>	<u>(76,185)</u>
TOTAL	\$ <u>(15,027)</u>	\$ <u>(5,236)</u>	\$ <u>(20,263)</u>

Ponte Vedra Utilities Company
Schedule of Wastewater Rate Base Adjustments

<u>Explanation</u>	<u>Adjustment</u>
<u>Utility Plant-in-service</u>	
To adjust for plant assets recorded on Ponte Vedra's books that were not transferred from Ponte Vedra to Jacksonville Suburban.	(1) \$ <u>(9,964)</u>
To record 1989 Chevrolet at book value.	(1) <u>2,320</u>
To record land additions that were reclassified as structures and improvements.	(1) <u>28,178</u>
Total	\$ <u>20,534</u>
<u>Land</u>	
To decrease land for additions that were reclassified as structures and improvements.	(2) \$ <u>(28,178)</u>
<u>Accumulated Depreciation</u>	
To account for depreciation associated with plant items that were not transferred from Ponte Vedra to Jacksonville Suburban.	(3) \$ <u>9,964</u>
To account for depreciation on 1989 Chevrolet recorded at book value.	(3) <u>(1,450)</u>
To record depreciation for land additions that were reclassified to structures and improvements	(3) <u>(6,106)</u>
Total	\$ <u>2,408</u>