

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application to amend allowance)	DOCKET NO. 900701-WU
for funds prudently invested (AFPI))	
charges by PINE RIDGE UTILITIES)	ORDER NO. 24642
(United Florida Utilities Corporation))	
in Citrus County)	ISSUED: 6/10/91
_____)	

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
 J. TERRY DEASON
 BETTY EASLEY
 GERALD L. GUNTER
 MICHAEL MCK. WILSON

NOTICE OF PROPOSED AGENCY ACTION
ORDER DENYING REQUEST FOR APPROVAL OF TARIFF, REVISING AFPI
CHARGES TO INCLUDE CURRENT REGULATORY ASSESSMENT FEES AND
SETTING A FIVE-YEAR ESCALATION PERIOD

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the actions discussed herein are 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

Pine Ridge Utilities, (Pine Ridge or utility) is a division of United Florida Utilities Corporation. Pine Ridge was originally a Deltona planned community which is located 34 miles southwest of Ocala, Florida in Citrus County. Based on the 1989 annual report on file with this Commission, the utility currently has 288 customers.

The utility's rates were last addressed in Docket No. 870349-WU, Order No. 18623, issued on December 31, 1987. The rate case was settled by a Stipulation between Pine Ridge Utilities, the Office of the Public Counsel, and the Pine Ridge Homeowners

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Association. As a part of that Stipulation, allowance for funds prudently invested (AFPI) charges were established for the utility.

AFPI CHARGES

On August 17, 1990, the utility filed an application to amend AFPI charges in several ways. First, the utility requested to recalculate the charge to include a regulatory assessment fee provision of 4.5 percent rather than the 2.5 percent previously established to reflect the statutory increase. Additionally, the utility requested to escalate the existing charges an additional ten years beyond the original five-year escalation period approved. The utility also requested a new AFPI charge for mains installed subsequent to those included in the previous filing, which would be charged to customers connecting to those mains. The utility requested a fifteen-year escalation period for the new charges.

On September 17, and October 17, 1990, the attorney for Pine Ridge Estates by Citrus Hills (new developer who purchased the unsold inventory of Deltona) wrote the Commission objecting to charging any AFPI to customers who have purchased properties from his client. The objection was based upon the contractual commitments made by the utility company at the time of his client's acquisition of Pine Ridge properties guaranteeing service to any lot within 60 days of that lot owner's providing evidence of his intention to construct.

As previously stated, the utility has requested a recalculation of the existing charges to include the regulatory assessment fees at the rate of 4.5 percent. Pursuant to Section 367.145, Florida Statutes, effective July 1, 1990, the regulatory assessment fee rate was increased from 2.5 percent to 4.5 percent of a utility's gross operating revenue. The old rate of 2.5 percent was utilized in calculation of the existing AFPI charges approved in Order No. 18623. If the existing AFPI charges are not revised to include the higher rate, the utility will not recover this expense. Based on the foregoing, we find it appropriate to include provision for the increased regulatory assessment fees in the AFPI calculation. We have used the effective rate of 3.5 percent for 1990 and the full rate of 4.5 percent for 1991 and 1992.

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As a result of the utility's request to approve a new charge for mains not included in the existing AFPI charge, there would be two separate sets of AFPI charges in its tariffs. The amount that a customer would be charged when he or she connects to the system would depend on whether the customer hooked up to an old main or a new main. We find that it would be more appropriate to have one combined charge instead of two separate sets of charges. If there were two separate sets of charges, there would likely be numerous customer complaints of discrimination because two customers hooking on at the same time could pay different rates depending on the main to which the customer was connected. Also, if two separate sets of charges were approved, significant time would be required to separately identify the group of lines to which a customer was connected. We find this would not be cost effective. Therefore, we find that it would be more prudent and reasonable to develop one combined charge to be collected from each customer that hooks on to the system.

In calculating the combined charge, we utilized the separately calculated charge which were the existing charge recalculated for the increase in regulatory assessment fees, discussed above, and the new charge for lines added subsequent to the last rate case. The combined calculation accrued the charges for fifteen years in order to equalize the amount of revenue generated from each separate charge. Fifteen years was used as it is the company's projected build-out. Then a weight was calculated to derive approximately the same revenue from one combined charge as generated from the two separate charges. In the combined charge, each individual charge was capped at the end of the five-year escalation period. Those five-year caps were taken into account in the weighing of the charges to determine the revenue generated from the combined charge. As discussed below we find the five-year cap to be more appropriate than the company's requested fifteen-year extended escalation period.

Based upon projected growth, the utility will not be recovering the full carrying costs after the initial five years due to the cap. The utility projects the system will be built-out in the year 2002. Based upon our calculations, the system will not reach build-out until sometime in 2061. With the carrying costs continuing until build-out and the rate capped after five years, the utility should not overearn on its non-used and useful plant.

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The utility's justification for an extended escalation period is that Pine Ridge was not part of the Deltona and Topeka Agreement which resolved this issue of financial responsibility for extending lines and providing service in Deltona communications: that it would place an undue burden on the utility to fully fund extensions; that the position of the utility is unique to the Pine Ridge Community; that by having the five-year cap, the cost of extended mains would not be recoverable in current rates; that the installation of mains is "prudent" because it has been required by the Commission; that based on projected build-out and experience in other Deltona Community, the fifteen-year extended escalation period should be approved.

We disagree. It has been Commission policy in establishing AFPI charges to calculate a charge which provides AFPI for a five-year period. After the 60th month, the utility is entitled to collect the AFPI; however, the charge remains fixed after the 60th month, reflecting that the utility bears the additional cost of carrying the excess plant after that date. We consider an escalation period greater than five years as excessive unless extraordinary or unusual circumstances are demonstrated.

The utility based its projections on connections and not on equivalent residential connections (ERCs). Pine Ridge is presently growing at approximately 50 ERCs per year. According to the utility, this growth pattern will begin changing around 1992 and become somewhat exponential in character. However, the utility did not present any data substantiating its growth predictions, nor did it explain why its growth should begin exponentially increasing around 1992.

We constructed a linear trend growth curve of the past five years which shows a 60 ERC/year growth and predicts a level of 1,175 ERCs by the year 2002. As extended, the curve projects build out will occur at the year 2061, not 2002 as the company predicted. The data was taken from the utility's annual reports and is based on flows using 350 gpd for 1 ERC. We find that this utility will most likely reach build-out before 2061, but exactly when and what the growth pattern will be is difficult to predict.

Additionally, the "unique" circumstances cited by the utility occurred after the establishment of the existing charges. These lines were already installed and the costs expended. The five-year escalation period used in the prior case for the existing charges,

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which in effect adjusted for imprudent lines, was accepted. No indication that an error or mistake was made in the calculation of the existing rates, has been made. Further, we do not believe that the "unique" circumstances requiring the utility to install mains as its investment in Pine Ridge justifies shifting the burden of bearing the carrying charges on the investment to the customers. When Deltona sold its unsold inventory in Pine Ridge Utilities to Nash & Tamposi, the utility committed to provide service to the customers within 60 days. The subsequent take-over by Topeka Group, does not result in a change in treatment. Under the existing sales agreement, if Topeka had not entered the picture and Deltona had made this filing, the treatment to cap the escalation would have been the same. It appears that a business decision was made and commitments were made by the Deltona Corporation and the utility to a large number of purchasers whereby line extensions to provide service to their lots would be made as utility investment, and not at the expense of the individual lot owner. This decision benefitted the developer (The Deltona Corporation). Further inquiry of the utility concerning the prudence of AFPI beyond the normal five-year period resulted in the utility stating, "the fact that it is required to honor prior developer-related commitments makes the investment prudent." We find that these line extensions are not the actions a prudent, stand-alone utility would take. This situation is the result of the takeover of the utility by Topeka and the sale of the unsold lots to a non-related developer. The risk of development should not be borne by the utility customers.

We also find that the utility failed to address several areas of prudence. First, the utility failed to show how much, if any, of the new line extensions were within acceptable expansion limits and were in fact prudent extensions. Second, the utility failed to address how it intends to address or approach normal expansions of the distribution system in the near future. The Commission found an acceptable expansion period of five years in the last case, when establishing the existing AFPI charges. Normal growth and expansion for the future was not addressed by the utility. Finally, the utility did not state or argue that an error was made in establishing the five-year growth period. This in essence was an adjustment for the portion of lines which were not prudent and the utility was not allowed to recover costs which continued to escalate beyond the normal five-year period of acceptable expansion. Another way to adjust for the non-prudent lines would be through specific identification of line prudence. This approach

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can be very time consuming. An easier approach is to limit or cap the escalation period. Based on the foregoing, we find it appropriate to allow the utility to charge AFPI on the new lines; however, the charge should be capped at the end of the normal five-year escalation period. The fifteen-year escalation approach appears to be a means of bailing out the developer, by passing all the cost on to the customers, which we find unacceptable. We do not believe that the "unique" circumstances raised by the utility justify increasing the escalation period beyond the original five-year period, and shifting the burden of development onto the customers.

The utility has stated that the installation of the mains was required by this Commission, and therefore is prudent. By Order No. 22307, the Commission did require the utility subsidiaries to honor all the commitments made to the Deltona lot purchasers prior to the transfer of control by the Topeka Group, Inc. The Commission required the utility subsidiaries to honor the commitments and "send the bill" to either The Deltona Corporation or Topeka, whichever was found to be responsible by the federal court. In this instance, the sale by Deltona of its unsold lot inventory to a non-related developer created the "unique" circumstances relied on by the utility. According to the utility, when Topeka and Deltona executed a Settlement Agreement in the federal court resolving the dispute over the financial responsibilities for funding the extension of mains to lot owners requesting service, Pine Ridge lots, which had been sold to Nash & Tamposi, were not included. In the Settlement and Developer Agreements, Topeka assumed responsibility for advancing funds to the utilities for main extensions to serve the lot owners which were promised utility services. In Order No. 24134, issued on February 18, 1991, we found that the service availability policy commits Topeka (not the utility or its customers) to honor the commitments made to contracted lots sold to individuals or in bulk. As previously stated, if this takeover had not occurred, a fifteen-year escalation period would not have been granted to the utility. We do not believe it is in the public interest to shift the burden of development onto the customers by escalating the AFPI charges for an additional ten years.

In addition, all of the assets do not meet all of the tests to qualify for AFPI. One of the tests which must be met to qualify for AFPI is that the assets must be prudent. By capping the escalation period after five years, in effect, we are making an

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adjustment which recognizes that a portion of the assets are not prudent. The utility, recognizes that it is required to make the investment to extend the mains, even though the extension may not be economically feasible. This appears to be a business decision that was made because of the utility subsidiaries' relationship to the related developer. However, we do not believe that this would be a prudent decision that a stand alone utility would make, particularly if the cost of the extension was not economically feasible. We therefore find it would not be appropriate to change rates due to a change in the escalation period.

Although all of the line construction cannot be considered "prudent" in terms of economic feasibility, we find that the utility should be able to earn a fair rate of return on the prudent portion of the plant constructed, but which exceeds the used and useful allowance provided for by the Commission in establishing the rate for the current customers. The one time connection fee is based upon the number of ERCs and is applicable to all future customers who have not already prepaid connection fees, CIAC, or customer advances. The fee is charged based on the date the future customers make some form of "prepayment" (connection fee, CIAC, or advance) or on the date the customer connects to the system, whichever comes first.

The charge for one ERC is presented on Schedule No. 1, page 5, attached hereto and is based on the month the initial connection or "prepayment" occurs. If the future customer requires services for more than one ERC, the connection fee shall be multiplied times the number of ERCs for which service is required. These charges would be applicable until the utility has provided service to 2,593 ERCs, for customers who have added or will be added subsequent to March, 1987. Once the utility has provided service to a total of 2,593 ERCs, the charges will no longer be applicable.

The calculation provides an AFPI for a five-year period beginning January, 1990, and ending December, 1994. After December, 1994, the utility shall be entitled to collect the AFPI; however, the charge shall remain fixed after December, 1994, reflecting that the utility shall bear the additional cost of carrying the excess plant after that date. Our calculation provides for the full cost of carrying the additional plant, rate of return, depreciation, income tax and regulatory assessment fees, and is based upon a five-year escalation period.

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We deny the utility's proposed tariff revisions for the reasons discussed above. The utility shall file new tariff sheets consistent with our decision reflected herein.

It is, therefore,

ORDERED by the Florida Public Service Commission that the proposed tariff revisions filed by Pine Ridge Utilities for revision of its AFPI charges is hereby denied. It is further

ORDERED that each of the findings made in the body of this order is hereby approved in every respect. It is further

ORDERED that all matters contained in the body of this Order and in the Schedules attached hereto are by reference incorporated herein. It is further

ORDERED that all of the provisions of this Order, are issued as proposed agency action and shall become final, unless an appropriate petition in the form provided by Rule 25-22.029, Florida Administrative Code, is received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the date set forth in the Notice of Further Proceedings below. It is further

ORDERED that Pine Ridge Utilities is authorized to charge the AFPI charges as set forth in the body of this Order. It is further

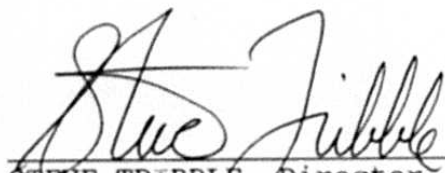
ORDERED that the AFPI charges approved herein shall be effective on the stamped approval date on the revised tariff pages. It is further

ORDERED that prior to implementation of the AFPI charges approved herein Pine Ridge Utilities shall submit and have approved revised tariff pages. The revised tariff pages will be approved upon Staff's verification that the pages are consistent with our decision herein and that the protest period has expired. It is further

ORDERED that this docket will be closed if no timely protest is received from a substantially affected person.

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By ORDER of the Florida Public Service Commission this 10th
day of JUNE, 1991.



STEVE TRIBBLE, Director
Division of Records and Reporting

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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.

As identified in the body of this order, our action approving AFPI, revised regulatory assessment fees and setting a five-year escalation period 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 July 1, 1991. In the absence of such a petition, this order shall become effective on the date 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.

If the relevant portion of 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 sewer 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.

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Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, 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 sewer 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 after the issuance 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.

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	1594 ERC EXISTING CHARGE	999 ERC NEW CHARGE	2593 ERC COMBINED CHARGE	OLD AFPI ERC's ADDED	OLD CHARGE REVENUE (2)*(5)	NEW AFPI ERC's ADDED	NEW CHARGE REVENUE (3)*(7)	TOTAL (6)+(8)	COMBINED CHARGE REVENUE (4)*[(5)+(7)]
Jun-91	262.23	175.60	218.92	2	524.46	3	526.80	1,051.26	1,094.58
Jul-91	268.86	186.18	227.52	3	806.58	2	372.36	1,178.94	1,137.60
Aug-91	275.49	196.76	236.13	2	550.98	3	590.28	1,141.26	1,180.63
Sep-91	282.12	207.34	244.73	3	846.36	2	414.68	1,261.04	1,223.65
Oct-91	288.75	217.92	253.34	2	577.50	3	653.76	1,231.26	1,266.68
Nov-91	295.38	228.50	261.94	3	886.14	2	457.00	1,343.14	1,309.70
Dec-91	302.01	239.08	270.55	2	604.02	3	717.24	1,321.26	1,352.73
Jan-92	308.63	250.72	279.68	3	925.89	2	501.44	1,427.33	1,398.38
Feb-92	315.26	262.36	288.81	2	630.52	3	787.08	1,417.60	1,444.05
Mar-92	315.26	274.00	294.63	3	945.78	2	548.00	1,493.78	1,473.15
Apr-92	315.26	285.64	300.45	2	630.52	3	856.92	1,487.44	1,502.25
May-92	315.26	297.28	306.27	3	945.78	2	594.56	1,540.34	1,531.35
Jun-92	315.26	308.92	312.09	2	630.52	3	926.76	1,557.28	1,560.45
Jul-92	315.26	320.56	317.91	3	945.78	2	641.12	1,586.90	1,589.55
Aug-92	315.26	332.20	323.73	2	630.52	3	996.60	1,627.12	1,618.65
Sep-92	315.26	343.84	329.55	3	945.78	2	687.68	1,633.46	1,647.75
Oct-92	315.26	355.48	335.37	2	630.52	3	1,066.44	1,696.96	1,676.85
Nov-92	315.26	367.12	341.19	3	945.78	2	734.24	1,680.02	1,705.95
Dec-92	315.26	378.76	347.01	2	630.52	3	1,136.28	1,756.80	1,735.05
Jan-93	315.26	391.69	353.48	3	945.78	2	783.38	1,729.16	1,767.38
Feb-93	315.26	404.61	359.94	2	630.52	3	1,213.83	1,844.35	1,799.68
Mar-93	315.26	417.54	366.40	3	945.78	2	835.08	1,780.86	1,832.00
Apr-93	315.26	430.46	372.86	2	630.52	3	1,291.38	1,921.90	1,864.30
May-93	315.26	443.39	379.33	3	945.78	2	886.78	1,832.56	1,896.63
Jun-93	315.26	456.31	385.79	2	630.52	3	1,368.93	1,999.45	1,928.93
Jul-93	315.26	469.24	392.25	3	945.78	2	938.48	1,884.26	1,961.25
Aug-93	315.26	482.16	398.71	2	630.52	3	1,446.48	2,077.00	1,993.55
Sep-93	315.26	495.09	405.18	3	945.78	2	990.18	1,935.96	2,025.88
Oct-93	315.26	508.01	411.64	2	630.52	3	1,524.03	2,154.55	2,058.18
Nov-93	315.26	520.94	418.10	3	945.78	2	1,041.88	1,987.66	2,090.50
Dec-93	315.26	533.86	424.56	2	630.52	3	1,601.58	2,232.10	2,122.80
Jan-94	315.26	548.21	431.74	3	945.78	2	1,096.42	2,042.20	2,158.68
Feb-94	315.26	562.57	438.92	2	630.52	3	1,687.71	2,318.23	2,194.58
Mar-94	315.26	576.92	446.09	3	945.78	2	1,153.84	2,099.62	2,230.45
Apr-94	315.26	591.27	453.27	2	630.52	3	1,773.81	2,404.33	2,266.33
May-94	315.26	605.62	460.44	3	945.78	2	1,211.24	2,157.02	2,302.20
Jun-94	315.26	619.97	467.62	2	630.52	3	1,859.91	2,490.43	2,338.08
Jul-94	315.26	634.33	474.80	3	945.78	2	1,268.66	2,214.44	2,373.98
Aug-94	315.26	648.68	481.97	2	630.52	3	1,946.04	2,576.56	2,409.85
Sep-94	315.26	663.03	489.15	3	945.78	2	1,326.06	2,271.84	2,445.73
Oct-94	315.26	677.38	496.32	2	630.52	3	2,032.14	2,662.66	2,481.60
Nov-94	315.26	691.73	503.50	3	945.78	2	1,383.46	2,329.24	2,517.48
Dec-94	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38

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	1594 ERC EXISTING CHARGE	999 ERC NEW CHARGE	2593 ERC COMBINED CHARGE	OLD AFPI ERC's ADDED	OLD CHARGE REVENUE (2)*(5)	NEW AFPI ERC's ADDED	NEW CHARGE REVENUE (3)*(7)	TOTAL (6)+(8)	COMBINED CHARGE REVENUE (4)*[(5)+(7)]
Jan-95	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Feb-95	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Mar-95	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Apr-95	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
May-95	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Jun-95	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Jul-95	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Aug-95	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Sep-95	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Oct-95	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Nov-95	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Dec-95	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Jan-96	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Feb-96	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Mar-96	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Apr-96	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
May-96	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Jun-96	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Jul-96	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Aug-96	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Sep-96	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Oct-96	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Nov-96	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Dec-96	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Jan-97	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Feb-97	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Mar-97	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Apr-97	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
May-97	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Jun-97	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Jul-97	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Aug-97	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Sep-97	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Oct-97	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Nov-97	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Dec-97	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Jan-98	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Feb-98	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Mar-98	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Apr-98	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
May-98	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Jun-98	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Jul-98	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	1594 ERC EXISTING CHARGE	999 ERC NEW CHARGE	2593 ERC COMBINED CHARGE	OLD AFPI ERC's ADDED	OLD CHARGE REVENUE (2)*(5)	NEW AFPI ERC's ADDED	NEW CHARGE REVENUE (3)*(7)	TOTAL (6)+(8)	COMBINED CHARGE REVENUE (4)*[(5)+(7)]
Aug-98	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Sep-98	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Oct-98	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Nov-98	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Dec-98	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Jan-99	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Feb-99	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Mar-99	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Apr-99	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
May-99	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Jun-99	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Jul-99	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Aug-99	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Sep-99	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Oct-99	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Nov-99	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Dec-99	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Jan-2000	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Feb-2000	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Mar-2000	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Apr-2000	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
May-2000	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Jun-2000	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Jul-2000	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Aug-2000	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Sep-2000	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Oct-2000	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Nov-2000	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Dec-2000	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Jan-2001	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Feb-2001	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Mar-2001	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Apr-2001	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
May-2001	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Jun-2001	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Jul-2001	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Aug-2001	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Sep-2001	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Oct-2001	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Nov-2001	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Dec-2001	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Jan-2002	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	1594 ERC EXISTING CHARGE	999 ERC NEW CHARGE	2593 ERC COMBINED CHARGE	OLD AFPI ERC's ADDED	OLD CHARGE REVENUE (2)*(5)	NEW AFPI ERC's ADDED	NEW CHARGE REVENUE (3)*(7)	TOTAL (6)+(8)	COMBINED CHARGE REVENUE (4)*[(5)+(7)]
Feb-2002	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Mar-2002	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Apr-2002	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
May-2002	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Jun-2002	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Jul-2002	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Aug-2002	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Sep-2002	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Oct-2002	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Nov-2002	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Dec-2002	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Jan-2003	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Feb-2003	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Mar-2003	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Apr-2003	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
May-2003	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Jun-2003	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Jul-2003	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Aug-2003	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Sep-2003	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Oct-2003	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Nov-2003	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Dec-2003	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Jan-2004	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Feb-2004	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Mar-2004	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Apr-2004	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
May-2004	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Jun-2004	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Jul-2004	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Aug-2004	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Sep-2004	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Oct-2004	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
Nov-2004	315.26	706.09	510.68	3	945.78	2	1,412.18	2,357.96	2,553.38
Dec-2004	315.26	706.09	510.68	2	630.52	3	2,118.27	2,748.79	2,553.38
								385,543.36	385,467.33

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Allowance for Funds Prudently Invested
Schedule of Carrying Cost Per ERC Per Month:

Month	1991	1992	1993	1994
June	218.92	312.09	385.79	467.62
July	227.52	317.91	392.25	474.80
August	236.13	323.73	398.71	481.97
September	244.73	329.55	405.18	489.15
October	253.34	335.37	411.64	496.32
November	261.94	341.19	418.10	503.50
December	270.55	347.01	424.56	510.68
January	279.68	353.48	431.74	510.68
February	288.81	359.94	438.92	510.68
March	294.63	366.40	446.09	510.68
April	300.45	372.86	453.27	510.68
May	306.27	379.33	460.44	510.68