BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for a staff-assisted rate case in Levy County by FIMC HIDEAWAY, INC.	DOCKET NO. 911091-WS ORDER NO. PSC-92-0479-FOF-WS ISSUED: 06/09/92

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, CHAIRMAN
SUSAN F. CLARK
J. TERRY DEASON
LUIS J. LAUREDO

ORDER GRANTING TEMPORARY RATES
IN THE EVENT OF PROTEST

AND

NOTICE OF PROPOSED AGENCY ACTION
ORDER GRANTING RATES AND CHARGES

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein, except for the granting of temporary rates in the event of a protest and the requirement that the portion of the increase associated with the denial of the negative acquisition adjustment be collected subject to refund, is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

BACKGROUND

FIMC Hideaway, Inc., (Hideaway or the utility) is a Class C water and wastewater utility located in Levy County, Florida. In 1983, the Board of County Commissioners of Levy County passed a resolution granting this Commission jurisdiction over the water and wastewater utilities in Levy County. We granted the utility Water Certificate No. 426-W and Wastewater Certificate No. 362-S, in Order No. 13497, issued July 10, 1984. The utility's rates at the time of the certification were grandfathered in and the utility has had only one price index rate change since that time.

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FPSC-RECORDS/REPORTING

Hideaway provides service to Hideaway Mobile Home Subdivision, located six miles west of Chiefland, Florida. The utility has the capability of serving approximately 143 connections within its approved service area.

On April 26, 1989, Hideaway Service, Inc., the utility's name prior to the utility's transfer to FIMC Hideaway, Inc., applied for a staff-assisted rate case (SARC). However, in June of 1989, Florida Investors Mortgage Corporation (FIMC) informed us that it was in the process of foreclosing on Hideaway Service, Inc. The filing fee for the SARC docket was not paid, and the docket was closed on July 27, 1989.

On December 13, 1990, the Commission received notice of FIMC's foreclosure of Hideaway Service, Inc. According to the utility, it was placed on the market, but FIMC was unable to find a buyer. As a result, the mortgage company became the new owner of the utility. In order to keep the banking business and the utility business separate, FIMC formed FIMC Hideaway, Inc., to operate the utility. On June 11, 1991, Hideaway filed an application with this Commission for approval of the transfer of Certificates Nos. 426-W and 362-S from Hideaway Service, Inc., to FIMC Hideaway, Inc. The proposed agency action portion of the resulting Order No. 25584, issued January 8, 1992, was protested by the Office of Public Counsel, and a hearing on the matter has been scheduled for October 30, 1992, in Levy County.

On October 25, 1991, the utility applied for this SARC, and it has paid the appropriate filing fee. The official filing date has been set as December 27, 1991. The test year for this case is the historical test year ended December 31, 1991. The utility provided water and wastewater service to approximately 107 customers during the test year.

The utility's books reflect that operating revenues during the test year period were $5,220 for water and $5,209 for wastewater. Also, the books show the utility's net operating losses were $4,512 for water and $4,782 for wastewater during the same period.

QUALITY OF SERVICE

A customer meeting was held at the Hideaway Mobile Home Park clubhouse in Chiefland, Florida, on April 8, 1992. Approximately 64 utility customers attended this meeting. Sixteen customers testified regarding the increased rates. Nine of the sixteen commented about the quality of service provided by the utility. Three customers told of specks and objects, or "floaties," that

they have found in the water. One customer said that the water is "hard" and that it has a sulfur odor. Another customer stated that he has found worms in the water. One customer complained of water outages without receiving prior notice. Another customer testified that there are leaks in the system and that, in his opinion, the wastewater treatment discharge pond and outfall are substandard. One customer stated that odor from the wastewater plant was "very unattractive." One customer was concerned about whether or not a qualified person was operating the plants. Also, several customers testified that test results obtained in 1991 showed that their drinking water was contaminated with ecoli bacteria.

The customers said that they experienced great difficulty in their attempts to communicate with the utility because the personnel were unavailable. One customer complained about calling the utility's contact person and having to leave a message on an answering machine. He stated that no one ever returned his call, and he went to bed that night without water service. The utility representative responded to his concerns at the customer meeting by stating that every customer would receive additional notification of the utility's local telephone number. Our Staff has directed the utility to respond to customer problems and inquiries in a timely fashion.

Two customers testified that the utility's water system had been shut down without notification to the customers. The utility representative gave an explanation for the shut downs which occurred during the time period between May 1991 and January 1992. Ms. Weber stated that an unforeseen emergency situation required an immediate shut-down on one occasion. The second reason given for the service interruption was that repairs mandated by the Department of Environmental Regulation (DER) were being made which required that the system be shut down. The utility representative assured the customers that they would receive proper notification for future planned outages.

This utility has many problems. However, the majority of these problems appear to be due to the deferred maintenance practices of the former owner. Immediately upon assuming ownership through foreclosure, Hideaway was faced with an overwhelming list of deficiencies and violation notices by state and local authorities. The water plant was attempting to serve 107 customers with one remaining active well that had deteriorated to 20 gallons per minute (GPM). Other water lant deficiencies included a highly deteriorated ground storage tank with only one functional high service pump, an unpainted hydropneumatic tank with no compressor, and test samples yielding unsatisfactory bacteriological results.

Wastewater plant deficiencies included: non-functioning switches on the lift station pumps; no provision for a second motor/blower assembly; no arrangement for measuring flows; an overgrown percolation pond; no protection from customer access to the plant and pond; and operation of the utility with an expired permit.

On April 15, 1992, DER inspected the water treatment plant to assess the progress of the utility in correcting the potable water deficiencies. DER found that well No. 2 was on-line, and the ground storage tank was off-line to be refurbished. The above grade piping and hydropneumatic tank had been painted for corrosion protection, and an air compressor for equalizing the pressure tank had been installed and was operational. In addition, pre-treatment and post-treatment chlorination had been installed to disinfect any bacteria. The post-treatment chlorinator was operating continuously and, upon the request of the inspector, it was changed to cycle on and off with the well pump. This method of chlorination achieves a more consistent dosing of disinfectant without excessively saturating the system with chlorine.

During DER's visit to the utility, samples of the water were collected to test for radium-226, radium-228, and sulfate. DER states that the chemical analysis for well No. 2 indicates that radium-226, odor, sulfate, and total dissolved solids exceed the maximum contaminant level (MCL) allowed. The result for radium-226 was 5.1 +/- 0.2 pico Curies per liter (pCi/l) where the current MCL is 5.0 pCi/l. However, the Environmental Protection Agency (EPA) is planning to raise the MCL for radium-226 to 20 pCi/l within the next year. The following are the results of other secondary standards which exceed the MCL:

Parameter	Well No. 2	MCL, mg/l
Sulfate	970	250
Total Dissolved Solids	1800	500
Odor	200	3

The above results are due to a known gypsum deposit near the Suwanee River which is a significant matter that is not within the utility's control to rectify. However, before the utility can be in full compliance with DER, these levels of secondary contaminants must be lowered to acceptable standards. Until the utility achieves compliance with these secondary standards, DER is requiring that all Hideaway customers be notified of the violations every three months starting in July.

According to DER, the utility has three options available to it which may secure compliance with the requirements. It may pursue the use of another water source, either an existing surface or ground water supply, or it may install additional means of treating the water. However, the only recommended treatment for sulfate is reverse osmosis, and, in this instance, reverse osmosis will be cost prohibitive for this utility. In addition, because of the plant's location, it is questionable that the utility could meet the industrial waste standards required for the backwash discharge. Lastly, the utility can procure land and permits to construct a well field outside the area where the gypsum deposits are located. The DER engineer suggests that the utility determine the cost of drilling a new well field outside of the subdivision. The DER engineer also suggested that Hideaway work with the Springside at Manatee, Ltd., and Fowlers Bluff utilities to locate a better source of water since all three are experiencing the same types of problems in the same general location.

On April 20, 1992, DER inspected the wastewater treatment plant to verify the correction of the sewer deficiencies. New switches had been installed for the lift station pumps, and timers had been installed to estimate flow volumes. The percolation pond had been cleaned and re-bermed, and a second blower had been purchased and stored for easy access should the on-line blower need replacement. A fence had been installed around the plant and percolation pond, and, on March 31, 1992, the utility applied for the renewal of its operating permit. All corrections viewed by the DER representative met or exceeded the required standards, and all deficiencies have been satisfied with the exception of the operating permit which is currently being reviewed by DER. The DER engineer believes that approval of the permit is imminent.

The utility's current owners appear to have attempted in good faith to provide good quality of service. They have either corrected or are in the process of correcting any and all deficiencies cited against them by federal, state, and local authorities. Both utility plants have recently undergone costly upgrades so they can meet the standards set by those agencies.

In many instances, the utility fails to satisfy standard requirements due to circumstances beyond its control largely because it is subject to the geographical conditions of the area. By the nature of the accessible water table, the water is "hard"; it contains dissolved solids that will precipitate as "specks" or "floaties."

However, the odor from the drinking water should now be easier to control since the utility has initiated pre- and post-chlorination. The utility must maintain a minimum free chlorine residual of 0.2 parts per million (ppm) throughout the distribution system at all times as required by DER Rule 17-550.510, Florida Administrative Code. DER does not set a maximum limit. DER has recommended that the utility maintain a free chlorine residual of 2.0 mg/l at the plant to mask the odor. Unsatisfactory bacteriological results should also be eliminated in a system that is subject to such a degree of chlorination. It is rare to see worms in a potable water system. This is a very serious condition. However, proper disinfection should eliminate any such occurrence in the future.

Both plants are operated by a certified operator that visits and oversees the plants in accordance with DER's regulatory standards. In addition to the operator, the utility has hired a utility maintenance/operator trainee for those times that the plants need attention beyond the contracted responsibility of the operator. The leaks that one customer referred to were located and repaired. Also, the utility is in the process of having signs made to post at each plant giving the customers a local emergency phone number.

Based on the above, we find that the utility's current owner has been responsive in complying with regulatory citations and providing satisfactory service to its customers. However, the utility does exceed the recommended contaminant levels for several secondary standards. Secondary contaminants are considered nuisance contaminants and while they affect the aesthetic quality of the water, they do not pose a health hazard. Therefore, we find that the quality of service is marginally satisfactory.

RATE BASE

Our calculations of the appropriate rate bases for the purpose of this proceeding are depicted on Schedules Nos. 1 and 1-A, and our adjustments are itemized on Schedule No. 1-B. Those adjustments which are self-explanatory or which are essentially mechanical in nature are reflected on those Attachments without further discussion in the body of this Order. The major adjustments are discussed below.

Used and Useful

Water Treatment Plant

The water treatment plant is an open system type of operation that currently relies on two high service pumps to meet instantaneous fluctuations in flow demands. On the date of the field investigation, one of the two pumps was not in service. The remaining capacity to meet flow demands is 100 GPM. Maximum daily flows, a margin reserve allowance, and capacity of the plant, are factors to be considered when making a used and useful determination. In accordance with General Waterworks Design Criteria, each customer connection requires a minimum of 1.1 GPM, which should be met by the lowest capacity pump. Margin reserve represents the additional capacity necessary to serve the number of customers expected to connect to the system within the next 18 months. The sum of the maximum daily flow of 177 GPM and the margin reserve allowance of 7 GPM was divided by the 100 GPM capacity of the plant. The result is 184 percent. Using this formula as an indicator of the used and useful percentage of plant, we find that the 100 GPM supply resource does not meet the minimum standard for 107 customers. Therefore, we believe it is appropriate to find that the water treatment plant is 100 percent used and useful.

Water Distribution System

The water distribution system has an existing capacity of 82 equivalent residential connections (ERCs). The sum of the average number of connections to the system per year of 62 ERCs and the margin reserve allowance of 3 ERCs was divided by the 82 ERCs capacity of the existing facilities. Therefore, we find that the used and useful portion of the water distribution system (excluding meters and meter installations) is 79.27 percent. We find that the meters and meter installations are 100 percent used and useful.

Wastewater Treatment Plant

The capacity of the wastewater treatment plant was constructed to be 20,000 gallons per day (GPD). The highest five-day average of daily flows, during the test year, occurred in January of 1991 and was 16,000 GPD for an average of 107 customers. The used and useful formula is valuable as an indicator and yields a percentage that represents useful plant. Other considerations of total plant and its ability to meet the standards set by regulatory authorities are not always represented in the formula approach. The calculated formula is the sum of the average daily flow of 16,000 GPD and the

margin reserve allowance of 784 GPD divided by the 20,000 GPD capacity of the plant. The result is 84.92 percent used and useful. However, the composite ability of the plant to process current flows and meet regulatory standards for quality effluent demonstrate that the plant should be considered 100 percent used and useful. Therefore, we find that the wastewater treatment plant is 100 percent used and useful due to its design and present component sufficiency.

Wastewater Collection System

The collection system was constructed with vitrified clay pipe (VCP) gravity lines. This network of mains includes 20 manholes and one master lift station. The wastewater collection system has an existing capacity of 82 ERCs. The average number of connections to the system per year is 62 ERCs. This figure is added to the margin reserve allowance of 3 ERCs, then divided by the 82 ERCs capacity of the facilities, with a resulting quotient of 79.27 percent. We find that the result of 79.27 percent is the appropriate used and useful portion of the wastewater collection system (excluding services). We find that services are 100 percent used and useful.

Installation of Meters

We are aware that one customer has drilled a private well on his property after the end of the test year. He is now a wastewater-only customer. However, the water connection at his residence still exists. The existence of the water connection creates the possibility of a cross-connection. Unless the customer is completely disconnected from the water system, untreated water from the customer's private well may cause backflow into the water system. This poses a potential health risk to the 106 water system customers. Rule 17-555.360(2), Florida Administrative Code, states that:

> Community water systems shall establish a routine cross-connection control program to detect and prevent cross-connections that create or may create an imminent and substantial danger to public health.

On the other hand, if system pressure is greater than the customer's well pressure, the customer would receive the utility's water free of charge.

The utility could satisfactorily prevent backflow and unmetered water use for any wastewater-only customer by physically

removing the connecting facilities. If, in the future, a customer at the disconnected address chooses to reconnect to the utility's water system, a meter and a backflow prevention device would have to be installed. The cost for disconnecting the customer should be comparable to the cost of installing a meter, which has been included in proforma plant in rate base.

We find that it is appropriate to order the utility to install meters for all of its unmetered customers within six months of the effective date of this Order. The cost of installation of 107 meters at a cost of $105 per meter is $11,235. We have included this amount in water plant.

In addition, Hideaway shall make certain that no cross-connections or unmetered water usage exists in the case of any wastewater-only customers.

Average Test Year Rate Base

The appropriate components of the utility's rate base include: depreciable plant-in-service; plant held for future use; contributions-in-aid-of-construction (CIAC); accumulated depreciation; accumulated amortization of CIAC and organizational costs; and working capital allowance.

We determined the plant, depreciation, and CIAC balances on March 7, 1991, in the Hideaway transfer case, Docket No. 910672-WS, as included in Order No. 25584, issued January 8, 1992. We have utilized our decisions in that Order as a basis for rate base components which are updated in this Order.

Hideaway was not able to update its books with the results of the transfer docket by the end of the test year. Therefore, several adjustments to rate base components are necessary to bring booked totals up to the amounts ordered. Further adjustments are necessary to reflect test year changes, the used and useful calculations, and proforma plant. A discussion of each component follows.

Land Value

The land upon which the water and wastewater plant is located is owned by Hideaway. The value of the land was established by Order No. 25584 as $3,858 for the water system land and $4,961 for wastewater system land and those amounts are correctly reflected on the utility's books. There have been no additions to utility land since Order No. 25584 was issued.

As discussed in a previous section of this Order, we found the used and useful portions of both the water and wastewater treatment plants to be 100 percent. We find it appropriate to apply these used and useful percentages to their land account balances. Therefore, we find that the appropriate values of used and useful land are $3,858 for the water system and $4,961 for the wastewater system.

Depreciable Plant-in-Service

Water

The utility's books reflect the balance of $86,154 for depreciable plant-in-service for water. We adjusted the balance in order to equal the amount we established in Order No. 25584 by increasing the water accounts by $10,187. There have been $8,917 in plant additions for water subsequent to that Order. The balance for the water system has been reduced by an averaging adjustment of $4,458. In addition, we have increased the balance for the water system due to proforma plant expenses by $21,257. Therefore, we find that the appropriate balance of depreciable plant-in-service for the water system is $122,057.

Proforma water plant improvements include:

1. Analyze water samples
2. Install a concrete pad around well casing
3. Properly seal an existing, repaired well
4. Repair water storage tanks
5. Properly seal an abandoned well
6. Repair or replace two high service pumps
7. Install second chlorinator
8. Install meters

Wastewater

The utility's books reflected the balance of $69,143 for depreciable plant-in-service for wastewater. We adjusted the balance in order to equal the amount we established in Order No. 25584 for this utility, by increasing the wastewater account by $40,951. There have been $1,590 in plant additions for wastewater subsequent to that Order. The balance for the wastewater system has been reduced by an averaging adjustment of $795. In addition, we have increased the balance for the wastewater system due to proforma plant expenses by $5,171. Therefore, we find that the

appropriate balance of depreciable plant-in-service for the wastewater system is $116,060.

Proforma wastewater plant improvements include:

1. Modify and upgrade lift switch
2. Clean and recharge percolation ponds
3. Provide a second blower and motor
4. Fence the area
5. Analyze waste residual
6. Transfer and renew permit

Plant Held for Future Use

Plant held for future use has been calculated based on the non-used and useful percentages of plant net of accumulated depreciation. The reductions which have been made to rate base for plant held for future use are $4,363 for water and $9,452 for wastewater. Therefore, we find that the appropriate reductions to rate base for plant held for future use are $4,363 for water and $9,452 for wastewater.

Contributions-in-Aid-of-Construction

Water

The utility's books reflect a balance of $0 for water CIAC. We have subtracted CIAC associated with the margin reserve from rate base. An imputation adjustment increased the water balance by $1,200. Therefore, we find that the appropriate balance of CIAC for the water system is $1,200.

Wastewater

The utility's books reflect a balance of $0 for wastewater CIAC. The only CIAC to be booked is a $172 wastewater plant addition which was expensed in 1989. Therefore, to reflect this amount which was established in Order No. 25584, we have adjusted wastewater CIAC by $172. We have subtracted CIAC associated with the margin reserve from rate base. An imputation adjustment increased the wastewater balance by $1,450. Therefore, we find that the appropriate balance of CIAC for the wastewater system is $1,622.

Accumulated Depreciation

The utility's books do not reflect any record of accumulated depreciation at the end of the test period. Order No. 25584 established accumulated depreciation as of March 7, 1991, at $23,996 for water and $40,636 for wastewater. We have increased the water system accumulated depreciation account by $1,905 for water and the wastewater system accumulated depreciation account by $3,244 in order to reflect the appropriate test-year ending balances. An averaging adjustment of $1,153 reduces the water account, and an averaging adjustment of $1,851 reduces the wastewater account. In addition, we have added one year of proforma plant depreciation by $1,906 for water and $242 for wastewater. Thus, we find that the appropriate average amounts of accumulated depreciation are $26,654 and $42,271 for water and wastewater, respectively.

Accumulated Amortization of CIAC

Water

The utility's books reflect a balance of $0 for the water system. The only amortization for the water system is associated with imputed margin reserve CIAC which totals $35, so we have increased the water balance by an imputation adjustment of $35. Therefore, we find that the appropriate accumulated amortization balance for the water system is $35.

Wastewater

Order No. 25584 reflects amortization of CIAC of $7 for the wastewater system as of March 7, 1991. The respective composite depreciation rates and calculated CIAC balances were used to update accumulated amortization to the end of the test year. The additional amortization to the end of the test year is $4 for wastewater. We found that an averaging adjustment was negligible, therefore, we did not make the adjustment. We determined that CIAC should be imputed on the margin reserve for the wastewater system. This results in additional amortization of CIAC of $48 for the wastewater system. Therefore, we find the appropriate test year accumulated amortization of CIAC to be $59 for the wastewater system.

Working Capital Allowance

We find it appropriate to use the formula method in calculating the working capital requirement of this utility, that

is, one-eighth of operation and maintenance (O&M) expenses. In a later section of this Order, we find that the appropriate O&M expenses are $15,968 for water, and $16,926 for wastewater. By taking one-eighth of those amounts, we have found that $1,996 for water and $2,116 for wastewater are the appropriate amounts for working capital allowance. The utility booked working capital allowances of $1,207 for water and $1,240 for wastewater. Therefore, we find that adjustments of $789 for water and $876 for wastewater shall be included to reflect the utility's working capital allowance.

Test Year Rate Base

Based on the foregoing, we find the appropriate test year rate bases for this utility to be $95,729 for the water system and $69,851 for the wastewater system.

CAPITAL STRUCTURE

The utility's capital structure is comprised of equity and long term debt. The utility has an average common equity balance of $149,159 for the test year. The long term debt consists of three notes totaling $27,000 from FIMC at an interest rate of 10 percent. The test year average debt is $13,500, so we find it appropriate to apply an averaging adjustment to capital structure of ($13,500). In addition, Hideaway will borrow the money needed in order to cover the costs of the proforma plant which has been mandated by DER, and the loan will be at an interest rate of 10 percent. We find it appropriate to increase the long term debt by $2,921 in order to reconcile the capital structure to rate base. Therefore, applying the leverage formula approved in Order No. 24246, issued March 18, 1991, we establish the return on equity for future purposes to be 11.36 percent. The overall rate of return is 11.22 percent. Capital structure and the overall rate of return are shown on Schedule No. 2, attached hereto.

NET OPERATING INCOME

Our calculations of net operating income are depicted on Schedules Nos. 3 and 3-A, and our adjustments are itemized on Schedules Nos. 3-B(1), 3-B(2), and 3-B(3). Those adjustments which are self-explanatory or which are essentially mechanical in nature are reflected on those schedules without further discussion in the body of this Order. The major adjustments are discussed below.

Test Year Operating Revenues

The utility recorded water system revenues of $5,220 and wastewater system revenues of $5,209 during the test period. The utility charged rates as approved, and the customers were billed correctly. However, only the last eight months of the test year are reflected in the revenue data provided. In October of the test year, a price index increased the water and wastewater rates. Therefore, adjustments of $352 for water and $322 for wastewater are necessary to recalculate actual billings at the indexed rate. Also, adjustments of $2,786 for water and $2,766 for wastewater have been made to reflect the annualization of the revenues. Therefore, we find the test year operating revenues to be $8,358 for the water system and $8,297 for the wastewater system.

Operating Expenses

Operation and Maintenance Expense

We have reviewed the utility's expense accounts for proper amounts, periods, and classifications. The utility's test year operating expenses have been traced to invoices. We have made adjustments to reclassify certain expenses, and to reflect certain allowances necessary for plant operation. Many of the utility's booked expenses reflect only eight months of data, so we have made the necessary adjustments in order to annualize those expenses. We find that the appropriate amounts of O & M expense are $15,968 for water and $16,926 for wastewater. The utility recorded $9,659 of O & M to water and $9,918 of O & M to wastewater during the test year. A summary of adjustments follows:

1) Salaries and Wages - Employees - The utility recorded $1,130 for the water system and $1,130 for the wastewater system during the test year. We have adjusted this expense by $508 for water and $508 for wastewater to reflect additional bookkeeping expense. We believe that an allotment of 6 hours per week at $6.50 per hour for bookkeeping and 3 hours per week at $8 per hour for billing and collections is necessary. This amount has been allocated equally between the two systems.

2) Salaries and Wages - Officers - The utility recorded $1,004 for water and $1,004 for wastewater during the test year. We have adjusted this expense by $407 for water and $407 for wastewater to reflect annualization of the vice-president's salary. We find it appropriate to allow 3 1/2 hours per week at $15.50 per hour to be split equally between the two systems.

3) Sludge Removal - The utility recorded $125 in this wastewater account during the test year. We find it appropriate to

increase this expense by $625 to reflect additional sludge removal expense.

4) Purchased Power - The utility recorded purchased power expense of $1,649 for water and $1,920 for wastewater during the test year. These expenses have been increased by $594 for water and $777 for wastewater to reflect the annualized and properly allocated totals which are appropriate to include in the water and wastewater operating expenses for the test year.

5) Chemicals - The utility recorded chemical expense of $64 for each system during the test period. We have adjusted this amount by $55 for each system to reflect the appropriate annualized amount for this account.

6) Materials and Supplies - The utility recorded materials and supplies expense of $142 for water and $142 for wastewater during the test year. We have increased this amount by $71 for each system to reflect the annualization of expenses for items such as postage and printing charges. This amount has been allocated equally between the two systems.

7) Contractual Services - The utility recorded contractual services expenses of $3,158 for water and $3,123 for wastewater during the test year. We have increased the DER water testing expenses by $5 and reduced the DER testing expenses for wastewater by $265 to reflect the costs of monthly bacteriological sampling and annual sludge analysis at their current cost and to reflect three-year amortization of those tests which are only required every three years.

Additionally, we have adjusted plant operator expenses by $1,200 per system in order to reflect the operator's annual cost at the current rate of $200 per month per system. This increase reflects, in addition to annualization, an increase in the operator's on-site time as mandated by DER.

We have also made adjustments to the utility's booked lawn care expense by $127 for water and $457 for wastewater. The utility contracts mowing at a rate of $40 for the wastewater plant and $15 for the water plant. The wastewater plant and percolation ponds are more visible than the water plant, and they require mowing at least 12 times per year, as compared to the necessary 10 times per year for the water plant.

We have adjusted management expense by $300 for water and $300 for wastewater to reflect the appropriate allowances in order for

Butler Management to act as liaison between customers and the utility, and to coordinate repairs on the local level.

In addition, we have found that the utility incurred the following previously unrecorded expenses. The Florida Rural Water Association recommended that the utility hire a general handyman to perform testing when the operator is off duty and to provide daily maintenance. This would serve to reduce the cost of everyday repair. We have made an adjustment of $150 per month as an allowance for these services. Thus, we find it appropriate to increase the contractual services expense by $900 per system to make allowances for this account.

Also, we have made an adjustment for a maintenance and repair allowance of $780 for water and $1,140 for wastewater. Due to a lack of data regarding annual repair costs for this system, we studied similar costs for three other comparably sized utilities to determine an allowance for these regularly-recurring expenses.

Also, we find that an additional amount of $514 for the water system per year shall be allowed for the services of a meter reader. Therefore, we find the appropriate amount of contractual services to be $6,984 for water and $6,855 for wastewater.

8) Rents - The utility recorded $1,250 per system for rent during the test year. We have adjusted this amount by $625 for each system to reflect annualization. The utility rents 150 square feet for $312.50 per month, which includes the overhead expenses. Therefore, we find it appropriate to reflect these amounts in the expense category.

9) Transportation Expense - This expense has been adjusted by $650 per year per system to reflect unrecorded test year expense.

10) Insurance Expense - The utility recorded insurance expenses of $565 for water and $493 for wastewater during the test year. We find that no adjustment is necessary.

11) Regulatory Commission Expense - During the test year, the utility recorded $604 for each system in this account. In addition to the filing fee of $150 per system for this rate case, this amount includes $454 worth of test year expenses per system for the filing, advertising, legal, and accounting fees incurred during the transfer of the utility from Hideaway Service, Inc., to FIMC Hideaway, Inc. We have reduced this account by $453 per system to reflect amortization of these amounts over four years.

12) Miscellaneous Expense - The utility recorded miscellaneous expenses, such as water association membership fees, etc., of $93 for water and $63 for wastewater. We have increased these amounts by $26 for water and $11 for wastewater to reflect annualization.

Depreciation Expense (Net of Amortization of CIAC)

Applying the prescribed depreciation rates to the appropriate used and useful plant-in-service account balances results in depreciation expenses of $5,320 for water and $3,798 for wastewater during the test year. Applying the composite depreciation rates to the appropriate CIAC account balances offsets depreciation expense by $35 for water and $54 for wastewater during the test year.

Taxes Other Than Income Taxes

The utility booked $73 per system in this account during the test year. This amount correctly reflects the ad valorem taxes during the test year. We have increased this account by $376 for water and $373 for wastewater to reflect the 4.5 percent regulatory assessment fee (RAF) on the test year revenue.

Income Tax Expense

The utility did not book any income tax expense for the test year. However, the utility is an 1120 Corporation, and it will have a tax liability. We have calculated test year income tax expense to be a reduction of $2,929 for water and $2,775 for wastewater, and we have made the appropriate adjustment in this account.

Adjustments for Revenue Requirement Increase

Operating Revenues

Revenues have been adjusted by $27,115 for water and $22,979 for wastewater to reflect the increase in revenue required to cover expenses and allow our approved rate of return on investment. The revenue requirements are discussed in detail in a subsequent section of this Order.

Taxes Other Than Income Taxes

This expense has been increased by an additional $1,220 for water and $1,034 for wastewater to reflect the regulatory assessment fee of 4.5 percent on the increase in revenue.

Income Tax Expense

This expense has been increased by $4,739 for water and $4,064 for wastewater to reflect income tax expense associated with our approved increase in revenue.

Operating and Revenues Expenses Summary

The appropriate test year operating revenues for FIMC Hideaway, Inc. are $8,358 for water and $8,297 for wastewater. The appropriate test year operating expenses are $18,773 for water and $18,341 for wastewater. This results in test year operating losses of $10,415 and $10,044, for water and wastewater, respectively. As discussed later in this Order, the appropriate revenue requirements for this utility are $35,473 for water and $31,276 for wastewater. Based upon these revenue requirements, the appropriate level of operating expenses are $24,732 and $23,439, respectively.

Operating incomes are shown on Schedules Nos. 3 and 3-A attached hereto.

REVENUE REQUIREMENT

Based upon our review of the utility's books and records and the adjustments made herein, we find that the appropriate annual revenue requirements for this utility are $35,473 for water and $31,276 for wastewater. Accordingly, we find it appropriate to approve an annual increase in revenue of $27,115 or 324.4 percent, for water and $22,979 or 277 percent, for wastewater. These revenue requirements will allow the utility the opportunity to recover its expenses and earn an 11.22 percent return on its investment.

The revenue requirements and resulting annual increases are shown on Schedules Nos. 3 and 3-A.

RATES, CHARGES, AND RATE STRUCTURE

Rates For First Six Months

During the test year, the utility provided water and wastewater service to approximately 107 residential customers. The utility currently utilizes a flat rate structure. We have calculated new rates based on the number of customers and estimated consumption during the test year. We have estimated the average per customer use to be 187 gallons per day.

As discussed in another section of this Order, we have ordered the utility to install meters for all of its customers within six months of the effective date of this Order. Since the customers are currently unmetered, we have calculated a new flat rate that will be applicable for six months. This rate was calculated by dividing the total revenue requirement by the number of customers billed during the test year. Schedules of the utility's current rates and the approved rates follow:

WATER

MONTHLY RATES EFFECTIVE FOR FIRST SIX MONTHS FROM EFFECTIVE DATE OF THIS ORDER

GENERAL AND RESIDENTIAL SERVICE

	Existing	Approved
Flat Rate	$ 8.93	$ 27.63

WASTEWATER

MONTHLY RATES EFFECTIVE FOR FIRST SIX MONTHS FROM EFFECTIVE DATE OF THIS ORDER

GENERAL AND RESIDENTIAL SERVICE

	Existing	Approved
Flat Rate	$ 8.86	$ 24.36

The utility's tariff currently includes a standby charge of $3.33 combined for water and wastewater. During the initial six months period, the standby charge should be one-half of the flat rate for water and wastewater. Once the meters are installed and the base facility/gallonage charge rate structure is in effect, the base facility charge will effectively replace the standby charge for customers who are absent from their homes for more than one month.

Rates Subsequent To First Six Months

We have calculated new water and wastewater rates for the utility which are designed to achieve the revenue requirement approved herein. We find these new rates to be fair, just, and reasonable, and not unduly discriminatory. The utility shall

employ the base facility/gallonage charge for all customers effective six months from the effective date of this Order, when all customers will be metered. For each customer who remains unmetered subsequent to six months from the effective date of this Order, the utility shall be required to charge only the base facility charge portion of the rates until a meter has been installed for that customer. Once a customer's meter is in place, the gallonage charge portion of the rate will then be implemented.

Our preferred rate structure is the base facility/gallonage charge rate structure, because it is designed to provide for the equitable sharing by the ratepayers of both the fixed and variable costs of providing service. The base facility charge is based upon the concept of readiness to serve all customers connected to the system. This ensures that ratepayers pay their share of the costs of providing service through the consumption or gallonage charge and also pay their share of the fixed costs of providing service through the base facility charge.

WATER

MONTHLY RATES EFFECTIVE SIX MONTHS
FROM THE EFFECTIVE DATE OF THIS ORDER

Residential and General Service

	Approved Rate
Base Facility Charge	
Meter Sizes:	
5/8" x 3/4"	$ 12.27
3/4"	18.40
1"	30.67
1 1/2"	61.34
2"	98.15
3"	196.30
4"	306.72
6"	613.45
Consumption Charge	
Per 1,000 Gallons	$ 2.72

WASTEWATER

MONTHLY RATES EFFECTIVE SIX MONTHS
FROM THE EFFECTIVE DATE OF THIS ORDER

Residential and General Service

Base Facility Charge	Approved Rate
Meter Sizes:	
5/8" x 3/4"	$ 10.67
3/4"	16.01
1"	26.68
1 1/2"	53.36
2"	85.38
3"	170.76
4"	266.81
6"	533.62
Consumption Charge	
Per 1,000 Gallons (6,000 Gallon Cap)	$ 2.42
Wastewater-Only Customers*	$ 24.25 Flat Rate

* Based on average per customer consumption.

Effective Date of Rates Approved Herein

The approved flat rates shall be effective for service rendered on or after the stamped approval date on the revised tariff sheets. Tariff sheets will not be approved until our Staff verifies that the tariff sheets are consistent with the Commission's decision, that the proposed customer notice is adequate, and that the proper security for refund, if necessary, is provided. Since the utility is required to install meters within six months of the effective date of this Order, the approved metered rates shall be effective six months from the effective date of this Order. The utility shall submit revised tariff sheets to reflect the approved metered rates and another proposed customer notice five months from the effective date of this Order so that Staff may ensure that the tariffs and customer notice are consistent with the Commission's decisions. The metered rates will

then be effective for meter readings on or after thirty (30) days from the stamped approval date on the revised tariff sheets.

Revenues Related To Acquisition Adjustment Held Subject To Refund

The rate base figures for this rate case, except for working capital, are based on the figures established in Proposed Agency Action Order No. 25584, issued January 8, 1992. Order No. 25584 was protested on January 29, 1992, on the basis that a negative acquisition adjustment of $89,663 was not included in the Commission's rate base calculations.

The rates approved herein are based on the decisions made in Order No. 25584, including the denial of a negative acquisition adjustment. Therefore, these rates may be affected by the outcome of the related transfer proceeding. The transfer proceeding in Docket No. 910672-WS is currently scheduled for hearing on October 30, 1992.

If this Order is protested by a party other than the Utility, all rates herein will be collected subject to refund. However, if there is no protest, the portion of the rates approved herein that relate to the denial of the negative acquisition adjustment in Order No. 25584 shall be collected subject to refund, pending the outcome of the proceeding in Docket No. 910672-WS. The utility is authorized to collect the rates upon our approval of both the security for the potential refund and a copy of the proposed customer notice. The security should be in the form of a bond or letter of credit in the amount of $9,925. Alternatively, the utility may establish an escrow agreement with an independent financial institution. Security shall be filed according to the specifications outlined in a later section of this Order.

Service Availability Charges

The utility's current tariff contains no provisions for service availability charges. The service area is mostly built-out, and the utility did not connect any new customers during the test year. However, the service area may accommodate a limited number of new connections, so we have calculated a main extension charge of $600 per ERC for water and $725 per ERC for wastewater. Since we are ordering the utility to install meters for all customers, we are approving a meter installation charge of $105 for all new connections.

Miscellaneous Service Charges

The utility's current tariff does not contain a provision for miscellaneous service charges. We hereby authorize the utility to charge the miscellaneous charges set forth below. These charges are designed to provide revenues to a utility for service other than the direct provision of potable water and wastewater collection and treatment. The applicable rates and definitions of the four types of miscellaneous service charges follow.

	Water	Wastewater
Initial Connection	$15.00	$15.00
Normal Reconnection	$15.00	$15.00
Violation Reconnection	$15.00	Actual Cost
Premises Visit (in lieu of disconnection)	$10.00	$10.00

Where both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the utility require multiple actions. Actual cost for a wastewater violation reconnection is limited to materials and equipment rental.

A definition of each charge is provided for clarification:

1) Initial Connection: This charge is to be levied for service initiation at a location where service did not exist previously.

2) Normal Reconnection: This charge is to be levied for transfer of service to a new customer account at a previously served location, or reconnection of service subsequent to a customer requested disconnection.

3) Violation Reconnection: This charge is to be levied prior to reconnection of service for cause according to Rule 25-30.320(2), Florida Administrative Code, including a delinquency in bill payment.

4) Premises Visit Charge (in lieu of disconnection): This charge is to be levied when a service representative visits a premises to discontinue service for nonpayment of a due and collectible bill and does not discontinue service because the customer pays the service

representative or otherwise makes satisfactory arrangements to pay the bill.

The miscellaneous service charges approved above will be effective for service rendered on or after the stamped approval date on the revised tariff sheets.

STATUTORY RATE REDUCTION AND RECOVERY PERIOD

Section 367.0816, Florida Statutes, requires that rate case expense be apportioned for recovery over a period of four years. The statute further requires that the rates of the utility be reduced immediately after the four year period by the amount of rate case expense previously included in the rates. This statute applies to all rate cases filed on or after October 1, 1989.

The utility incurred Regulatory Commission Expense for transfer Docket No. 910672-WS during the test year in addition to the filing fee for the instant rate case. These expenses totalled $604 per system. Based on the above-mentioned statute, the appropriate recovery period for this expense is four years, which allows the utility to recover $151 per system per year through its rates. Once the annual Regulatory Commission Expense recovery is grossed up to reflect regulatory assessment fees, the annual recovery increases to $158.

At the end of four years, Hideaway's rates shall be reduced by $158 annually. Assuming no change in the utility's current revenues, expenses, capital structure and customer base, the effect of this rate reduction is an approximate $.05 reduction in the water base facility charge and a $.05 reduction in the wastewater base facility charge for a 5/8" x 3/4" meter. The water gallonage charge will be reduced by $.01, and the wastewater gallonage charge will be reduced by $.01.

The utility shall file revised tariff sheets no later than one month prior to the actual date of the required rate reduction. The utility shall also file a proposed customer notice setting forth the lower rates and the reason for the reduction. If the utility files this reduction in conjunction with a price index or pass-through rate adjustment, separate data should be filed for the price index and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense.

TEMPORARY RATES IN THE EVENT OF PROTEST

This Order proposes an increase in water and wastewater rates. A timely protest might delay what may be a justified rate increase pending the completion of a formal hearing and issuance of a final order, thus resulting in an unrecoverable loss of revenue to the utility. Therefore, in the event that a timely protest is filed by a party other than the utility, we hereby authorize the utility to collect the monthly service rates approved herein, on a temporary basis, subject to refund, provided that the utility first furnish and have approved by Commission Staff, adequate security for a potential refund through a bond, letter of credit in the amount of $34,340.00, or an escrow account, a copy of the proposed customer notice, and revised tariff sheets.

If the utility chooses a bond as security, the bond should contain wording to the effect that it will be terminated only under the following conditions:

1) The Commission approves the rate increase; or

2) If the Commission denies the increase, the utility shall refund the amount collected that is attributable to the increase.

If the utility chooses a letter of credit as a security, it should contain the following conditions:

1) The letter of credit is irrevocable for the period it is in effect.

2) The letter of credit will be in effect until final Commission order is rendered, either approving or denying the rate increase.

If security is provided through an escrow agreement, the following conditions should be part of the agreement:

1) No refunds in the escrow account may be withdrawn by the utility without the express approval of the Commission.

2) The escrow account shall be an interest bearing account.

3) If a refund to the customers is required, all interest earned by the escrow account shall be distributed to the customers.

4) If a refund to the customers is not required, the interest earned by the escrow account shall revert to the utility.

5) All information on the escrow account shall be available from the holder of the escrow account to a Commission representative at all times.

6) The amount of revenue subject to refund shall be deposited in the escrow account within seven days of receipt.

7) This escrow account is established by the direction of the Florida Public Service Commission for the purpose(s) set forth in its order requiring such account. Pursuant to Consentino v. Elson, 263 So.2d 253 (Fla. 3d DCA 1972), escrow accounts are not subject to garnishments.

8) The Director of Records and Reporting must be a signatory to the escrow agreement.

In no instance should the maintenance and administrative costs associated with the refund be borne by the customers. These costs are the responsibility of, and should be borne by, the utility. Irrespective of the form of security chosen by the utility, an account of all monies received as result of the rate increase should be maintained by the utility. This account must specify by whom and on whose behalf such monies were paid. If a refund is ultimately required, it should be paid with interest calculated pursuant to Rule 25-30.360(4), Florida Administrative Code.

The utility should maintain a record of the amount of the bond, and the amount of revenues that are subject to refund. In addition, after the increased rates are in effect, the utility should file reports with the Division of Water and Wastewater no later than 20 days after each monthly billing. These reports shall indicate the amount of revenue collected under the increased rates.

BOOKS AND RECORDS

Currently, the utility's books are not maintained in conformity with the Uniform System of Accounts (USOA). Paragraph (1) of Rule 25-30.115, Florida Administrative Code, entitled "Uniform System of Accounts for Water and Sewer Utilities", states:

> (1) Water and Sewer Utilities shall, effective January 1, 1986, maintain its [sic] accounts and records in conformity with the 1984 NARUC Uniform System of Accounts adopted by the National Association of Regulatory Utility Commissioners.

We believe the utility has the expertise necessary to convert and maintain the utility's records in conformity with this Rule. Therefore, the utility is ordered to maintain its books and records in conformity with the 1984 NARUC Uniform System of Accounts.

This docket shall remain open for seven months in order to permit our staff to verify that meters have been installed for each connection, and for the utility to complete the proforma plant mandated by DER. In addition, the rates approved herein may be affected by the outcome of the transfer docket. Therefore, the docket shall remain open until the transfer docket and this docket are resolved. If no timely protest is received from a substantially affected person by the expiration of the protest period, if the meters and proforma plant are satisfactorily completed, and, after the transfer docket is settled with no changes to the rate base as provided for herein, this docket shall be closed administratively.

Based on the foregoing, it is,

ORDERED by the Florida Public Service Commission that the application of FIMC Hideaway, Inc., for an increase in its water and wastewater rates in Levy County is approved as set forth in the body of this Order. 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 schedules attached hereto are by reference incorporated herein. It is further

ORDERED that all of the provisions of this Order, except for the granting of temporary rates in the event of protest and the requirement that the portion of the rates related to the denial of the negative acquisition adjustment be collected subject to refund, 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 of Records and Reporting at this 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 FIMC Hideaway, Inc., is authorized to charge the new rates and charges as set forth in the body of this Order. It is further

ORDERED that the rates approved herein shall be effective for meter readings taken on or after thirty (30) days after the stamped approval date on the revised tariff sheets. It is further

ORDERED that the service availability charges approved herein shall be effective for service rendered on or after the stamped approval date on the revised tariff sheets. It is further

ORDERED that the FIMC Hideaway, Inc. shall install meters for all of its unmetered customers within six months of the effective date of this Order. It is further

ORDERED that the miscellaneous service charges approved herein shall be effective for service rendered on or after the stamped approval date on the revised tariff sheets. It is further

ORDERED that prior to its implementation of the rates and charges approved herein, FIMC Hideaway, Inc. shall submit and have approved a proposed notice to its customers of the increased rates and charges and the reasons therefor. The notice will be approved upon Staff's verification that it is consistent with our decision herein. It is further

ORDERED that prior to its implementation of the rates and charges approved herein, FIMC Hideaway, Inc. shall submit and have approved a bond or letter of credit in the amount of $34,340 or an escrow agreement as a guarantee of any potential refund of revenues collected on a temporary basis. In the event of no protest to this Order FIMC Hideaway, Inc. shall submit and have approved a bond or letter of credit in the amount of $9,925 or an escrow agreement as a guarantee of any potential refund of revenues collected on a temporary basis. It is further

ORDERED that prior to its implementation of the rates approved herein, FIMC Hideaway, Inc. 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 in the event of a protest by any substantially affected person other than the utility, FIMC Hideaway, Inc. is authorized to collect the rates approved herein on a temporary basis, subject to refund in accordance with Rule 25-30.360, Florida Administrative Code, provided that FIMC Hideaway, Inc. has furnished satisfactory security for any potential refund and provided that it has submitted and Staff has approved revised tariff sheets and a proposed customer notice. It is further

ORDERED that in the event of no protest by any substantially affected person other than the utility, FIMC Hideaway, Inc. shall collect the rates approved herein, but only the portion of the rates which relate to the denial of the negative acquisition adjustment in Order No. 25584 shall be collected subject to refund pending the outcome of the proceeding in Docket No. 910672-WS. It is further

ORDERED that FIMC Hideaway Inc. shall maintain its books and records in conformity with the NARUC Uniform System of Accounts and Rule 25-30.115, Florida Administrative Code. It is further

ORDERED that this docket shall remain open for seven months in order to permit our staff to verify that meters have been installed for each connection, and for the utility to complete the proforma plant mandated by DER. In addition, our decisions herein may be affected by the outcome of the proceeding in Docket No. 910672-WS. Therefore, the docket shall remain open until the transfer docket and this docket are resolved. If no timely protest is received from a substantially affected person by the expiration of the protest period, the meters and proforma plant are satisfactorily completed, and, after the transfer docket is settled with no changes to the rate base as provided for herein, this docket shall be closed administratively.

By ORDER of the Florida Public Service Commission, this 9th day of June, 1992.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

LK/RG

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 is preliminary in nature, except for the granting of temporary rates in the event of a protest and the requirement that the portion of the increase associated with the denial of the negative acquisition adjustment be collected subject to refund, 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 32399-0879, by the close of business on June 30, 1992. 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 wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

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 wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days 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.

FINC HIDEAWAY, INC.
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED DECEMBER 31, 1991

SCHEDULE NO. 1
DOCKET NO. 911091-WS

		TEST YEAR PER UTILITY		COMM. ADJUST. TO UTIL. BAL.		BALANCE PER COMM.
UTILITY PLANT IN SERVICE		$ 86,154	A	$ 35,903		$ 122,057
LAND/NON-DEPRECIABLE ASSETS		3,853		0		3,853
PLANT HELD FOR FUTURE USE		0	B	(4,363)		(4,363)
ACQUISITION ADJUSTMENT		0		0		0
CWIP		0		0		0
CIAC		0	C	(1,200)		(1,200)
ACCUMULATED DEPRECIATION		0	D	(26,054)		(26,054)
AMORTIZATION OF ACQUISITION ADJUSTMENT		0		0		0
AMORTIZATION OF CIAC		0	E	35		35
WORKING CAPITAL ALLOWANCE		1,207	F	769		1,996
WATER RATE BASE		$ 91,219		$ 4,510		$ 95,729

FIMC HIDEAWAY, INC.
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED DECEMBER 31, 1991

SCHEDULE NO. 1-A
DOCKET NO. 911091-WS

		TEST YEAR PER UTILITY		COMM. ADJUST. TO UTIL. BAL.		BALANCE PER COMM.
UTILITY PLANT IN SERVICE	$	69,143	A	$ 46,917	$	116,060
LAND/NON-DEPRECIABLE ASSETS		4,961		0		4,961
PLANT HELD FOR FUTURE USE		0	B	(9,452)		(9,452)
ACQUISITION ADJUSTMENT		0		0		0
CWIP		0		0		0
CIAC		0	C	(1,622)		(1,622)
ACCUMULATED DEPRECIATION		0	D	(42,271)		(42,271)
AMORTIZATION OF ACQUISITION ADJUSTMENT		0		0		0
AMORTIZATION OF CIAC		0	E	59		59
WORKING CAPITAL ALLOWANCE		1,240	F	876		2,116
WASTEWATER RATE BASE	$	75,344		$ (5,493)	$	69,851

FIMC HIDEAWAY, INC.
DOCKET NO. 911091-WS
TEST YEAR ENDED DECEMBER 31, 1991

SCHEDULE NO. 1-B
ADJUSTMENTS TO
RATE BASE
PAGE 1 OF 2

	WATER	WASTEWATER
A. DEPRECIABLE PLANT IN SERVICE:		
1. To bring plant balances up to those amounts reflected in Order No. 25584	10,187	40,951
2. Test year additions net of retirements	8,917	1,590
3. Averaging adjustment	(4,458)	(795)
4. Proforma plant additions and capital improvements	21,257	5,171
Subtotal	35,903	46,917
B. PLANT HELD FOR FUTURE USE:		
1. To reflect non-used and useful plant net of depreciation	(4,363)	(9,452)
C. CONTRIBUTIONS IN AID OF CONSTRUCTION:		
1. To bring CIAC balances up to those amounts reflected in Order No. 25584		(172)
2. CIAC associated with margin reserve	(1,200)	(1,450)
Subtotal		(1,622)
D. ACCUMULATED DEPRECIATION:		
1. To bring accumulated depreciation balances up to those amounts reflected in Order No. 25584	(23,996)	(40,636)
2. Test year additions	(1,905)	(3,244)
3. Averaging adjustment	1,153	1,851
4. Depreciation associated with proforma plant	(1,906)	(242)
Subtotal	(26,654)	(42,271)

FIMC HIDEAWAY, INC.
DOCKET NO. 911091-WS
TEST YEAR ENDED DECEMBER 31, 1991

SCHEDULE NO. 1-B
ADJUSTMENTS TO
RATE BASE
PAGE 2 OF 2

	WATER	WASTEWATER
E. ACCUMULATED AMORTIZATION OF CIAC:		
1. To bring accumulated amortization of CIAC balances up to those amounts reflected in Order No. 25584		7
2. Test year additions		4
3. Accumulated amortization of CIAC associated with the margin reserve	35	48
Subtotal		59
F. WORKING CAPITAL ALLOWANCE:		
1. To reflect working capital allowance based on one-eighth of O&M expenses	783	876

FIMC HIDEAWAY, INC.
SCHEDULE OF CAPITAL STRUCTURE
TEST YEAR ENDED DECEMBER 31, 1991

SCHEDULE NO.2
DOCKET NO. 911091-WS

	PER UTILITY	COMM. ADJUST. TO UTIL. BAL.	BALANCE PER COMM.	PERCENT OF TOTAL	COST	WEIGHTED COST
LONG-TERM DEBT	$ 0	$ 16,421	$ 16,421	9.92%	10.00%	0.99%
SHORT-TERM DEBT	27,000	(27,000)	0	0.00%	0.00%	0.00%
PREFERRED EQUITY	0	0	0	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	0	0	0	0.00%	8.00%	0.00%
COMMON EQUITY	149,159	0	149,159	90.08%	11.36%	10.23%
INVESTMENT TAX CREDITS	0	0	0	0.00%	0.00%	0.00%
DEFERRED TAXES	0	0	0	0.00%	0.00%	0.00%
OTHER	0	0	0	0.00%	0.00%	0.00%
TOTAL	$ 176,159	$ (10,579)	$ 165,580	100.00%		11.22%

RANGE OF REASONABLENESS	LOW	HIGH
RETURN ON EQUITY	10.36%	12.36%
OVERALL RATE OF RETURN	10.32%	12.12%

FIMC HIDEAWAY, INC.
SCHEDULE OF WATER OPERATING INCOME
TEST YEAR ENDED DECEMBER 31, 1991

SCHEDULE NO.3
DOCKET NO. 911091-WS

	TEST YEAR PER UTILITY		COMM. ADJUST. TO UTILITY	COMM. ADJUST. TEST YEAR		ADJUSTMENT FOR INCREASE	TOTAL PER COMM.
OPERATING REVENUES	$ 5,220	A	$ 3,138	$ 8,358	F	$ 27,115	$ 35,473
OPERATING EXPENSES:							
OPERATION AND MAINTENANCE	9,659	B	6,309	15,968		0	15,968
DEPRECIATION (NET)	0	C	5,285	5,285		0	5,285
AMORTIZATION	0		0	0		0	0
TAXES OTHER THAN INCOME TAXES	73	D	376	449	G	1,220	1,669
INCOME TAXES	0	E	(2,929)	(2,929)	H	4,739	1,810
TOTAL OPERATING EXPENSES	9,732		$ 9,041	$ 18,773		$ 5,959	$ 24,732
OPERATING INCOME/(LOSS)	(4,512)		$ (5,903)	$ (10,415)		$ 21,156	$ 10,741
WATER RATE BASE	91,219			$ 95,729			$ 95,729
RATE OF RETURN	-4.95%			-10.88%			11.22%

FIMC HIDEAWAY, INC.
SCHEDULE OF WASTEWATER OPERATING INCOME
TEST YEAR ENDED DECEMBER 31, 1991

SCHEDULE NO.3-A
DOCKET NO. 911091-WS

	TEST YEAR PER UTILITY	COMM. ADJUST. TO UTILITY	COMM. ADJUST. TEST YEAR	ADJUSTMENT FOR INCREASE	TOTAL PER COMM.
OPERATING REVENUES	$ 5,209 A	$ 3,088	$ 8,297 F	$ 22,979	$ 31,276
OPERATING EXPENSES:					
OPERATION AND MAINTENANCE	9,918 B	7,008	16,926	0	16,926
DEPRECIATION (NET)	0 C	3,744	3,744	0	3,744
AMORTIZATION	0	0	0	0	0
TAXES OTHER THAN INCOME	73 D	373	446 G	1,034	1,480
INCOME TAXES	0 E	(2,775)	(2,775)H	4,064	1,289
TOTAL OPERATING EXPENSES	9,991	$ 8,350	$ 18,341	$ 5,098	$ 23,439
OPERATING INCOME/(LOSS)	(4,782)	$ (5,262)	$ (10,044)	$ 17,881	$ 7,837
WASTEWATER RATE BASE	75,344		$ 69,851		$ 69,851
RATE OF RETURN	-6.35%		-14.38%		11.22%

FIMC HIDEAWAY, INC.
DOCKET NO. 911091-WS
TEST YEAR ENDED DECEMBER 31, 1991

SCHEDULE NO. 3B
ADJUSTMENTS TO
OPERATING INCOME
PAGE 1 OF 3

	WATER	WASTEWATER
A. OPERATING REVENUES:		
1. To reflect recalculation of revenues at most current rate	352	322
2. To reflect annualization of revenues	2,786	2,766
Subtotal	3138	3088
B. OPERATION AND MAINTENANCE EXPENSES:		
1. Salaries & Wages - Employees		
A. To reflect additional bookkeeping expense	508	508
2. Salaries & Wages - Officers		
A. To reflect additional officer's salary	407	407
3. Sludge Removal		
A. To reflect additional sludge removal expense		625
4. Purchased Power Expense:		
A. To reflect additional purchased power expense	594	777
5. Chemicals Expense:		
A. To reflect additional chemical expense	55	55
6. Materials and Supplies Expense:		
A. To reflect annualization of test year expenses such as printing, postage, etc.	71	71
7. Contractual Services Expense:		
A. To reflect DER testing expense	5	(285)

FIMC HIDEAWAY, INC.
DOCKET NO. 911091-WS
TEST YEAR ENDED DECEMBER 31, 1991

SCHEDULE NO. 3B
ADJUSTMENTS TO
OPERATING INCOME
PAGE 2 OF 3

	WATER	WASTEWATER
B. To reflect operator expense at current contract rate	1,200	1200
C. To reflect additional mowing expense	127	457
D. To reflect additional management expense	300	300
E. To reflect allowance for handyman	900	900
F. To reflect additional maintenance and repair expense	780	1,140
G. To reflect allowance for a meter reader	514	
Subtotal	3,820	3,732
8. Rents Expense:		
A. To reflect annualization of test year rent expense	625	625
9. Transportation Expense:		
A. To reflect transportation expense	650	650
10. Regulatory Commission Expense:		
A. To reflect amortization of transfer and rate case expense over four years	(453)	(453)
11. Miscellaneous Expense:		
A. To reflect annualization of test year miscellaneous expenses	26	11
O&M Adjustments	6,309	7,008

FIMC HIDEAWAY, INC.
DOCKET NO. 911091-WS
TEST YEAR ENDED DECEMBER 31, 1991

SCHEDULE NO. 3B
ADJUSTMENTS TO
OPERATING INCOME
PAGE 3 OF 3

	WATER	WASTEWATER
C. DEPRECIATION EXPENSE:		
1. Adjustment to reflect test year depreciation expense	5,320	3,798
2. Adjustment to reflect test year amortization expense of CIAC		(6)
3. Adjustment to reflect test year amortization expense of margin reserve	(35)	(48)
Subtotal	5,285	3,744
D. TAXES OTHER THAN INCOME:		
1. To reflect regulatory assessment fee of 4.5% of test year revenue	376	373
E. INCOME TAX EXPENSE:		
1. To reflect income tax expense based on test year revenues	(2,923)	(2,775)
F. OPERATING REVENUES:		
1. To reflect Commission approved revenue increase	27,115	22,979
G. TAXES OTHER THAN INCOME:		
1. To reflect the additional regulatory assessment fees associated with Commission approved revenue increase	1,220	1,034
H. INCOME TAX EXPENSE:		
1. To reflect the additional income tax expense associated with Commission approved revenue increase	4,739	4,004

FIMC HIDEAWAY, INC.
SCHEDULE OF WATER RATE CASE EXPENSE
RATE REDUCTION AFTER FOUR YEARS
TEST YEAR ENDED DECEMBER 31, 1991

SCHEDULE NO. 4
DOCKET NO. 911091-WS

MONTHLY RATES

RESIDENTIAL AND GENERAL SERVICE	APPROVED RATES	RATE DECREASE
BASE FACILITY CHARGE:		
Meter Size:		
5/8"X3/4"	$ 12.27	0.05
3/4"	18.40	0.08
1"	30.67	0.13
1-1/2"	61.34	0.26
2"	98.15	0.42
3"	196.30	0.84
4"	306.72	1.31
6"	613.45	2.61
GALLONAGE CHARGE		
PER 1000 GALLONS	$ 2.72	0.01

FIMC HIDEAWAY, INC.
SCHEDULE OF WASTEWATER RATE CASE EXPENSE
RATE REDUCTION AFTER FOUR YEARS
TEST YEAR ENDED DECEMBER 31, 1991

SCHEDULE NO. 4-A
DOCKET NO. 911091-WS

MONTHLY RATES

RESIDENTIAL AND GENERAL SERVICE	APPROVED RATES	RATE DECREASE
BASE FACILITY CHARGE:		
Meter Size:		
5/8"X3/4"	$ 10.67	0.05
3/4"	16.01	0.08
1"	26.68	0.13
1-1/2"	53.36	0.26
2"	85.36	0.41
3"	170.76	0.82
4"	266.81	1.29
6"	533.62	2.58
GALLONAGE CHARGE-RESIDENTIAL SERVICE		
PER 1000 GALLONS	$ 2.42	0.01