

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for a rate) DOCKET NO. 911067-WS
increase by GENERAL DEVELOPMENT) ORDER NO. PSC-92-0186-FOF-WS
UTILITIES, INC. in Charlotte,) ISSUED: 04/13/92
DeSoto and Sarasota Counties)
_____)

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
SUSAN F. CLARK
J. TERRY DEASON
BETTY EASLEY

ORDER GRANTING INTERIM RATES

BY THE COMMISSION:

BACKGROUND

General Development Utilities, Inc./West Coast Division (GDU or utility) is a Class A utility located in Charlotte, Desoto, and Sarasota Counties. The utility is a wholly-owned subsidiary of General Development Corporation. As of December 31, 1990, the utility had 6,605 water customers and 5,397 wastewater customers.

The water system had actual operating revenues of \$1,494,774 and a net operating income of \$237,582 for the twelve months ended December 31, 1990. The wastewater system had actual operating revenues of \$1,397,949 and a net operating income of \$189,652 for the same period.

This Commission has not previously considered this utility's rates within a full rate case nor has a rate of return on equity been set by this Commission. However, the Charlotte County utility regulatory authority set rates for the Charlotte County system in 1985. This Commission acquired jurisdiction over this utility on October 1, 1989, by operation of Section 367.171(7), Florida Statutes. By Order No. 22783, issued April 9, 1990, this Commission granted the utility its water and sewer certificates.

On January 3, 1992, the utility filed its application for a rate increase. The minimum filing requirements (MFRs) were deficient. On January 16, 1992, the utility submitted additional information to satisfy the MFRs and that date was established as the official filing date. The test year for final rate

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FPSC-RECORDS/REPORTING

determination is the projected twelve-month period ending December 31, 1991. The interim test period is the twelve-month period ending December 31, 1990.

GDU requested interim water rates designed to generate annual revenues of \$1,940,138. These revenues exceed test year revenues by \$165,007 for an increase of 9.15%. The utility requested interim wastewater rates designed to generate annual revenues of \$2,863,349. These requested revenues exceed test year revenues by \$1,465,400, for an increase of 104.86%.

The utility requested final water rates designed to generate annual revenues of \$2,356,236, which exceed test year revenues by \$930,778 for a 65.64% increase. The utility requested final wastewater rates designed to generate annual revenues of \$2,996,065, which exceed test year revenues by \$1,608,894 for a 116.06% increase. The utility stated that the final rates requested would be sufficient to recover a 10% rate of return on rate base.

By Order No. PSC-92-0095-FOF-WS, issued on March 24, 1992, the Commission suspended the requested rates and schedules.

INTERIM RATES

Upon review of the information filed in the application, we find that, pursuant to Section 367.082, Florida Statutes, the utility has made a prima facie showing and thus, it is appropriate, on an interim basis, to increase water revenues by \$19,167 and to increase wastewater revenues by \$1,468,024, subject to refund with interest. In determining the interim revenue amount we have made several adjustments to the information filed, which are discussed below.

Rate Base

The utility has requested that water plant be 100% used and useful. However, the utility calculated used and useful plant based on plant capacity of 3.960 million gallons per day (MGD). The DER permitted capacity of the water plant is 4.4 MGD. Further, the utility used only a single maximum daily flow of 3.506 MGD rather than the average of the highest five days of the year, 2.901 MGD, in its calculation.

We have calculated used and useful water plant using the DER permitted capacity and the average five day maximum flow. Accordingly, we find the water plant to be 74% used and useful for the interim rate determination.

We also find the water distribution system to be overstated for two reasons: 1) the maximum daily demand and fire flows were included in the utility's calculation of used and useful; and 2) the utility compared the number of lots with equivalent residential connections (ERCs) rather than comparing consistent units in its calculation. For these reasons, we find the water distribution system is 50% used and useful for the purpose of calculating interim rates.

Based on the foregoing, we have determined that the appropriate rate base for interim purposes is \$3,851,304 for water and \$10,205,670 for wastewater. We find that non-used and useful plant for the water system should be increased by \$979,775. The schedules showing the calculation of these figures are attached as Schedules Nos. 1-A and 1-B. The adjustments to rate base are itemized on Schedule No. 1-C.

Capital Structure

In its application, the utility requested approval of a 10.42% cost of capital for interim purposes. The utility used GDU's consolidated capital structure to calculate its overall rate of return. However, the utility's calculation included an assignment of customer deposits, investment tax credits, and deferred income taxes from GDU to utility divisions. These adjustments to capital structure imply that funds may be traced. For interim purposes, we find this attempt to trace funds to be inappropriate. Therefore, we have reversed the utility's adjustments and reconciled the capital structure to rate base on a pro rata basis.

Since this Commission has not previously established a return on equity, the utility used the leverage formula to calculate its return on equity. Based on this rate and our adjustments, the overall rate of return was calculated to be 11.22%. This is higher than the 10.42% return requested by the utility.

The utility has requested specific revenue requirements for its water and wastewater systems. It is Commission practice to limit the revenue increase to the amount requested. Accordingly,

based on the utility's interim revenue request and our adjustments, we find the appropriate rate of return for wastewater is 10.72%. The appropriate rate of return for water is 11.22%.

The calculation of the capital structure is attached as Schedule No. 2-A. The adjustments are itemized on Schedule No. 2-B.

Net Operating Income

The utility requested recovery of the 4.5% regulatory assessment fee, which became effective on July 1, 1990. Since the interim rate determination must, by statute, be made on a historical basis, this known change cannot be allowed in this interim proceeding. Therefore, we have reduced this tax provision to reflect a 3.5% regulatory assessment fee, a blending of the prior 2.5% rate and the increased 4.5% rate. Depreciation expense and property taxes for the water system have been adjusted to reflect the used and useful adjustment discussed in an earlier portion of this Order.

Revenue Requirement

Based on our review of the information filed by the utility, we find that it is appropriate on an interim basis to increase water revenues by \$19,167, for a total revenue requirement of \$1,770,397, and wastewater revenues by \$1,468,024 for a total wastewater revenue requirement of \$2,863,349. This is a revenue increase of 1.09% for water and 105.21% for wastewater. The schedules showing the calculation of these figures are attached as Schedules Nos. 3-A and 3-B. The adjustments to these schedules are itemized on Schedule No. 3-C.

Interim Rates

The interim rates are designed to allow the utility the opportunity to generate additional annual operating revenues of \$19,167 for the water system and \$1,468,024 for the wastewater system. This results in a rate increase of 1.31% for the water system and 105.21% for the wastewater system. The percentage water rate increase, 1.31%, is higher than the percentage revenue increase for water, 1.09%, because miscellaneous service charges are not being increased.

The interim rates for the water system have been generated by applying the approved percentage increase to the old rates. However, the interim rate increase for the wastewater system has been calculated differently.

The general and multi-residential wastewater service customers are currently charged a flat rate of \$27.18 or 118% of the total water bill, whichever is greater. Thus, to ensure that each customer classification group pays its pro rata share of the increase, we have adjusted the percentage portion of the wastewater rate (versus the flat rate portion) based on each customer group's pro rata share. Therefore, the appropriate interim rate for general service and multi-residential wastewater customers is the greater of \$55.68 or 239% of the water bill.

We find these rates to be fair, just, and reasonable. The utility's existing and requested interim rates and the approved interim rates are set forth below for comparison:

WATER

Monthly Rates

<u>Residential</u>	<u>Current Rates</u>	<u>Utility Requested Interim</u>	<u>Commission Approved Interim</u>
Meter sizes:			
5/8"x3/4", first MG at lower gallonage charge	\$ 5.28	\$ 5.87	\$ 5.35
1", first 20 MG at lower gallonage charge	13.18	14.64	13.35
1 1/2", first 40 MG at lower gallonage charge	26.36	29.29	26.71
2", first 64 MG at lower gallonage charge	42.18	46.86	42.73
Gallonage Charge per MG:			
Conservation Rate	\$ 2.55	\$ 2.83	\$ 2.58
Excess Gallonage Rate	3.23	3.59	3.27

General Service and Multi-Residential Service

	<u>Current Rates</u>	<u>Utility Requested Interim</u>	<u>Commission Approved Interim</u>
Base Facility Charge 5/8"x3/4"	\$ 5.28	\$ 5.87	\$ 5.35
Gallorage Charge per MG: (for 5/8"x3/4" meters only)	\$ 2.55	\$ 2.83	\$ 2.58
1"	\$ 16.48	\$ 18.31	\$ 16.70
1 1/2"	32.95	36.61	33.38
2"	52.72	58.57	53.41
3"	105.44	117.14	106.82
4"	164.75	183.04	166.91
6"	329.51	366.09	333.83
8"	527.20	585.72	534.11
10"	757.86	841.98	767.79
12"	1,416.85	1,574.12	1,435.41
Gallorage Charge per MG: for all meters sizes except 5/8"x3/4")	\$ 3.28	\$ 3.64	\$ 3.32

Private Fire Protection

Fire Hydrants on Private Property	\$1,318.03	\$1,464.33	\$1,335.30
Fire Mains on Private Property	2,108.79	2,342.87	2,136.42
4" mains	\$ 658.98	\$ 732.13	\$ 667.61
6" mains	1,318.03	1,464.33	1,335.30
8" mains	2,108.79	2,342.87	2,136.42

Myakka Utilities Bulk Service

6" meter	\$ 329.51	\$ 329.51	\$ 333.83
Gallorage Charge per MG:	1.94	1.94	1.97

WASTEWATER

Monthly Rates

<u>Residential</u>	<u>Current Rates</u>	<u>Utility Requested Interim</u>	<u>Commission Approved Interim</u>
Meter sizes:			
5/8"x3/4"	\$ 21.74	\$ 44.54	\$ 44.54
1"	21.74	44.54	44.54
1 1/2"	21.74	44.54	44.54
2"	21.74	44.54	44.54
Seasonal**	10.87	22.27	22.27
Gallage Charge per MG: up to 8,000 gallons max.)	Flat Rate	Flat Rate	Flat Rate

General Service and Multi-Residential Service

Meter Sizes:			
5/8"x3/4"	\$ 27.18	\$ 55.68	\$ 55.68
1"	27.18	55.68	55.68
1 1/2"	27.18	55.68	55.68
2"	27.18	55.68	55.68
3"	27.18	55.68	55.68
4"	27.18	55.68	55.68
6"	27.18	55.68	55.68
8"	27.18	55.68	55.68
Seasonal**	27.18	55.68	55.68
OR			
Percentage of water bill: (whichever is greater)	118.00%	218.00%	239.00%

**Charged to residential customers when temporarily disconnected from the system.

Security For Refund

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. Based on our review of GDU's financial situation, we find that the utility cannot support a corporate undertaking. Therefore, we

require the utility to provide a letter of credit, bond, or escrow agreement to guarantee the funds collected subject to refund.

If the security provided is an escrow account, said account shall be established between the utility and an independent financial institution pursuant to a written escrow agreement. The Commission shall be a party to the written escrow agreement and the Director of Records and Reporting must be a signatory to the escrow account. The written escrow agreement shall state the following: that the account is established at the direction of this Commission for the purpose set forth above, that no withdrawals of funds should occur without the prior approval of the Commission through the Director of the Division of Records and Reporting, that the account should be interest bearing, that information concerning the escrow account should be available from the institution to the Commission or its representative at all times, and that pursuant to Consentino v. Elson, 263 So.2d 253 (Fla. 3d DCA 1972), escrow accounts are not subject to garnishments.

The utility shall deposit the funds to be escrowed, \$131,900, into the escrow account each month, pending the completion of the rate case proceeding. If a refund to the customers is required, all interest earned by the escrow account shall be distributed to the customers. If a refund to the customers is not required, the interest earned by the escrow account shall revert to the utility.

If the security provided is a bond or a letter of credit, said instrument should be in the amount of \$1,187,100. If the utility chooses a bond as security, the bond should state that it will be released or should terminate upon subsequent Order of this Commission addressing overearnings or requiring a refund. If the utility chooses to provide a letter of credit as security, the letter of credit should state that it is irrevocable for the period it is in effect and that it will be in effect until a final Commission order is rendered addressing overearnings or requiring a refund.

Pursuant to Rule 25-30.360(6), Florida Administrative Code, the utility shall provide a report by the 20th day of each month indicating the monthly and total revenue collected subject to refund.

Motion to Require Escrow of Interim Increase

On February 19, 1992, the Cities of Palm Bay and North Port, Intervenor in this proceeding, filed a motion to require deposit of any interim rate increase into an escrow account. Section 367.082(2)(c), Florida Statutes, which provides for interim rates, specifically addresses security of refund: "The Commission shall determine whether escrow, letter of credit, or corporate undertaking may be filed in lieu of the bond." (emphasis added) Further, Rule 25-30.360(6), Florida Administrative Code, provides that money subject to refund, "shall be secured by a bond unless the Commission specifically authorizes some other type of security...." Thus, at a minimum, the utility is entitled to secure the money subject to refund by a bond. We find that the Cities' allegations are insufficient to preclude the utility's use of a letter of credit or bond, and therefore deny the motion.

Based on the foregoing, it is,

ORDERED by the Florida Public Service Commission that the request by General Development Utilities, Inc. for an interim increase in water and wastewater rates is hereby approved to the extent set forth in the body of the Order. It is further

ORDERED that the increased water and wastewater rates approved herein are subject to refund with interest pending the outcome of this proceeding. It is further

ORDERED that General Development Utilities, Inc. shall provide a letter of credit, bond or escrow agreement, as set forth in the body of this Order, to guarantee the interim funds collected subject to refund. It is further

ORDERED that General Development Utilities, Inc. shall submit, pursuant to Rule 25-30.360(6), Florida Administrative Code, a report by the 20th of each month indicating the monthly and total revenues collected subject to refund. It is further

ORDERED that General Development Utilities, Inc. shall file revised tariff sheets in accordance with the provisions of this Order, as well as a proposed notice to customers. It is further

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ORDERED that the interim rates shall become effective for meter readings on or after 30 days from the stamped approval date on the revised tariff sheets. It is further

ORDERED that the revised tariff sheets will be approved upon Commission Staff's verification that the tariff sheets are consistent with the Commission's decision, the appropriate security has been filed to guarantee any potential refund, and the proposed customer notice is adequate.

By ORDER of the Florida Public Service Commission, this 13th, day of April, 1992.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

KAC/CB/LAJ

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.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: 1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; 2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or 3) judicial review by the Florida Supreme Court, in the case of an electric,

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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 Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

GDU/WEST COAST DIVISION
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED DECEMBER 31, 1990

SCHEDULE NO. 1-A
DOCKET NO. 911067-WS

COMPONENT	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR PER UTILITY	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR
1 UTILITY PLANT IN SERVICE	\$ 9,649,162	\$ 60,000	\$ 9,709,162	\$ 0	9,709,162
2 LAND	25,909	0	25,909	0	25,909
3 NON-USED & USEFUL COMPONENTS	0	(731,358)	(731,358)	(979,775)	(1,711,133)
4 CONSTRUCTION WORK IN PROGRESS	0	0	0	0	0
5 ACCUMULATED DEPRECIATION	(2,831,628)	(20,872)	(2,852,500)	0	(2,852,500)
6 CIAC	(1,914,029)	0	(1,914,029)	0	(1,914,029)
7 AMORTIZATION OF CIAC	495,433	0	495,433	0	495,433
8 ACQUISITION ADJUSTMENTS -NET	0	0	0	0	0
9 ADVANCES FOR CONSTRUCTION	(11,464)	0	(11,464)	0	(11,464)
10 WORKING CAPITAL ALLOWANCE	109,926	0	109,926	0	109,926
RATE BASE	\$ 5,523,309	\$ (692,230)	\$ 4,831,079	\$ (979,775)	3,851,304

GDU/WEST COAST DIVISION
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED DECEMBER 31, 1990

SCHEDULE NO. 1-B
DOCKET NO. 911067-WS

COMPONENT	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR PER UTILITY	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR
1 UTILITY PLANT IN SERVICE	\$ 15,880,974	\$ (1,165)	\$ 15,879,809	\$ 0	\$ 15,879,809
2 LAND	26,854	0	26,854	0	26,854
3 NON-USED & USEFUL COMPONENTS	0	(1,317,430)	(1,317,430)	0	(1,317,430)
4 CONSTRUCTION WORK IN PROGRESS	0	0	0	0	0
5 ACCUMULATED DEPRECIATION	(2,728,915)	1,842	(2,727,073)	0	(2,727,073)
6 CIAC	(2,412,175)	0	(2,412,175)	0	(2,412,175)
7 AMORTIZATION OF CIAC	668,881	0	668,881	0	668,881
8 ACQUISITION ADJUSTMENT -NET	0	0	0	0	0
9 ADVANCES FOR CONSTRUCTION	0	0	0	0	0
10 WORKING CAPITAL ALLOWANCE	86,804	0	86,804	0	86,804
RATE BASE	\$ 11,522,423	\$ (1,316,753)	\$ 10,205,670	\$ 0	\$ 10,205,670

GDU/WEST COAST DIVISION
ADJUSTMENTS TO RATE BASE
TEST YEAR ENDED DECEMBER 31, 1990

SCHEDULE NO. 1-C
DOCKET NO. 911067-WS

EXPLANATION	WATER	WASTEWATER
(1) NON-USED AND USEFUL		
----- USED AND USEFUL ADJUSTMENT PER STAFF ENGINEER	\$ (979,775) =====	\$ 0 =====

GDU/WEST COAST DIVISION
 CAPITAL STRUCTURE
 TEST YEAR ENDED DECEMBER 31, 1990

SCHEDULE NO. 2 - A
 DOCKET NO. 911067 - WS

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DESCRIPTION	ADJUSTED TEST YEAR PER UTILITY	WEIGHT	COST	UTILITY WEIGHTED COST	COMM RECONC. ADJ. TO UTILITY EXHIBIT	BALANCE PER COMM	WEIGHT	COST	WEIGHTED COST PER COMM	
1 LONG TERM DEBT	\$ 7,194,393	47.85%	11.06%	5.29%	\$ 30,524	\$ 7,224,917	51.40%	11.06%	5.68%	
2 SHORT - TERM DEBT	0	0.00%	0.00%	0.00%	0	0	0.00%	0.00%	0.00%	
3 INVESTMENT TAX CREDITS	719,563	4.79%	0.00%	0.00%	(133,771)	585,792	4.17%	0.00%	0.00%	
4 COMMON EQUITY	5,980,861	39.77%	12.74%	5.07%	44,826	6,025,687	42.87%	12.74%	5.46%	
5 CUSTOMER DEPOSITS	107,741	0.72%	8.00%	0.06%	25,374	133,115	0.95%	8.00%	0.08%	
7 ACCUM. DEFERRED INCOME TAX	1,034,191	6.88%	0.00%	0.00%	(951,305)	82,886	0.59%	0.00%	0.00%	
8 OTHER (Explain)	0	0.00%	0.00%	0.00%	4,577	4,577	0.03%	0.00%	0.00%	
9 TOTAL CAPITAL	\$ 15,036,749	100.00%		10.42%	\$ (979,775)	\$ 14,056,974	100.00%		11.22%	
RANGE OF REASONABLENESS							LOW	HIGH		
RETURN ON EQUITY							12.74%	14.74%		
OVERALL RATE OF RETURN							11.22%	12.08%		

GDU/WEST COAST DIVISION
 ADJUSTMENTS TO CAPITAL STRUCTURE
 TEST YEAR ENDED DECEMBER 31, 1990

SCHEDULE NO. 2-B
 DOCKET NO. 911067-WS

DESCRIPTION	SPECIFIC ADJUSTMENT (1)	SPECIFIC ADJUSTMENT (2)	PRO RATA RECONCILE	NET ADJUSTMENT
1 LONG TERM DEBT	\$ 534,102	\$	0 \$ (503,579)	\$ 30,524
2 SHORT-TERM DEBT	0		0	0
3 INVESTMENT TAX CREDITS	(92,941)		(40,830)	(133,771)
4 COMMON EQUITY	444,010		(418,636)	25,374
5 CUSTOMER DEPOSITS	55,460	0	(10,634)	44,826
6 ACCUM. DEFERRED INCOME TAX	(945,528)	0	(5,777)	(951,305)
7 OTHER (Explain)	4,896	0	(319)	4,577
8 TOTAL CAPITAL	\$ 0	\$	0 \$ (979,775)	\$ (979,775)

GDU/WEST COAST DIVISION
 STATEMENT OF WATER OPERATIONS
 TEST YEAR ENDED DECEMBER 31, 1990

SCHEDULE NO. 3-A
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DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	UTILITY ADJUSTED TEST YEAR	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 1,487,646	\$ 452,592	\$ 1,940,238	(\$ 189,008)	\$ 1,751,230	\$ 19,167	\$ 1,770,397
OPERATING EXPENSES:						1.09%	.
2 OPERATION AND MAINTENANCE	\$ 879,411	\$ 0	\$ 879,411	\$ 0	\$ 879,411	\$	\$ 879,411
3 DEPRECIATION	191,099	(18,202)	172,897	(39,077)	133,820		133,820
4 AMORTIZATION	0	0	0	0	0		0
5 TAXES OTHER THAN INCOME	158,263	87,311	245,574	(49,908)	195,666	671	196,337
6 INCOME TAXES	0	139,442	139,442	(17,745)	121,697	6,960	128,657
7 TOTAL OPERATING EXPENSES	(16,743) \$ 1,228,773	\$ 208,551	\$ 1,437,324	\$ 2,751,175	\$ 1,330,594	\$ 7,631	\$ 1,338,225
8 OPERATING INCOME	\$ 258,873	\$ 244,041	\$ 502,914	(\$ 2,940,183)	\$ 420,636	\$ 11,536	\$ 432,173
9 RATE BASE	\$ 5,523,309	\$	\$ 4,831,079	\$	\$ 3,851,304	\$	\$ 3,851,304
RATE OF RETURN	4.69%		10.41%		10.92%		11.22%

GDU/WEST COAST DIVISION
STATEMENT OF WASTEWATER OPERATIONS
TEST YEAR ENDED DECEMBER 31, 1990

SCHEDULE NO. 3-B
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DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	UTILITY ADJUSTED TEST YEAR	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 1,361,971	\$ 1,501,378	\$ 2,863,349	(\$ 1,468,024)	\$ 1,395,325	\$ 1,468,024	\$ 2,863,349
OPERATING EXPENSES						105.21%	
2 OPERATION AND MAINTENANCE	\$ 694,434	\$ 0	\$ 694,434	\$ 0	\$ 694,434	\$	\$ 694,434
3 DEPRECIATION	439,469	(55,765)	383,704	0	383,704		383,704
4 AMORTIZATION	0	0	0	0	0		0
5 TAXES OTHER THAN INCOME	272,943	136,615	409,558	(79,922)	329,636	51,381	381,017
6 INCOME TAXES	0	313,160	313,160	(536,154)	(222,994)	533,083	310,089
7 TOTAL OPERATING EXPENSES	\$ 1,406,846	\$ 394,010	\$ 1,800,856	(\$ 616,076)	\$ 1,184,780	\$ 584,464	\$ 1,769,244
8 OPERATING INCOME	\$ (44,875)	\$ 1,107,368	\$ 1,062,493	(\$ 651,948)	\$ 210,545	\$ 883,560	\$ 1,094,105
9 RATE BASE	\$ 11,522,423		\$ 10,205,670		\$ 10,205,670		\$ 10,205,670
RATE OF RETURN	-0.39%		10.41%		2.06%		10.72%

GDU/WEST COAST DIVISION
ADJUSTMENTS TO OPERATING STATEMENTS
DOCKET NO. 911067-WS

SCHEDULE NO. 3-C
DOCKET NO. 911067-WS

EXPLANATION	WATER	WASTEWATER
(1) OPERATING REVENUES		
A. To remove the utility's test year revenue request	\$ (165,007)	\$ (1,465,400)
B. To adjust annualized revenues	(24,001)	(2,624)
NET ADJUSTMENT	\$ (189,008)	\$ (1,468,024)
(2) DEPRECIATION		
To adjustment for Non-Used and Useful Plant	\$ (39,077)	\$ 0
(3) TAXES OTHER THAN INCOME		
A. To adjust test year revenues to reflect a 3.50% RAF	\$ (27,569)	\$ (13,979)
B. To remove 4.5% RAF related to increased revenues	(7,425)	(65,943)
C. To adjust property taxes for non-used & useful plant	(14,914)	
NET ADJUSTMENT	\$ (49,908)	\$ (79,922)
(4) PROVISION FOR INCOME TAXES		
To remove income tax expense.	\$ (17,745)	\$ (536,154)
(5) OPERATING REVENUES		
To reflect recommended increase in revenues.	\$ 19,167	\$ 1,468,024
(6) TAXES OTHER THAN INCOME		
To reflect increase in regulatory assessment fees	\$ 671	\$ 51,381
(7) PROVISION FOR INCOME TAXES		
To reflect increased revenues	\$ 6,960	\$ 533,083