

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in water and
wastewater rates in Orange County by Pluris
Wedgfield, Inc.

DOCKET NO. 120152-WS
ORDER NO. PSC-12-0554-PCO-WS
ISSUED: October 17, 2012

The following Commissioners participated in the disposition of this matter:

RONALD A. BRISÉ, Chairman
LISA POLAK EDGAR
ART GRAHAM
EDUARDO E. BALBIS
JULIE I. BROWN

ORDER SUSPENDING WATER AND WASTEWATER RATES AND
HOLDING INTERIM REVENUES SUBJECT TO REFUND WITH INTEREST

BY THE COMMISSION:

Background

Pluris Wedgfield, Inc. (Pluris or Utility) is a Class B utility providing service to approximately 1,598 water and 1,567 wastewater customers in Orange County. For the year ended December 31, 2011, the Utility reported operating revenues of \$1,717,005 and net operating income of \$31,189. The Utility's last rate case was in 2008 for water and 1998 for wastewater.¹ On September 8, 2009, Pluris was transferred from Wedgfield Utilities, Inc. to Pluris Wedgfield, LLC.² The Utility became Pluris Wedgfield, Inc. by Order No. PSC-09-0739-FOF-WS issued November 9, 2009.³

On July 19, 2012, Pluris filed its application for the rate increase at issue in the instant docket. As of the date of this order, there are deficiencies in the Minimum Filing Requirements (MFRs). The Utility requested that the application be processed using the Proposed Agency Action (PAA) procedure and requested interim rates. The test year established for interim and final rates is the simple average period ended December 31, 2011.

¹ See Order Nos. PSC-08-0827-PAA-WS, issued December 22, 2008, in Docket No. 070694-WS, In re: Application for increase in water and wastewater rates in Orange County by Wedgfield Utilities, Inc.; and PSC-98-1092-FOF-WS, issued August 12, 1998, in Docket No. 960235-WS, In re: Application for transfer of Certificates Nos. 404-W and 341-S in Orange County from Econ Utilities Corporation to Wedgfield Utilities, Inc.

² See Order No. PSC-09-0610-FOF-W8, issued September 8, 2009, in Docket No. 090232-WS, In re: Joint application for authority to transfer assets and Certificate Nos. 404-W and 341-S in Orange County from Wedgfield Utilities, Inc. to Pluris Wedgfield, LLC.

³ See Order No. PSC-09-0739-FOF-WS, issued November 9, 2009, in Docket No. 090418-WS, In re: Application for name change on Certificate Nos. 404-W and 341-S in Orange County from Pluris Wedgfield, LLC to Pluris Wedgfield, Inc.

DOCUMENT NUMBER - DATE

07080 OCT 17 2012

FPSC-COMMISSION CLERK

The Utility requested interim rates designed to generate annual revenues of \$1,358,772 for water and \$907,479 for wastewater. This represents an annual revenue increase of \$373,326 (37.88 percent) for water and \$175,920 (7.76 percent) for wastewater. Pluris requested final rates designed to generate annual revenues of \$1,379,982 for water and \$913,888 for wastewater. This represents a revenue increase of \$394,536 (40.04 percent) for water and \$182,329 (18.50 percent) for wastewater.

The 60-day statutory deadline for this Commission to suspend the Utility's requested final rates and address its interim request is September 18, 2012. By letter dated July 23, 2012, the Utility extended this 60-day deadline through September 19, 2012. This order addresses the suspension of the Utility's requested final rates and its requested interim rates. We have jurisdiction pursuant to Sections 367.081 and 367.082, Florida Statutes (F.S.).

Decision

Suspension of Rates

Section 367.081(6), F.S., provides that this Commission may, for good cause, withhold consent to the implementation of the requested rates within 60 days after the date the rate request is filed. Furthermore, Section 367.081(8), F.S., permits the proposed rates to go into effect (secured and subject to refund) at the expiration of five months from the official date of filing if: (1) this Commission has not acted upon the requested rate increase; or (2) if this Commission's PAA action is protested by a party other than the Utility.

We have reviewed the filing and have considered the information filed in support of the rate application and the proposed final rates. We believe further investigation of this information is necessary, including on-site investigations by Commission staff accountants and engineers. Presently, Commission staff is undertaking an audit of the Utility's books and records. Furthermore, Commission staff has submitted its first data request to the Utility on August 31, 2012. The Utility's response to this data request is due on October 1, 2012. We believe further data requests will be necessary to process this case. Based on the foregoing, we suspend the Utility's proposed rate increase.

Interim Revenue Collection

On July 19, 2012, Pluris filed rate base, cost of capital, and operating statements to support its requested revenue increase. Pursuant to Section 367.082(1), F.S., in order to establish a prima facie entitlement for interim relief, the Utility shall demonstrate that it is earning outside the range of reasonableness on its rate of return. Pursuant to Section 367.081(2)(a), F.S., in a proceeding for an interim increase in rates, this Commission shall authorize, within 60 days of the filing for such relief, the collection of rates sufficient to earn the minimum of the range of rate of return. Based on the Utility's filing and the authorized adjustments below, we find that the Utility has demonstrated a prima facie entitlement in accordance with Section 367.082(1), F.S.

Pursuant to Section 367.082(5)(b)1, F.S., the achieved rate of return for interim purposes must be calculated by applying appropriate adjustments consistent with those made in a utility's most recent rate proceeding. Upon review of Pluris' interim request, Order No. PSC-08-0827-PAA-WS, in which this Commission last established water rates, and Order No. PSC-98-1092-FOF-WS, in which this Commission last established wastewater rates and additional review of Order No. PSC-09-0610-FOF-WS related to the transfer of the Utility from Wedgefield Utilities, Inc. to Pluris Wedgefield, LLC,⁴ we conclude that an approved return on equity (ROE) does not survive a transfer.⁵ Accordingly, the appropriate ROE for interim purposes shall be based on the approved leverage formula currently in effect.⁶

The attached accounting schedules illustrate the authorized rate base, capital structure, and test year operating income amounts. Rate base for water and wastewater, respectively, are labeled as Schedule Nos. 1-A and 1-B, with adjustments shown on Schedule No. 1-C, capital structure is labeled as Schedule No. 2, and operating income for water and wastewater, respectively, are labeled as Schedule Nos. 3-A and 3-B, with the adjustments shown on Schedule No. 3-C.

Rate Base

Pluris filed a year-end water and wastewater interim rate base for the calendar year ending on December 31, 2011. Based on an analysis of the MFRs, Commission staff discovered that the Utility made a calculation error in reconciling its requested water and wastewater rate bases. Pursuant to Rule 25-30.433(4), Florida Administrative Code (F.A.C.), for Class B utilities, rate base shall be calculated using the simple beginning and end-of-the year average. In order to properly reflect the simple average balances for water, plant-in-service, accumulated depreciation, CIAC, and accumulated amortization of CIAC, we order the following adjustments:

Table 1

Adjustments Required to Simple Average Water Balances	
Plant-in-Service	\$189,969
Accumulated Depreciation	(\$14,234)
CIAC	(\$1,029)
Accumulated Amort. of CIAC	(\$764)

⁴ See Order No. PSC-09-0610-FOF-WS, issued September 8, 2009, in Docket No. 090232-WS, In re: Joint application for authority to transfer assets and Certificate Nos. 404-Wand 341-8 in Orange County from Wedgefield Utilities, Inc. to Pluris Wedgefield, LLC.

⁵ See Order No. PSC-10-0656-FOF-WU, issued November 1, 2010, in Docket No. 100400-WU, In re: Investigation of rates of O&S Water Company, Inc. in Osceola County for possible overearnings, p. 2.

⁶ See Order Nos. PSC-12-0339-PAA-WS, issued June 28, 2012, and PSC-12-0372-CO-WS, issued July 20, 2012, in Docket No. 120006-WS, In re: Water and Wastewater Industry Annual Reestablishment of Authorized Range of Return on Common Equity for Water and Wastewater Utilities Pursuant to Section 367.081(4)(f), Florida Statutes.

Furthermore, in order to properly reflect the simple average balances for wastewater, plant-in-service, accumulated depreciation, and accumulated amortization of CIAC shall be adjusted as follows:

Table 2

Adjustments Required to Simple Average Wastewater Balances	
Plant-in-Service	\$189,856
Accumulated Depreciation	(\$26,659)
Accumulated Amort. of CIAC	(\$40,079)

Used and Useful Plant

The Utility included a used and useful (U&U) adjustment to its interim rate base. We reviewed the prior rate cases and the filings in the instant docket to review the consistency in methodology. The U&U percentage for the Water Treatment Plant (WTP) and storage shall be considered 100 percent U&U. The U&U percentage for the Wastewater Treatment Plant (WWTP) shall be considered 72.1 percent U&U. The distribution system shall be considered 85.1 percent U&U. The Utility's U&U rate base adjustments are appropriate and in accordance with Section 367.082, F.S. Based on the above, we order that Pluris' interim water rate base shall be \$4,464,130, and wastewater rate base shall be \$1,200,475.

Cost of Capital

Based on an analysis of the MFRs, we determined that the Utility made a calculation error in reconciling its long-term debt and customer deposits necessary for determining the appropriate total capital structure. Pursuant to Rule 25-30.433(4), F.A.C., the method that shall be used to calculate the cost of capital for Class B utilities is the simple beginning and end-of-year average. As such, we make the following adjustments to decrease long-term debt by \$252,432 and increase customer deposits by \$1,032. Based on the current leverage formula and an equity ratio of 40.67 percent, the indicated ROE is 11.07 percent with a range of 10.07 percent to 12.07 percent. Based on the above and using the minimum ROE of 10.07 percent, we order an interim weighted average cost of capital of 7.96 percent. The authorized capital structure is shown on Schedule No. 2.

Net Operating Income

Pursuant to Section 367.082(5)(b)1, F.S., the achieved rate of return for interim purposes must be calculated by applying adjustments consistent with adjustments made in the Utility's most recent rate proceeding and annualized for any rate changes. To obtain the appropriate amount of interim test year operating revenues, we removed the requested interim revenue increase of \$373,326 for water and \$175,920 for wastewater. When annualizing the rates in effect as of December 31, 2011, we calculated annualized service revenues of \$947,723 for water and \$732,003 for wastewater. Therefore, test year revenues shall be increased by \$2,309 for water and \$444 for wastewater.

Interim Revenue Requirement

We calculated the interim revenue requirement using the actual operating expenses for the year ended December 31, 2011 and a 7.96 percent overall rate of return on an average rate base. However, this resulted in a revenue requirement for the wastewater system that is greater than that requested by the Utility. Since Commission practice is to limit the interim revenue requirement to the amount requested,⁷ the appropriate interim revenue requirement shall be \$1,350,198 for water and \$907,479 for wastewater. This represents an interim increase in revenues of \$362,443 (or 36.69 percent) for water and \$175,476 (or 23.97 percent) for wastewater. This increase will allow the Utility the opportunity to recover its water operating expenses and earn a 7.96 percent return on its water rate base and a 7.59 percent return on its wastewater rate base.

Interim Water and Wastewater Rates

We have determined that interim water and wastewater service rates for Pluris shall allow the Utility the opportunity to generate annual operating revenues of \$1,350,198 for water operations and \$907,479 for wastewater operations. Before removal of miscellaneous revenues, this would result in an increase of \$362,443 or 36.69 percent for water. To determine the appropriate percentage increase to apply to the service rates, miscellaneous service revenues shall be removed from the test year revenues. The calculation is as follows:

Table 3

	<u>Water</u>	<u>Wastewater</u>
1 Total Test Year Revenues	\$987,755	\$732,003
2 Less: Miscellaneous Revenues	<u>40,032</u>	<u>0</u>
3 Test Year Revenues from Service Rates	\$947,723	\$732,003
4 Revenue Increase	<u>\$362,443</u>	<u>\$175,476</u>
5 % Service Rate Increase (Line 4/Line 3)	<u>38.24%</u>	<u>23.97%</u>

The interim rate increases of 38.24 percent for water⁸ and 23.97 percent for wastewater shall be applied as an across-the-board increase to the service rates in effect as of December 31, 2011. The approved rates shall be effective for service rendered as of the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. The rates shall not be implemented

⁷ See Order Nos. PSC-10-707-FOF-WS, issued November 29, 2010, in Docket No. 100330-WS, In re: Application for increase in water/wastewater rates in Alachua, Brevard, DeSoto, Hardee, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and Washington Counties by Aqua Utilities Florida, Inc.; PSC-05-0287-PAA-SU, issued March 17, 2005, in Docket No. 040972-SU, In re: Application for rate increase in Pinellas County by Ranch Mobile WWTP, Inc.; and PSC-96-1187-FOF-WU, issued September 23, 1996, in Docket No. 960444-WU, In re: Application for rate increase and for increase in service availability charges in Lake County by Lake Utility Services, Inc.

⁸ In calculating its requested interim rates, Pluris applied a percentage less than the our approved 38.24 percent.

until Commission staff verifies that the tariff sheets are consistent with our decision, the proposed customer notice is adequate, and the required security has been filed. The Utility shall provide proof of the date notice was given within 10 days after the date of notice.

The Utility's test year, proposed interim and final rates, as well as our authorized interim rates are shown on Schedule No. 4-A for water and Schedule No. 4-B for wastewater.

Appropriate Security

Pursuant to Section 367.082, F.S., revenues collected under interim rates shall be placed under bond, escrow, letter of credit, or corporate undertaking subject to refund with interest at a rate ordered by this Commission. As previously discussed, the total annual interim increase is \$537,919. In accordance with Rule 25-30.360, F.A.C., we have calculated the potential refund of revenues and interest collected under interim conditions at \$313,923. This amount is based on an estimated seven months of revenue being collected from the authorized interim rates over the Utility's current authorized rates as shown on Schedule No. 4.

The criteria for a corporate undertaking include sufficient liquidity, ownership equity, profitability, and interest coverage to guarantee any potential refund. Commission staff reviewed Pluris' 2007, 2008 and 2009 financial statements to determine the financial condition of the Utility. Pluris has inadequate liquidity, profitability, ownership equity, and interest coverage to guarantee any potential refund. Based on this analysis, we order that Pluris obtain a surety bond, letter of credit, or escrow agreement to guarantee any potential refunds of water revenues. This brief financial analysis is only appropriate for deciding if the Utility can support a corporate undertaking in the amount proposed and shall not be considered a finding regarding any other issues in this proceeding.

If the security provided is an escrow account, said account shall be established between the Utility and an independent financial institution or the Division of Treasury for the Florida Department of Financial Services pursuant to a written escrow agreement. This Commission shall be a party to the written escrow agreement and a signatory to the escrow account. The written escrow agreement shall state the following: the account is established at the direction of the Public Service Commission (Commission) for the purpose set forth above; no withdrawals of funds shall occur without the prior approval of this Commission through the Commission Clerk, Office of Commission Clerk; the account shall bear interest; any and all information concerning or related to this escrow account shall be available from the institution to this Commission or its representatives at all times; the amount of revenue subject to refund shall be deposited in the escrow account within seven days of receipt; and, pursuant to Cosentino v. Elson, 263 So. 2d 253 (Fla 3d DCA 1972), the escrow account shall not be subject to garnishments.

If the security provided is an escrow account, the Utility shall deposit 26.84 percent of water revenues and 19.34 percent of wastewater revenues into the escrow account each month. The escrow agreement shall also state that if a refund to the customers is required, all interest earned on the escrow account shall be distributed to the customers, and if a refund to the customers is not required, the interest earned on the escrow account shall inure to the benefit of the Utility.

If the security provided is a surety bond or a letter of credit, said instrument shall be in the amount of \$313,923. If the Utility chooses a surety bond as security, the surety bond shall state that it will be released or terminated only upon subsequent order of this Commission. If the Utility chooses to provide a letter of credit as security, the letter of credit shall state that it is irrevocable for the period it is in effect and that it shall remain in effect until a final Commission order is rendered releasing the funds to the Utility or ordering a refund to the customers or otherwise authorizing the termination of letter of credit.

Regardless of the type of security provided, the Utility shall keep an accurate and detailed account of all monies it receives. Pursuant to Rule 25-30.360(6), F.A.C., the Utility shall provide a report by the 20th day of each month indicating the monthly and total revenue collected subject to refund. Should a refund be required, the refund shall be with interest and undertaken in accordance with Rule 25-30.360, F.A.C.

In no instance shall maintenance and administrative costs associated with any refund be borne by the customers. Such costs are the responsibility of, and shall be borne by, the Utility.

Based on the foregoing, it is

ORDERED that Pluris' proposed final water and wastewater rates shall be suspended. It is further

ORDERED that Pluris shall be authorized to collect interim annual water and wastewater revenues of \$1,350,198 for water operations and \$907,479 for wastewater operations. It is further

ORDERED that the appropriate rates are described on Schedule No. 4-A for water and Schedule No. 4-B for wastewater. The water and wastewater service revenues for Pluris in effect as of December 31, 2011, shall be increased by 38.24 percent for water and 23.97 percent for wastewater to generate the authorized revenue increase for the interim period. The approved rates shall be effective for service rendered as of the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1)(a), F.A.C. The rates shall not be implemented until Commission staff verifies that the tariff sheets are consistent with this order, the proposed customer notice is adequate, and the required security has been filed. The Utility shall provide proof of the date notice was given within 10 days after the date of notice. It is further

ORDERED that the Utility shall open an escrow account or file a surety bond or letter of credit to guarantee any potential refund of revenues collected under interim conditions. If the security provided is an escrow account, the Utility shall deposit 26.84 percent of water revenues and 19.34 percent of wastewater revenues into the escrow account each month. Otherwise, the surety bond or letter of credit shall be in the amount of \$313,923. Pursuant to Rule 25-30.360(6), F.A.C., the Utility shall provide a report by the 20th of each month indicating the monthly and total revenue collected subject to refund. Should a refund be required, the refund shall be with interest borne by the Utility and in accordance with Rule 25-30.360, F.A.C. It is further

ORDERED that in no instance shall maintenance and administrative costs associated with any refund be borne by the customers. The costs are the responsibility of, and shall be borne by, the Utility. It is further

ORDERED that this docket shall remain open pending this Commission's final action on the Utility's application for increase in rates and charges.

By ORDER of the Florida Public Service Commission this 17th day of October, 2012.



ANN COLE
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

MTL

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by this order, which is non-final in nature, may request (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code, or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Citizens of the State of Florida v. Mayo, 316 So.2d 262 (Fla. 1975), states that an order on interim rates is not final or reviewable until a final order is issued. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

Pluris Wedgefield, Inc. Schedule of Water Rate Base Test Year Ended 12/31/11			Schedule No. 1-A Docket No. 120152-WS		
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Comm Adjust- ments	Comm Adjusted Test Year
1 Plant in Service	\$7,386,857	\$0	\$7,386,857	\$189,969	\$7,576,826
2 Land and Land Rights	5,407	0	5,407	0	5,407
3 Non-used and Useful Components	0	(93,228)	(93,228)	0	(93,228)
4 Accumulated Depreciation	(2,250,019)	0	(2,250,019)	(14,234)	(2,264,253)
5 CIAC	(1,411,363)	0	(1,411,363)	(1,029)	(1,412,392)
6 Amortization of CIAC	579,912	0	579,912	(764)	579,149
7 Working Capital Allowance	<u>72,755</u>	<u>(135)</u>	<u>72,620</u>	<u>0</u>	<u>72,620</u>
8 Rate Base	<u>\$4,383,549</u>	<u>(\$93,363)</u>	<u>\$4,290,186</u>	<u>\$173,944</u>	<u>\$4,464,130</u>

Pluris Wedgefield, Inc. Schedule of Wastewater Rate Base Test Year Ended 12/31/11				Schedule No. 1-B Docket No. 120152-WS	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Comm Adjust- ments	Comm Adjusted Test Year
1 Plant in Service	\$7,843,119	\$0	\$7,843,119	\$189,856	\$8,032,975
2 Land and Land Rights	96,500	0	96,500	0	96,500
3 Non-used and Useful Components	0	(261,107)	(261,107)	0	(261,107)
4 Accumulated Depreciation	(4,401,148)	0	(4,401,148)	(26,659)	(4,427,807)
5 CIAC	(3,997,722)	0	(3,997,722)	0	(3,997,722)
6 Amortization of CIAC	1,723,879	0	1,723,879	(40,079)	1,683,800
7 Working Capital Allowance	<u>74,230</u>	<u>(394)</u>	<u>73,836</u>	<u>0</u>	<u>73,836</u>
8 Rate Base	<u>\$1,338,858</u>	<u>(\$261,501)</u>	<u>\$1,077,357</u>	<u>\$123,118</u>	<u>\$1,200,475</u>

Pluris Wedgefield, Inc. Adjustments to Rate Base Test Year Ended 12/31/11		Schedule No. 1-C Docket No. 120152-WS	
Explanation	Water	Wastewater	
<u>Plant In Service</u> To reflect appropriate average plant in service.	<u>\$189,969</u>	<u>\$189,856</u>	
<u>Accumulated Depreciation</u> To reflect appropriate average accum. Depr.	<u>(\$14,234)</u>	<u>(\$26,659)</u>	
<u>CIAC</u> To reflect appropriate average CIAC.	<u>(\$1,029)</u>	<u>\$0</u>	
<u>Accumulated Amortization of CIAC</u> To reflect appropriate average accum. amort. of CIAC.	<u>(\$764)</u>	<u>(\$40,079)</u>	

Pluris Wedgefield, Inc. Capital Structure-Simple Average Test Year Ended 12/31/11							Schedule No. 2 Docket No. 120152-WS		
Description	Total Capital	Specific Adjustments	Subtotal Adjusted Capital	Prorata Adjustments	Capital Reconciled to Rate Base	Ratio	Cost Rate	Weighted Cost	
Per Utility									
1 Long-term Debt	\$4,218,721	\$0	\$4,218,721	(\$974,763)	\$3,243,958	60.44%	6.51%	3.93%	
2 Short-term Debt	0	0	0	0	0	0.00%	0.00%	0.00%	
3 Preferred Stock	0	0	0	0	0	0.00%	0.00%	0.00%	
4 Common Equity	2,736,042	0	2,736,042	(632,228)	2,103,814	39.20%	11.16%	4.37%	
5 Customer Deposits	19,771	0	19,771	0	19,771	0.37%	6.00%	0.02%	
6 Deferred Income Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>	0.00%	<u>0.00%</u>	
7 Total Capital	<u>\$6,974,534</u>	<u>\$0</u>	<u>\$6,974,534</u>	<u>(\$1,606,991)</u>	<u>\$5,367,543</u>	<u>100.00%</u>		<u>8.33%</u>	
Per Commission									
8 Long-term Debt	\$4,218,721	(\$252,432)	\$3,966,290	(\$626,414)	\$3,339,875	58.96%	6.51%	3.84%	
9 Short-term Debt	0	0	0	0	0	0.00%	0.00%	0.00%	
10 Preferred Stock	0	0	0	0	0	0.00%	0.00%	0.00%	
11 Common Equity	2,736,042	0	2,736,042	(432,115)	2,303,927	40.67%	10.07%	4.10%	
12 Customer Deposits	19,771	1,032	20,803	0	20,803	0.37%	6.00%	0.02%	
13 Deferred Income Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>	0.00%	<u>0.00%</u>	
14 Total Capital	<u>\$6,974,534</u>	<u>(\$251,400)</u>	<u>\$6,723,134</u>	<u>(\$1,058,530)</u>	<u>\$5,664,605</u>	<u>100.00%</u>		<u>7.96%</u>	
						<u>LOW</u>	<u>HIGH</u>		
RETURN ON EQUITY						<u>10.07%</u>	<u>12.07%</u>		
OVERALL RATE OF RETURN						<u>7.96%</u>	<u>8.77%</u>		

Pluris Wedgefield, Inc. Statement of Water Operations Test Year Ended 12/31/11						Schedule No. 3-A Docket No. 120152-WS	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Comm Adjust- ments	Comm Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$985,446</u>	<u>\$373,326</u>	<u>\$1,358,772</u>	<u>(\$371,017)</u>	<u>\$987,755</u>	<u>\$362,443</u> 36.69%	<u>\$1,350,198</u>
Operating Expenses							
2 Operation & Maintenance	\$582,041	(\$1,077)	\$580,964	\$0	\$580,964		\$580,964
3 Depreciation	194,204	(4,425)	189,779	0	189,779		189,779
4 Taxes Other Than Income	46,499	67,746	114,245	(16,696)	97,549	16,310	113,859
5 Income Taxes	<u>3,734</u>	<u>113,107</u>	<u>116,841</u>	<u>(136,736)</u>	<u>(19,895)</u>	<u>130,250</u>	<u>110,355</u>
6 Total Operating Expense	<u>826,478</u>	<u>175,351</u>	<u>1,001,829</u>	<u>(153,431)</u>	<u>848,398</u>	<u>146,560</u>	<u>994,957</u>
7 Operating Income	<u>\$158,968</u>	<u>\$197,975</u>	<u>\$356,943</u>	<u>(\$217,586)</u>	<u>\$139,357</u>	<u>\$215,883</u>	<u>\$355,240</u>
8 Rate Base	<u>\$4,383,549</u>		<u>\$4,290,186</u>		<u>\$4,464,130</u>		<u>\$4,464,130</u>
9 Rate of Return	<u>3.63%</u>		<u>8.32%</u>		<u>3.12%</u>		<u>7.96%</u>

Pluris Wedgefield, Inc. Statement of Wastewater Operations Test Year Ended 12/31/11						Schedule No. 3-B Docket No. 120152-WS	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Comm Adjust- ments	Comm Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$731,559</u>	<u>\$175,920</u>	<u>\$907,479</u>	<u>(\$175,476)</u>	<u>\$732,003</u>	<u>\$175,476</u> 23.97%	<u>\$907,479</u>
Operating Expenses							
2 Operation & Maintenance	\$593,839	(\$3,148)	\$590,691	\$0	\$590,691		\$590,691
3 Depreciation	122,448	(15,985)	106,463	0	106,463		106,463
4 Taxes Other Than Income	143,052	(50,767)	92,285	(7,896)	84,389	7,896	92,285
5 Income Taxes	-	28,403	28,403	(64,483)	(36,080)	63,060	26,980
6 Total Operating Expense	<u>859,339</u>	<u>(41,497)</u>	<u>817,842</u>	<u>(72,380)</u>	<u>745,462</u>	<u>70,957</u>	<u>816,419</u>
7 Operating Income	<u>(\$127,780)</u>	<u>\$217,417</u>	<u>\$89,637</u>	<u>(\$103,096)</u>	<u>(\$13,459)</u>	<u>\$104,519</u>	<u>\$91,060</u>
8 Rate Base	<u>\$1,338,858</u>		<u>\$1,077,357</u>		<u>\$1,200,475</u>		<u>\$1,200,475</u>
9 Rate of Return	<u>-9.54%</u>		<u>8.32%</u>		<u>-1.12%</u>		<u>7.59%</u>

Pluris Wedgefield, Inc. Adjustment to Operating Income Test Year Ended 12/31/11		Schedule No. 3-C Docket No. 120152-WS	
Explanation	Water	Wastewater	
<u>Operating Revenues</u>			
1 Remove requested interim revenue increase.	(\$373,326)	(\$175,920)	
2 To reflect the appropriate amount of annualized revenues.	<u>2,309</u>	<u>444</u>	
Total	<u>(\$371,017)</u>	<u>(\$175,476)</u>	
<u>Taxes Other Than Income</u>			
RAFs on revenue adjustments above.	<u>(\$16,696)</u>	<u>(\$7,896)</u>	

Pluris Wedgefield, Inc.		Schedule No. 4-A		
Water Monthly Service Rates		Docket No. 120152-WS		
Test Year Ended 12/31/11				
	Rates Prior to Filing	Utility Requested Interim	Utility Requested Final	Comm Authorized Interim
<u>Residential, Irrigation, and General Service</u>				
Base Facility Charge by Meter Size:				
5/8" x 3/4"	\$23.39	\$32.28	\$42.39	\$32.34
3/4"	\$35.09	\$48.42	\$63.59	\$48.51
1"	\$58.49	\$80.72	\$105.98	\$80.86
1-1/2"	\$116.97	\$161.42	\$211.95	\$161.70
2"	\$187.14	\$258.25	\$339.12	\$258.71
3"	\$374.29	\$516.52	\$678.24	\$517.43
4"	\$584.83	\$807.07	\$1,059.75	\$808.49
6"	\$1,169.65	\$1,614.12	\$2,119.50	\$1,616.97
 <u>Residential Gallonage Charge</u>				
0-5,000 Gallons	\$4.04	\$5.58	\$3.49	\$5.59
5,001-10,000 Gallons	\$5.05	\$6.97	\$6.98	\$6.98
10,001+ Gallons	\$8.09	\$11.16	\$10.47	\$11.18
 <u>General and Irrigation Gallonage Charge</u>				
Gallonage Charge, per 1,000 Gallons	\$5.02	\$6.93	\$5.04	\$6.94
 <u>Typical Residential Bills 5/8" x 3/4" Meter</u>				
3,000 Gallons	\$35.51	\$49.02	\$52.86	\$49.11
5,000 Gallons	\$43.59	\$60.18	\$59.84	\$60.29
10,000 Gallons	\$68.84	\$95.03	\$94.74	\$95.19
Average Usage of 5,420	\$45.71	\$63.11	\$62.77	\$63.22

Pluris Wedgefield, Inc.		Schedule No. 4-B		
Wastewater Monthly Service Rates		Docket No. 120152-WS		
Test Year Ended 12/31/11				
	Rates	Utility	Utility	Comm
	Prior to	Requested	Requested	Authorized
	Filing	Interim	Final	Interim
<u>Residential</u>				
Base Facility Charge by Meter				
Size:				
5/8" x 3/4"	\$21.07	\$26.13	\$29.68	\$26.12
3/4"	\$21.07	\$26.13	\$44.52	\$26.12
1"	\$21.07	\$26.13	\$74.20	\$26.12
1-1/2"	\$21.07	\$26.13	\$148.40	\$26.12
2"	\$21.07	\$26.13	\$237.44	\$26.12
Gallonge Charge - Per 1,000				
gallons (10,000 gallon cap)	\$3.82	\$4.74	\$4.07	\$4.74
<u>General Service</u>				
Base Facility Charge by Meter				
Size:				
5/8" x 3/4"	\$21.07	\$26.13	\$29.68	\$26.12
3/4"	\$31.64	\$39.23	\$44.52	\$39.22
1"	\$52.74	\$65.40	\$74.20	\$65.38
1-1/2"	\$105.44	\$130.75	\$148.40	\$130.72
2"	\$168.73	\$209.23	\$237.44	\$209.18
3"	\$337.44	\$418.43	\$445.20	\$418.33
4"	\$528.09	\$654.83	\$742.00	\$654.68
6"	\$843.60	\$1,046.06	\$1,484.00	\$1,045.83
Gallonge Charge, per 1,000				
Gallons	\$4.56	\$5.69	\$4.78	\$5.65
<u>Typical Residential Bills 5/8" x 3/4" Meter</u>				
3,000 Gallons	\$32.53	\$40.35	\$41.89	\$40.34
5,000 Gallons	\$40.17	\$49.83	\$50.03	\$49.82
10,000 Gallons	\$59.27	\$73.53	\$70.38	\$73.52
Average Usage of 5,420	\$41.77	\$51.82	\$51.74	\$51.81