

FLORIDA PUBLIC SERVICE COMMISSION

Fletcher Building
101 East Gaines Street
Tallahassee, Florida 32399-0850

M E M O R A N D U M

FEBRUARY 7, 1991

TO : DIRECTOR, DIVISION OF RECORDS AND REPORTING

FROM : DIVISION OF WATER AND SEWER (KONIS, GOLDEN, LIVELY) *MMW*
DIVISION OF LEGAL SERVICES (BEDELL) *Paul* *MS* *AS* *W* *RC* *ha*

RE : UTILITY: SAILFISH POINT UTILITY CORPORATION
DOCKET NO.: 900816-WS
COUNTY: MARTIN
CASE: APPLICATION FOR INCREASED RATES

AGENDA : 02/19/91 - CONTROVERSIAL AGENDA - PARTIES MAY NOT PARTICIPATE

CRITICAL DATES: 60-DAY SUSPENSION DATE: 02/27/91
8-MONTH EFFECTIVE DATE: 09/03/91

SPECIAL INSTRUCTIONS: THIS ITEM HAS NOT BEEN TO HEARING AND SHOULD BE HEARD BY THE FULL COMMISSION

CASE BACKGROUND

Sailfish Point Utility Corporation, (Sailfish Point or utility) is a Class C utility located in Stuart, Florida. The utility is a wholly-owned subsidiary of Sailfish Point, Inc., which is wholly owned by Mobil Land Development Corporation (Mobil). As of December 31, 1989, the utility had 171 water customers and 157 wastewater customers. Water treatment is provided by reverse osmosis. The water system had actual operating revenues of \$161,581 and a net operating loss of \$91,111 for the twelve months ended June 30, 1990. The wastewater system had actual operating revenues of \$92,996 and a net operating loss of \$73,378 for the same period.

DOCUMENT NUMBER DATE

1225 FT -7 1991

DIVISION OF RECORDS AND REPORTING

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The Commission has not previously considered this utility's rates within a full rate case; nor has a rate of return on equity been set. A 1983 price index adjustment was acknowledged, by Order No. 12963.

On December 18, 1989, Sailfish Point filed an application for increased rates (Docket No. 891114-WS). By Order No. 22609, the Commission granted an interim increase and suspended the requested rates. Because of an amendment increasing its revenue request and a notice violation, the case was later dismissed by Order No. 23123 on June 26, 1990. A refund of the interim increase was required by Order No. 23123.

On December 28, 1990, the utility filed its application in this docket for a rate increase and that date was established as the official date of filing. The test year for final rate determination is the projected twelve-month period ended June 30, 1992. The interim test period is the twelve months ended June 30, 1990. The utility has requested that this case be scheduled for a formal hearing and not processed pursuant to the proposed agency action process as provided for in Section 367.081(8), Florida Statutes. The case has been set for hearing in Stuart, Florida, on June 26 and 27, 1991.

Sailfish Point has requested interim water rates designed to generate \$258,387. These revenues exceed test year revenues by \$96,807 for an increase of 59.91%. The utility has requested interim wastewater revenues designed to generate annual revenues of \$170,674. These requested revenues exceed test year revenues by \$77,678, for an 83.53% increase. The utility states that this increase in revenue would be sufficient to break even; i.e., sufficient only to recover operating deductions without providing any return on rate base.

Sailfish Point has requested final water rates designed to generate annual revenues of \$572,814, which exceed test year revenues by \$371,755 for a 184.9% increase. The utility has requested final wastewater rates designed to generate annual revenues of \$477,580, which exceed test year revenues by \$361,910 for a 312.88% increase. The utility states that the final rates requested would be sufficient to recover a 9.87% rate of return on rate base.

DISCUSSION OF ISSUES

ISSUE 1: Should the utility's proposed water and wastewater rates be suspended?

RECOMMENDATION: Yes. The utility's proposed water rates should be suspended pending further investigation by staff. (MONIZ)

STAFF ANALYSIS: Section 367.081(6), Florida Statutes, provides that the rate schedules proposed by the utility shall become effective within sixty (60) days after filing unless the Commission votes to withhold consent to the implementation of the rates requested. Further, the above-referenced statute permits the proposed rates to go into effect, under bond, eight (8) months after filing unless final action has been taken by the Commission.

Staff has reviewed the filing and found that the utility has made substantial plant additions since receiving its certificate. Further, since the utility has not completed a full rate case, its rate base has not been established by this Commission. In addition, the utility has proposed numerous adjustments to the rate base and operating statements. We have considered the proposed rates, the amount of the additional revenues sought thereunder and the supporting data which has been submitted. We recommend that it is reasonable and necessary to require further amplification, explanation and cross-examination of data filed by the utility, as well as additional and/or corroborative data.

In consideration of the above, staff recommends suspension of the proposed rate schedules.

ISSUE 2: Should an interim revenue increase be granted for the water and wastewater systems?

RECOMMENDATION: Yes. The utility should be authorized, on an interim basis, to collect annual operating revenues as shown below:
(MONIZ)

	<u>Revenues</u>	<u>Increase</u>	<u>Percentage</u>
Water	\$258,387	\$96,807	59.91%
Wastewater	\$170,674	\$77,678	83.53%

STAFF ANALYSIS: Sailfish Point has requested interim water rates designed to generate \$258,387. These revenues exceed test year revenues by \$96,807 for an increase of 59.91%. The utility has requested interim wastewater revenues designed to generate annual revenues of \$170,674. These requested revenues exceed test year revenues by \$77,678, for an 83.53% increase.

The attached accounting schedules illustrate staff's recommended rate base calculations, capital structure, and test year operating income statements. Also attached are detailed schedules outlining each adjustment recommended by staff. The utility submitted separate schedules for interim rate consideration.

Our review of the information filed in the application indicates that it is appropriate, on an interim basis, to increase water revenues by \$96,807 and to increase wastewater revenues by \$77,678, subject to refund.

RATE BASE: In its application, the utility put debit deferred taxes related to CIAC in its rate base and credit deferred taxes in its capital structure. It is Commission practice to first net the debit and credit deferred tax balances. If a net debit balance results, then that balance should be included in rate base. If a net credit balance results, then the net amount should be reflected in the capital structure at zero cost. Based on the MFR's, the utility has a net credit balance of deferred income taxes. We have, therefore, removed the amounts reflected in rate base and adjusted the average capital structure accordingly. Staff recommends an average rate base for the water system of \$1,134,271 and for the wastewater system of \$609,772. Staff's schedules showing the calculation of these figures are attached as schedule Nos. 1-A and 1-B. The adjustments to these schedules are itemized on Schedule No. 1-C.

CAPITAL STRUCTURE: Sailfish Point used the consolidated capital structure of Mobil reconciled to the subsidiary capital structure

of Sailfish Point to calculate its overall rate of return. The only adjustment to the capital structure amounts relate to the adjustment discussed above in the rate base section. Staff believes that this capital structure is reasonable to use for interim purposes. Since the Commission has not previously established a return on equity, the utility calculated the cost of equity for interim purposes using the midpoint of the leverage formula. Since the interim statute requires the use of the minimum of the range on equity, we have reduced the return on equity from 12.14% to 11.14%. Based on these adjustments, the overall rate of return for interim purposes should be 10.00%.

While the utility states that its fair rate of return should be 9.87%, it has asked only for breakeven rates, or a 0.0% of return, for interim purposes. Where the revenues requested will produce less than a fair rate of return, it is Commission practice to limit the increase in revenues to the dollar amount requested by the utility, rather than the rate of return requested. The utility used the leverage formula to determine the last authorized rate of return, however they used the midpoint and not the minimum in determining interim rates. Staff has made an adjustment to reflect the minimum. Based on adjustments made by staff, the revenue requested allows the utility to recover test year operating expenses along with a 0.29% return on rate base for water and a 1.00% return on rate base for wastewater.

Staff's schedules showing the capital structure, including pro rata reconciliation, are attached as Schedule Nos. 2-A and 2-B.

NET OPERATING INCOME: The utility's filing requested recovery of the 4.5% regulatory assessment fee factor which went into effect on July 1, 1990. Since the interim rate determination must, by statute, be made on a historical basis, this known change cannot be allowed. Therefore staff has reduced taxes other than income to reflect the 2.5% regulatory assessment fee. The utility also made an additional adjustment was made to include income tax expense associated with CIAC. As discussed previously, the utility does not pay income tax due to net operating losses. Therefore, staff has removed this adjustment.

Based on our review of the information filed by the applicant, staff believes that it is appropriate on an interim basis to increase water revenues by \$96,807, for a total revenue requirement of \$258,387, and wastewater revenues by \$77,678 for a total wastewater revenue requirement of \$170,674. This is an increase of 59.91% for water and 83.53% for wastewater over existing rates. Staff's schedules showing the calculation of these figures are attached as Schedule Nos. 3-A and 3-B. The adjustments to these schedules are itemized on Schedule No. 3-C.

ISSUE 3: What are the appropriate interim rates?

RECOMMENDATION: The interim rates should be designed to allow the utility the opportunity to generate additional annual operating revenues of \$96,807 and \$77,678 for the respective water and wastewater systems. This results in increases of 59.91% and 83.53% in existing water and wastewater rates, respectively. The interim rates will become effective for meter readings on or after thirty days from the stamped approval date, provided the utility has filed and had approved revised tariff sheets, the proposed notice to the customers of the increase and the required security as discussed in Issue 4. (GOLDEN)

STAFF ANALYSIS: Staff recommends that interim rates be designed to allow the utility the opportunity to generate additional annual operating revenues of \$96,807 for water and \$77,678 for wastewater. This results in increases of 59.91% and 83.53% in existing water and wastewater rates, respectively, when applied as an across the board increase to total revenue, excluding miscellaneous revenues.

The interim rates should be effective for meter readings on or after thirty days from the stamped approval date on the revised tariff sheets. The revised tariff sheets will be approved upon staff's verification that the tariffs are consistent with the Commission's vote, the appropriate security has been filed with the Commission and the proposed customer notice is adequate.

The utility's current and requested rates and staff's recommended rates are shown on Schedules No. 4 and 5. The Data Summary forms are shown on Schedules No. 6 and 7.

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ISSUE 4: What is the appropriate security to guarantee the interim increases?

RECOMMENDATION: A corporate undertaking in the amount of \$128,000 by Sailfish Point Utility Corporation guaranteed by the parent company Sailfish Point, Inc. should be accepted as security.
(GOLDEN)

STAFF ANALYSIS: Pursuant to Section 367.082, Florida Statutes, the excess of interim rates over the previously authorized rates shall be collected under guarantee subject to refund with interest. The Division of Auditing and Financial Analysis has advised that a corporate undertaking by Sailfish Point Utility Corporation guaranteed by the parent company Sailfish Point, Inc. would be sufficient to protect potential refunds. Therefore, we recommend that the utility be allowed to provide a corporate undertaking in the amount of \$128,000. Also, pursuant to Rule 25-30.360(6), Florida Administrative Code, the utility shall provide a report by the 20th of each month indicating the monthly and total revenue collected subject to refund.

SAILFISH POINT UTILITY CORPORATION
 SCHEDULE OF WATER RATE BASE
 TEST YEAR ENDED JUNE 30, 1990

SCHEDULE NO. 1-A
 DOCKET NO. 900816-W5

COMPONENT	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR PER UTILITY	STAFF ADJUSTMENTS	STAFF ADJUSTED TEST YEAR
1 UTILITY PLANT IN SERVICE	\$ 2,159,783	\$ 23,114	\$ 2,182,897	\$ 0	\$ 2,182,897
2 LAND	19,500	0	19,500	0	19,500
3 NON-USED & USEFUL COMPONENTS	(166,431)	0	(166,431)	0	(166,431)
4 CONSTRUCTION WORK IN PROGRESS	405,136	(405,136)	0	0	0
4 ACCUMULATED DEPRECIATION	(443,584)	(4,586)	(448,170)	0	(448,170)
5 ACQUISITION ADJUSTMENT -NET	0	0	0	0	0
6 CIAC	(528,493)	(17,093)	(545,586)	0	(545,586)
7 AMORTIZATION OF CIAC	63,850	4,274	68,124	0	68,124
8 CIAC DEFERRED TAX DEBIT	0	106,987	106,987	(106,987)	0
9 WORKING CAPITAL ALLOWANCE	24,736	(799)	23,937	0	23,937
RATE BASE	\$ 1,534,497	\$ (293,239)	\$ 1,241,258	\$ (106,987)	\$ 1,134,271

SAILFISH POINT UTILITY CORPORATION
 SCHEDULE OF WASTEWATER RATE BASE
 TEST YEAR ENDED JUNE 30, 1990

SCHEDULE NO. 1-B
 DOCKET NO. 900816-WS

COMPONENT	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR PER UTILITY	STAFF ADJUSTMENTS	STAFF ADJUSTED TEST YEAR
1 UTILITY PLANT IN SERVICE	\$ 1,518,886	\$ 8,362	\$ 1,527,248	\$ 0	\$ 1,527,248
2 LAND	19,500	0	19,500	0	19,500
3 NON-USED & USEFUL COMPONENTS	(319,411)	0	(319,411)	0	(319,411)
4 NON-USED & USEFUL COMPONENTS	559,474	(559,474)	0	0	0
5 ACCUMULATED DEPRECIATION	(282,301)	(473)	(282,774)	0	(282,774)
6 ACQUISITION ADJUSTMENT -NET	(399,250)	0	(399,250)	0	(399,250)
7 CIAC	48,228	0	48,228	0	48,228
8 AMORTIZATION OF CIAC	0	0	0	0	0
9 CIAC DEFERRED TAX DEBIT	0	64,333	64,333	(64,333)	0
10 WORKING CAPITAL ALLOWANCE	19,266	(3,035)	16,231	0	16,231
RATE BASE	\$ 1,164,392	\$ (490,287)	\$ 674,105	\$ (64,333)	\$ 609,772

SAILFISH POINT UTILITY CORPORATION
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED JUNE 30, 1990

SCHEDULE NO. 1-C
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EXPLANATION	WATER	WASTEWATER
(1) CIAC DEFERRED TAX DEBIT		
----- To remove the utility's adjustment	(106,987)	(64,333)
	-----	-----

SAILFISH POINT UTILITY CORPORATION
 CAPITAL STRUCTURE
 TEST YEAR ENDED JUNE 30, 1990

SCHEDULE NO. 2-A
 DOCKET NO. 900816-W8

DESCRIPTION	ADJUSTED TEST YEAR PER UTILITY	WEIGHT	COST	UTILITY WEIGHTED COST	STAFF RECONC. ADJ. TO UTILITY EXHIBIT	BALANCE PER STAFF	WEIGHT	COST	WEIGHTED COST PER STAFF
1 LONG TERM DEBT	\$ 465,564	24.31%	11.07%	2.69%	\$ (6,805)	\$ 458,759	26.30%	11.07%	2.91%
2 SHORT TERM DEBT	0	0.00%	0.00%	0.00%	0	0	0.00%	0.00%	0.00%
3 PERFERRED STOCK	53,498	2.79%	7.72%	0.22%	(905)	52,593	3.02%	7.72%	0.23%
4 CUSTOMER DEPOSITS	0	0.00%	0.00%	0.00%	0	0	0.00%	0.00%	0.00%
5 COMMON EQUITY	1,088,276	56.82%	12.14%	6.90%	(15,514)	1,072,762	61.51%	11.14%	6.85%
6 INVESTMENT TAX CREDITS	0	0.00%	0.00%	0.00%	0	0	0.00%	0.00%	0.00%
7 DEFERRED TAXES	308,026	16.08%	0.00%	0.00%	(148,097)	159,929	9.17%	0.00%	0.00%
8 TOTAL CAPITAL	\$ 1,915,364	100.00%		9.80%	\$ (171,321)	\$ 1,744,043	100.00%		10.00%

RANGE OF REASONABLENESS

LOW HIGH

RETURN ON EQUITY

11.14% 13.14%

OVERALL RATE OF RETURN

10.00% 11.23%

SAILFISH POINT UTILITY CORPORATION
ADJUSTMENTS TO CAPITAL STRUCTURE
TEST YEAR ENDED JUNE 30, 1990

SCHEDULE NO. 2-B
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EXPLANATION

(1) LONG TERM DEBT	

To reconcile capital structure based on adjustment to rate base	(6,805) -----
(2) PREFERRED STOCK	

To reconcile capital structure based on adjustment to rate base	(905) -----
(3) COMMON EQUITY	

To reconcile capital structure based on adjustment to rate base	(15,514) -----
(4) DEFERRED TAXES	

To reflect average net credit balance	(148,097) -----

SAILFISH POINT UTILITY CORPORATION
 STATEMENT OF WATER OPERATIONS
 TEST YEAR ENDED JUNE 30, 1990

SCHEDULE NO. 3-A
 DOCKET NO. 900816-US

DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	UTILITY ADJUSTED TEST YEAR	STAFF ADJUSTMENTS	STAFF ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 139,201	\$ 119,186	\$ 258,387	\$ (96,807)	\$ 161,580	\$ 96,807	\$ 258,387
OPERATING EXPENSES						59.91%	
2 OPERATION AND MAINTENANCE	197,888	(6,390)	191,498	0	191,498		191,498
3 DEPRECIATION	24,548	2,128	26,676	0	26,676		26,676
4 AMORTIZATION	0	0	0	0	0		0
5 TAXES OTHER THAN INCOME	34,352	4,521	38,873	(4,356)	34,517	2,420	34,937
6 INCOME TAXES	(67,500)	68,841	1,341	(1,341)	0	0	0
7 TOTAL OPERATING EXPENSES	\$ 189,288	\$ 69,100	\$ 258,388	\$ (5,697)	\$ 252,691	2,420	\$ 255,111
8 OPERATING INCOME	\$ (50,087)	\$ 50,086	(1)	(91,110)	(91,111)	\$ 94,387	\$ 3,276
9 RATE BASE	\$ 1,534,497		\$ 1,241,258		\$ 1,134,271		\$ 1,134,271
RATE OF RETURN	-3.26%		0.00%		-8.03%		0.29%

SAILFISH POINT UTILITY CORPORATION
 STATEMENT OF WASTEWATER OPERATIONS
 TEST YEAR ENDED JUNE 30, 1990

SCHEDULE NO. 3-B
 DOCKET NO. 900816-MS

DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	UTILITY ADJUSTED TEST YEAR	STAFF ADJUSTMENTS	STAFF ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 84,175	\$ 86,499	\$ 170,674	\$ (77,678)	\$ 92,996	\$ 77,678	\$ 170,674
OPERATING EXPENSES						83.53%	
2 OPERATION AND MAINTENANCE	\$ 154,130	\$ (24,278)	\$ 129,852	\$ 0	\$ 129,852	\$	\$ 129,852
3 DEPRECIATION	13,695	864	14,559	0	14,559		14,559
4 AMORTIZATION	0	0	0	0	0		0
5 TAXES OTHER THAN INCOME	34,352	(12,610)	21,742	(3,496)	18,246	1,942	20,188
6 INCOME TAXES	(67,500)	68,304	804	(804)	0	0	0
7 TOTAL OPERATING EXPENSES	\$ 134,677	\$ 32,280	\$ 166,957	\$ (4,300)	\$ 162,657	\$ 1,942	\$ 164,599
8 OPERATING INCOME	\$ (50,502)	\$ 54,219	\$ 3,717	\$ (73,378)	\$ (69,661)	\$ 75,736	\$ 6,075
9 RATE BASE	\$ 1,164,392		\$ 674,105		\$ 609,772		\$ 609,772
RATE OF RETURN	-4.34%		0.55%		-11.42%		1.00%

SAILFISH POINT UTILITY CORPORATION
 ADJUSTMENTS TO OPERATING STATEMENTS
 TEST YEAR ENDED JUNE 30, 1990

SCHEDULE NO. 3-C
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EXPLANATION	WATER	WASTEWATER
(1) OPERATING REVENUES		
----- To remove the utility's test year revenue request.	\$ (96,807)	\$ (77,678)
(2) TAXES OTHER THAN INCOME		
----- To remove the 4.5% RAF related to the increase in revenues.	\$ (4,356)	\$ (3,496)
(3) PROVISION FOR INCOME TAXES		
----- To remove income tax expense.	\$ (1,341)	\$ (804)
(4) OPERATING REVENUES		
----- To reflect recommended increase in revenues	\$ 96,807	\$ 77,678
(5) TAXES OTHER THAN INCOME		
----- To reflect regulatory assessment fees related to adjustment to revenues.	\$ 2,420	\$ 1,942

RATE SCHEDULE

WATER

UTILITY: Sealfish Point Utility Corporation
 TEST YEAR ENDED: June 30, 1990

Monthly Rates

	Current	Utility Requested Interim	Utility Requested Final	Staff Recommended Interim
Residential, General Service, and Multi-Residential Service				
Base Facility Charge:				
Meter Size:				
5/8"x3/4"	\$12.46	\$20.37	\$21.33	\$20.37
1"	\$31.21	\$51.01	\$53.33	\$51.01
1-1/2"	\$62.34	\$101.89	\$106.66	\$101.89
2"	\$99.75	\$163.04	\$170.66	\$163.04
3"	\$199.50	\$326.07	\$341.32	\$326.07
4"	\$311.71	\$509.47	\$533.32	\$509.47
6"	\$623.43	\$1,018.96	\$1,067.37	\$1,018.96
Gallonge Charge per 1,000 G.	\$2.22	\$3.63	\$10.19	\$3.63

RATE SCHEDULE

WASTEWATER

UTILITY: Sailfish Point Utility Corporation
 TEST YEAR ENDED: June 30, 1990

Monthly Rates

	Current	Utility Requested Interim	Utility Requested Final	Staff Recommended Interim
Residential Service				
Base Facility Charge:				
Meter Size:				
All Meter Sizes	\$15.24	\$27.97	\$40.08	\$27.97
Gallonge Charge per 1,000 G. (Maximum 10,000 G.)	\$1.65	\$3.03	\$9.18	\$3.03
General Service and Multi-Residential Service				
Base Facility Charge:				
Meter Size:				
5/8"x3/4"	\$15.24	\$27.97	\$40.08	\$27.97
1"	\$38.10	\$69.92	\$100.19	\$69.92
1-1/2"	\$76.21	\$139.87	\$200.38	\$139.87
2"	\$121.92	\$223.76	\$320.60	\$223.76
3"	\$243.86	\$447.55	\$641.21	\$447.55
4"	\$381.03	\$699.30	\$1,001.89	\$699.30
6"	\$762.07	\$1,398.61	\$2,003.96	\$1,398.61
Gallonge Charge per 1,000 G.	\$1.65	\$3.03	\$11.01	\$3.03

Utility Name: Sailfish Point Utility Corporation

RATE CASE DATA SUMMARY

County: Martin Water: X Sewer:
 General Service Area: N/A
 Proposed: X OR as Directed in Order No.: N/A Staff Assisted: N/A
 Regular: X

Dates: Case filed: 12/28/90 Last Hearing: N/A 8 Month Deadline: 9/3/91 (company
 granted extension of 8 month deadline) Commission Agenda: 2/19/91
 Prior Case Rate Increase: N/A

	Utility Requested	Staff Recommended
Rate Base	\$1,241,258	\$1,134,271
Operating Income	(\$1)	\$3,276
Rate of Return	0.00% (1)	0.29%

	Test Year Revenue (2)	Utility Requested Interim	Utility Requested Final	Staff Recommended Interim	Percent Increase (3)
Gross Annual Revenue	\$161,580	\$258,387	\$572,814	\$258,387	59.91%
Increased Revenues		\$96,807	\$411,234	\$96,807	
Average Monthly Bill:					
--Residential	\$48.39	\$79.09	\$176.56	\$79.09	63.45%
--General Service	\$288.14	\$470.95	\$1,069.59	\$470.95	63.44%

Typical Residential Bills

1" meter (4)

	Utility Requested Interim	Utility Requested Final	Staff Recommended Interim	Percent Increase (3)
3 M	\$37.87	\$61.90	\$61.90	63.45%
5 M	\$42.31	\$69.16	\$69.16	63.46%
10 M	\$53.41	\$87.31	\$87.31	63.47%

Rate Structure-Residential

	Utility Requested Interim	Utility Requested Final	Staff Recommended Interim	Percent Increase (3)
BFC				
5/8"x3/4"	\$12.46	\$20.37	\$20.37	(See Staff Recomm.
1"	\$31.21	\$51.01	\$51.01	for Full Rate Details).
Gal. Charge per MG.	\$2.22	\$3.63	\$3.63	

Avg. No. Customers Residential 147 General Service 20

Utility Name: Sailfish Point Utility Corporation

Remarks:

- (1) In its application the company requested an interim "increase in revenue sufficient to breakeven; i.e., sufficient only to recover operating deductions without providing any return on rate base."
- (2) Historic test year from July 1, 1989 through June 30, 1990.
- (3) The aberration in percentages is due to the exclusion of \$8,993 in miscellaneous revenues which were not increased on an interim basis.
- (4) All houses at Sailfish Point are equipped with 1" meters, therefore, the typical residential bills were calculated using the 1" meter base facility charge rather than the customary 5/8"x3/4" rate. The 5/8"x3/4" meters are only used on the boat docks.

Utility Name: Sailfish Point Utility Corporation

RATE CASE DATA SUMMARY

County: Martin Meter: Sewer: X
 General Service Area: N/A
 Proposed: X OR as Directed in Order No.: N/A Staff Assisted: N/A
 Regular: X

Dates: Case filed: 12/28/90 Last Hearing: N/A • Month Deadline: 9/3/91 (company granted extension of 8 month deadline) Commission Agenda: 2/19/91
 Prior Case Rate Increase: N/A

	Utility Requested	Staff Recommended
Rate Base	\$674,105	\$609,772
Operating Income	\$3,717	\$6,075
Rate of Return	0.55%	1.00%

	Test Year Revenue (1)	Utility Requested Interim	Utility Requested Final	Staff Recommended Interim	Percent Increase
Gross Annual Revenue	\$92,996	\$170,674	\$477,580	\$170,674	83.53%
Increased Revenues		\$77,678	\$384,584	\$77,678	
Average Monthly Bill:					
--Residential	\$24.59	\$45.12	\$121.50	\$45.12	83.52%
--General Service	\$365.36	\$670.54	\$1,934.13	\$670.54	83.53%

Typical Residential Bills

All meter sizes

Meter Size	Test Year	Utility Requested Interim	Utility Requested Final	Staff Recommended Interim	Percent Increase
3 M	\$20.19	\$37.06	\$67.62	\$37.06	83.56%
5 M	\$23.49	\$43.12	\$85.98	\$43.12	83.57%
10 M	\$31.74	\$58.27	\$131.88	\$58.27	83.59%

Rate Structure-Residential

BFC					
All meter sizes	\$15.24	\$27.97	\$40.08	\$27.97	(See Staff Recomm. for Full Rate Details).
Gal. Charge per MG.	\$1.65	\$3.03	\$9.18	\$3.03	

Avg. No. Customers Residential 142 General Service 12

(1) Historic test year from July 1, 1989 through June 30, 1990.