

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for a rate increase)	DOCKET NO. 900386-WU
in Marion County by Sunshine Utilities)	ORDER NO. 24484
of Central Florida, Inc.)	ISSUED: 5/7/91
_____)	

The following Commissioners participated in the disposition of this matter:

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

NOTICE OF PROPOSED AGENCY ACTION
ORDER GRANTING FINAL RATES AND CHARGES AND
REQUIRING REFUND

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the actions discussed herein are preliminary in nature, and as such, will become final unless a person whose interests are substantially affected files a petition for a formal proceeding pursuant to Rule 25-22.029, Florida Administrative Code.

CASE BACKGROUND

Sunshine Utilities of Central Florida, Inc. (Sunshine or utility) is a class "B" utility providing service to approximately 2,087 water customers in Marion County, Florida. On October 1, 1990, the utility filed an application for an increase in its water rates. On October 10, 1990, the utility met the minimum filing requirements (MFRs) set forth in our rules, so that date became the official date of filing. The approved test year for the establishment of both interim and final rates in this case is the historical twelve-month period ended May 31, 1990.

In its MFRs, the utility reported test year operating revenues of \$464,672 and a net operating loss of \$92,219. The utility has requested final rates designed to generate \$649,235 in annual water revenues, which exceeds annualized test year revenues by \$184,563, or 39.72%. By Order No. 23935, issued December 4, 1991, the Commission suspended the utility's proposed rates and approved

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collection of interim rates designed to generate an additional \$87,691 in annual revenues.

The utility requested that we process this case pursuant to Section 367.081(8), Florida Statutes, which utilizes the proposed agency action procedure. On February 8, 1991, the utility filed a "Request For Extension of Time" to extend by six weeks the processing time of this case. The Commission granted the request on February 22, 1991, by Order No. 24147.

QUALITY OF SERVICE

In our evaluation of the utility's overall quality of service, we consider three separate factors: the quality of utility's product, the operational condition of utility's plant and facilities, and the satisfaction of the utility's customers.

The utility has no outstanding Notices of Violation issued against it by the Florida Department of Environmental Regulation (DER), and it is not exceeding DER maximum contaminant level (MCL) requirements. The Marion County Health Unit still receives complaints about sulfur in the Oakhaven water system, but it reported that the total number of complaints against Sunshine has decreased in the past two years.

Sunshine's twenty-one water plants provide service to twenty different service areas throughout Marion County. Sunshine serves single family residences, duplexes, quadruplexes, mobile homes, and convenience stores. Although different in size, location, and age, all of Sunshine's plants and distribution systems are similar in design. Raw water is pumped from groundwater wells, is chlorinated, sent to a hydropneumatic tank for temporary storage and pressurization, and then released to the distribution system.

According to the most recent sanitary survey conducted by DER, Sunshine is in compliance with all DER standards and regulations. We conducted an on-site inspection of the utility facilities on December 11 through 14, 1990. Other than a few minor problems, the twenty-one plants appeared to be properly maintained and operated. The utility maintains an on-site log at each system with a certified operator making the required number of visits and log entries.

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In order to obtain customer input as to the utility's quality of service, our staff conducted a customer meeting on December 13, 1990, in the utility's service area in Ocala, Florida. Approximately eighteen customers attended the meeting, and seven customers testified. The customers expressed the following concerns: an 11.6% rate of return for the utility being excessive since chlorination is the only water treatment provided; one customer's subdivision subsidizing other Sunshine systems within Marion County; and Sunshine's emergency number being busy during water outages.

As the first two concerns are addressed explicitly and implicitly in later portions of this Order, we will address only the third concern, the emergency line, here. The customers believe that the utility gets tired of answering the emergency line during outages, so it takes the telephone off the hook. The customers would like to have someone answer the phone who can tell them that the utility is aware of the problem and give an estimate of when service will be restored. The utility stated that it has been using an answering service since 1989 and was unaware that its customers were still having problems reaching the emergency number as the utility is now aware of a problem, we expect its resolution.

This Commission handled five complaints against Sunshine during the test year. Two of the complaints were about high bills. One customer complained that the utility does not fluoridate the water and fails to notify customers when the water system will be down. The fourth complaint was that the utility is providing poor quality of service for the high rates requested in this rate case. The final complaint was about excessive chlorine in the water.

Sunshine has improved its customer relations in recent years. The utility maintains a complaint log and promptly responds to customer complaints.

In consideration of the foregoing, we find that the quality of service provided by the utility is satisfactory.

RATE BASE

Our calculation of the appropriate rate base for the purpose of this proceeding is depicted on Schedule No. 1-A, and our adjustments are itemized on Schedule No. 1-B. Those adjustments which are self-explanatory or which are essentially mechanical in

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nature are reflected on those schedules without further discussion in the body of this Order. The major adjustments are discussed below.

Used and Useful

Normally we calculate the used and useful percentage of water treatment plant by dividing the sum of peak flow, required fire flow, and margin reserve, less excessive unaccounted-for-water, by total plant capacity. In this case, however, we shall not use the traditional formula because all of Sunshine's water plants are simple, closed systems which rely on only one or two wells with one hydropneumatic tank. Because of their design, Sunshine's plants must meet instantaneous fluctuations in water demand.

Part 7.2.2 of the Ten States Standards provides criteria for the design of such simple, closed water systems. It states, "The capacity of the wells and pumps in a hydropneumatic system should be at least 10 times the average daily consumption rate." Using the guidelines of Part 7.2.2 of the Ten State Standards to evaluate the utility's twenty-one water plants, we find that the water plants are 100% used and useful on a comprehensive basis.

To arrive at the comprehensive used and useful percentage for all of the utility's distribution systems, we divide the 2234 total end-of-test-year connections by the 3142 total end-of-test-year connections available listed in the MFRs. The quotient is .71. We therefore find that the utility's water distribution systems are 71% used and useful on a comprehensive basis.

As the utility did not request a margin reserve for its plant or distribution system, we shall not consider one.

Plant-In-Service

In our audit, we discovered that over \$422,175 of plant added between 1988 and May of 1990 was attributable to materials and labor provided by Water Utilities, Inc. (WUI). WUI is a construction company, not a utility. The same person who owns Sunshine owns WUI. WUI does not have any employees, nor does it have any expenses, with the exception of cost of goods sold. It does not pay for property taxes, insurance, rental expense, or supplies, which virtually excludes overhead expenses. It uses Sunshine's employees to construct water plant, and it provides

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service to no one other than Sunshine and Heights Water Company, another related utility.

Included in the \$422,175 total is \$206,790 of "profit" and "mark-up." The profit and mark-up represent what is paid directly to WUI and not to any non-related outside supplier. Sunshine records the plant materials at cost, marks them up by 20%, the "mark-up" referred to, and then adds an additional 20% "profit." The cost of construction labor is then added based on the cost of materials per linear foot of pipe.

We have reviewed all of Sunshine's plant additions treated in this way since 1988 and conclude that they were structured in this way for the sole purpose of profiting Sunshine's owner. We can see no other basis for Sunshine's manner of dealing with WUI. Therefore, we shall reduce plant-in-service by \$206,790, reduce non-used and useful plant by \$56,204, reduce accumulated depreciation by \$5,523, and reduce depreciation expense by \$3,673.

Sunshine shares general plant with Heights Water Company, a related entity. Sunshine did not adjust the rate base calculation contained in its MFRs to reflect the fact that facilities are shared by the two companies. Therefore, we shall make an adjustment to general plant to reflect Sunshine's sharing facilities with the related party. Sunshine has 2,087 connections and Heights Water Company has 142. We think it reasonable to apportion the common plant based upon the number of connections served by each utility. As Heights Water Company accounts for 6.37% of the total connections served by both utilities, we shall reduce plant-in-service by \$8,394 so as to reflect Heights Water Company's shared use of facilities and have made corresponding reductions of \$6,040 to average accumulated depreciation and \$621 to test year depreciation expense.

During the test year, the utility traded in a 1985 truck for a new truck. Although the cost of the new vehicle was included in plant-in-service, the utility's books did not reflect the retirement of the vehicle that it had traded in. Thus, plant-in-service and accumulated depreciation were overstated by \$14,036, the book cost of the old vehicle, and test year depreciation expense was overstated by \$156. By its actions, the utility failed to comply with the Uniform System of Accounts, Accounting Instruction No. 27, Utility Plant-Additions and Retirements, which requires that the book cost of retired property be removed from

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utility books with a corresponding adjustment to the accumulated depreciation account. In consideration of the foregoing, we have made the appropriate adjustments to the aforementioned accounts.

In our review of the utility's operations and maintenance expenses, we discovered a number of misclassified capital items: meter boxes, a load transfer switch, a submersible pump and accessories, DER Permits, system interconnections, and office furniture. For these items, the utility charged \$5,048 to the Materials and Supplies expense account, \$4,005 to the Contractual Services - Engineering account, and \$617 to the Miscellaneous Expense account. Since the expenditures referred to meet the criteria for capitalization under the NARUC Water, Class "B" Instructions and Descriptions, we have increased plant-in-service by \$9,670 and have increased accumulated depreciation and depreciation expense by \$270.

Contributions-In-Aid-of-Construction (CIAC)

In August of 1988, we initiated an investigation of Sunshine for possible overearnings for the year ended December 31, 1987. In February 1990, we conducted a hearing on the question. By Order No. 22969, issued May 23, 1990, we required the utility to make a refund of overearnings, but allowed its current rates to remain in effect. The gravamen of our decision was that the utility had failed to meet its burden of proving that it had made an investment in the \$280,753 difference between plant reflected in an original cost study and plant reflected on the company's records. Consequently, we treated the amount as CIAC. The utility appealed our decision to the First District Court of Appeal (DCA) contending that CIAC was wrongly imputed, that rate base was therefore understated, and that the refund was inappropriate. This Commission stayed the refund requirement pending a final decision by the DCA. By opinion filed March 29, 1991, the DCA upheld Order No. 22969. At the time of our vote in the instant matter, however, the DCA's opinion had not been made final, as the time for rehearing had not expired.

In any rate case, the utility has the burden of proving its investment. Accordingly, in the instant rate case, Sunshine has the burden of proving its investment in the \$280,753. In its attempt to meet this burden, the utility produced copies of canceled checks and invoices. The canceled checks purportedly reflect payment for materials used in the construction of plant.

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The checks, however, do not tie to the utility invoices. The utility also produced copies of work orders for construction work performed by a related company. These work orders list the materials and supplies, which the utility marked up by 100%, used in the construction of plant from 1977 to 1983. A large portion of utility invoices for the materials and supplies reflected on the work orders are missing. The utility also provided copies of closing statements from the purchased water plants. However, none of the information provided by the utility has persuaded us to find that the utility has met its burden of proof, that it has investment in \$280,753. Therefore, we have increased CIAC by \$280,753, increased accumulated amortization of CIAC by \$49,279, and have increased test year amortization by \$7,019.

Working Capital

We find it appropriate to use the formula method (one-eighth of operating and maintenance expenses) to calculate the working capital requirement of this utility. In a later section of this Order, we find that the proper amount of test year operating and maintenance expense is \$403,842. One-eighth of that amount is \$50,480. Thus, we find that \$50,480 is the proper working capital allowance for this utility, which is \$9,489 less than the amount listed in the utility's MFRs.

Test Year Rate Base

We have used a beginning-and-end-of-year average to calculate average test year rate base. Taking into account our adjustments, we calculate that the proper amount of test year average rate base is \$265,647, which is \$378,710 less than the utility's figure.

COST OF CAPITAL

Our calculation of the appropriate cost of capital is depicted on Schedule No. 2-A, and our adjustments are contained on Schedule No. 2-B.

Return on Equity

Since we have treated \$280,753 of what the utility claimed to be investment as CIAC, we must also make an adjustment to the utility's capital structure. We have therefore reduced the utility's common equity balance by the difference between the

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adjustment to CIAC and the related adjustment to accumulated amortization of CIAC. In addition, we have reduced common equity further to reflect the pro rata capital structure reconciliation necessitated by the CIAC adjustment. Using the current leverage formula approved in Order No. 24246, effective April 9, 1991, we find that the appropriate return on equity for this utility is 11.89%, with a range of 10.89% to 12.89%.

Overall Rate of Return

As was the case with common equity, we have reduced the balance of all other capital structure components to reflect the pro rata reconciliation necessitated by the CIAC adjustment. After these adjustments, the utility's capital structure is comprised of 64.54% equity at a cost rate of 11.89%, 14.42% long-term debt at a cost rate of 11.00%, 19.79% short-term debt at a cost rate of 10.52%, and 1.25% customer deposits at a cost rate of 8.00%. In consideration of the foregoing, we find that the proper overall rate of return for this utility is 11.44%, with a range of 10.80% to 12.09%.

NET OPERATING INCOME

Our calculation of net operating income is depicted on Schedule No. 3-A, and our adjustments are itemized on Schedule No. 3-B. 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.

Operating and Maintenance Expense (O & M)

1) Salaries and Wages--Officers. The amount claimed by the utility for this expense is significantly higher than what was presented in the overearnings investigation. In the overearnings case, the utility reported officers' salaries of \$37,239; and in its 1989 annual report, the utility reported officers' salaries of \$36,214. In this case, however, the utility requests officers' salaries of \$69,055, which is 85.4% more than the amount reported in the overearnings investigation.

As part of the audit, the utility provided a detailed description of all employees' duties. According to this description, the utility owner/president oversees all aspects of

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the operation and maintenance of the utility's twenty-four water plants, including the hiring of employees and the delegation of their duties. Notably, according to the description, the responsibilities of the owner/president are very similar to those of his wife, who is vice-president. Her salary for the test year was \$21,902.

We are not convinced that an 85% increase for one person's salary during a two-and-one-half year period is reasonable for a utility of this size. The utility has not shown that the owner/president does more than he did two-and-a-half years ago or that his salary level in 1987 was unusually low. Rather, we think it reasonable to augment the owner/president's salary by 5% for each year from 1987 to the test year. Accordingly, we will allow the owner/president a salary of \$43,109, which we think is reasonable. Therefore, we have reduced officers' salaries by \$25,946.

2) Salaries and Wages--Employees. Sunshine not only shares general plant with the related Heights Water Company, it also shares employees with that entity. In the MFRs, Sunshine allocated \$770 of its total \$150,444 in employee salaries to Heights Water Co. Although the allocated amount represents 0.5% of total salaries, we cannot discern the methodology or rationale for the allocation. We believe that the allocation methodology we used for our adjustment to general plant is reasonable in this context as well. Therefore, we have reduced salary expense by 6.37%, or \$8,860, and have made a corresponding \$758 reduction to payroll taxes.

In its MFRs, the utility made a \$12,070 pro forma adjustment to payroll expenses purportedly for the purpose of annualizing test-year salaries to a year-end amount. We disagree with this adjustment. It assumes that 100% of employee labor is devoted to the operation and maintenance of the utility systems, including both administrative and field personnel, when historically, some labor charges have been capitalized. We think it is reasonable to assume that some of the utility's employees will be involved in the construction of future plant, through direct or indirect labor, and assigning 100% of all employees' labor to this expense would presume otherwise.

We shall therefore reduce employee salaries by \$12,070 and make a \$1,032 coordinating reduction to payroll taxes. By making

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these adjustments, we are not asserting that the year-end level of salaries is unreasonable, only that the amount expensed for salaries is unreasonable. Nonetheless, we think it would be inappropriate to increase plant costs for this rate case since the proposed pro forma adjustment was to annualize salary levels to a year-end amount. The pertinent labor costs should be recorded at the time the future plant is capitalized. Finally, we note that the utility did not make an allocation for the proposed pro forma amount for the related Heights Water Company.

3) Pension and Benefits. With its response to the audit report, the utility submitted a plan to increase pension and benefits by \$25,845. The plan would be totally funded by the utility and would be based upon an employer contribution level of 15% of each eligible employee's salary.

On February 18, 1991, subsequent to the issuance of the second audit report, our auditor requested documents concerning the new plan. The utility stated it could not provide the information, but it would be made available by the date of our vote in this matter. However, the utility did not provide the requested information. Since the utility cannot provide the pertinent information concerning the plan, we do not know if the plan is in effect, let alone whether or not its cost is reasonable. Therefore, in consideration of the foregoing, we shall not approve the requested \$25,845 in additional pension expense.

4) Purchased Power. Through our audit, we discovered that the utility had made several improper charges to purchased power expense. We have reduced purchased power expense by a total of \$702 to reflect disallowance of the following: the utility's power bill for May 1989, which is outside the test year; an employee's personal power bill; and the January power bill for Heights Water Company.

5) Contractual Services--Legal. According to our audit, the utility charged \$5,044 to this account for costs incurred in connection with a territorial dispute. In violation of Section 367.061(3), Florida Statutes, and Rule 25-30.030, Florida Administrative Code. Sunshine had installed water lines outside its certificated territory in at least three residential subdivisions in Marion County. We ordered Sunshine to show cause why it should not be fined for its transgressions. Since it failed to respond, we assessed a fine against it by Order No. 22159,

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issued November 7, 1989. We shall disallow the \$5,044 charged to this account for legal fees, as it is inappropriate to recover such costs from the ratepayers.

6) Regulatory Commission Expense. The utility charged the \$2,000 fine we assessed against it by Order No. 22159 (for placing lines outside of its territory) to this account. According to the accounting instructions of the National Association of Regulatory Utility Commissions (NARUC) Uniform System of Accounts (USA), penalties or fines for violations of regulatory standards should be reflected below-the-line. We have therefore reduced this expense by \$2,000.

7) Bad Debt Expense. According to our audit, the utility charged to December 1989's bad debt expense \$5,742 of the preceding twelve months' uncollectible accounts. \$1,378 was charged to May, 1990, for the first five months' activity of 1990. The total of these two entries, \$7,120, was shown in the MFR's as test year bad debt expense. As this total represents more than twelve months of business, we have reduced the expense to reflect only twelve months' activity.

Event after this adjustment, the utility's bad debt expense is 1.22% of its customer revenues. Comparable utilities have a bad debt expense which is generally less than 0.50% of customer revenues. In a later section of this Order, we require that the utility implement a customer deposit program. This program should improve collection and result in a reduction in bad debt expense. Therefore, we have reduced bad debt expense by \$4,797, which is 0.50% of test year revenues.

8) Rental Expense. In February, 1990, three months prior to the conclusion of the test year, the utility moved its offices to a new location. Before the move, the utility paid \$394 a month in rent; and after the move, it paid \$742 a month. We believe that the increase in rent expense is reasonable, as a larger facility was needed. We shall therefore increase rent expense by \$3,239 to allow the utility to recover the annualized amount of its new monthly rent. As the utility has already made an adjustment to remove a reasonable amount of rent expense attributable to Heights Water Company, we make no further adjustments.

9) Prior Rate Case Expense. In its MFRs, the utility requests to recover as rate case costs in this proceeding \$34,824 in costs

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incurred in the overearnings investigation. This amount of rate case expense was approved in the order entered in that case, Order No. 22969. We believe that this prior rate case expense should be treated as if amortized over a four year period starting from the

date we held the utility's revenues subject to refund in the overearnings case, August 20, 1988. Up until the date that the current rate increase is anticipated to go into effect, we calculate that the unamortized balance of prior rate case expense should be \$11,607. Accordingly, we have reduced the requested recovery of prior rate case expense by \$23,217. The remainder of the expense shall be amortized over a period of four years, or \$2,902 per year.

10) Rate Case Expense. In its MFRs, the utility requested total rate case expense of \$97,324, which included \$34,824 of prior rate case expense from the overearnings case. After removing the latter amount, the estimated rate case expense for the current case included \$30,000 for legal services, \$30,000 for accounting services, and \$2,500 in other expenses. Before our vote in this matter, we requested, and the utility provided, an update showing actual rate case expense incurred thus far, with supporting documentation, as well as the estimated amount of rate case expense to complete this case on a proposed agency action (PAA) basis.

According to the rate case expense update, legal fees incurred thus far, and needed to process the remainder of the case on a PAA basis, are only \$12,644. Therefore, we have reduced rate case expense by \$17,356. In addition, we found charges in connection with the overearnings investigation and a pass-through filing in the invoices which supported the legal fees. Since those costs are unrelated to this docket, we have reduced the expense by \$1,040.

According to the rate case expense update, the utility spent \$2,870 more than what it originally requested for accounting fees. We have reviewed the supporting invoices for the services provided and find that the expenditure is reasonable. Therefore, we have increased rate case expense by \$2,870. We have reduced the amount estimated for other expenses by \$1,500 because that amount, attributable to the filing fee for this case, was already included as a legal fee.

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We find that the appropriate amount of rate case expense for this case is \$45,474. The total shall be amortized over a period of four years, or \$11,369 per year.

Revenue Requirement

Based upon our review of the utility's books and records and the adjustments discussed above, we find that the appropriate annual revenue requirement for this utility is \$509,703. This revenue requirement represents an overall annual increase in revenue of \$45,031. This revenue requirement will allow the utility to recover its operating expenses and will allow it the opportunity to earn a 11.44% return on its investment.

Apportionment of Rate Case Expense

Section 367.0815, Florida Statutes, requires that we make a proportionate reduction to rate case expense under certain circumstances. What follows is our analysis for determining whether or not such a reduction is required. First, we compared the revenue requirement requested by the utility in its MFRs to the revenue requirement approved hereinabove, which includes an allowance for prudent rate case expense. We then reduced the allowance for rate case expense by the percentage difference between the requested and approved revenue requirements. Then, since a reduction to rate case expense is a reduction to O&M expenses, we reduced the working capital allowance because it is based on the O&M allowance. By adding the reduction to rate case expense to the reduced return resulting from the working capital reduction, we calculated the total revenue effect of the reductions. We then grossed-up the adjusted revenue requirement for regulatory assessment fees.

The final determination we must make under Section 367.0815, Florida Statutes, is whether or not by making the rate case expense adjustment, we have reduced the utility's return on equity below its authorized range. Since the return on equity drives the overall rate of return, we will test the impact of the proposed adjustment against the range on the overall rate of return, which we think achieves the same result. Above, we found that the range on the overall rate of return is 10.80% to 12.09%. Based on our calculations, by making the proposed adjustment, we would reduce the utility's overall rate of return to 8.16%, which is outside of the lower end of its authorized range. According to Section

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367.0815, if such is the case, no proportional reduction to rate case expense can be made. Therefore, we shall not adjust the amount of prudent rate case expense approved hereinabove.

RATES AND CHARGES

Uniform Rates

As of its last rate case, which concluded with Order No. 13014, issued February 20, 1984, Sunshine had eighteen water systems in Marion County. Since that time, the utility has acquired the Lakeview Hills and Whispering Sands water systems. In accordance with Rule 25-9.044(1), Florida Administrative Code, the utility adopted the rates, classifications, and charges of the acquired systems. Under the rule, the acquiring utility must use the acquired's rates and charges until the Commission authorizes otherwise. Normally, this Commission will not authorize otherwise until the acquiring utility files an application for rate relief. At that time, unless there are extenuating circumstances, we normally include the acquired systems in the overall calculation of the revenue requirement, and we would establish uniform rates, miscellaneous service charges, and tariff rules and regulations for all systems served by the utility.

In this case, we find no extenuating circumstances which would justify a separate revenue requirement calculation or separate rates and charges for the Lakeview Hills and Whispering Sands systems. Therefore, we shall include these two systems in the overall revenue requirement calculation and will establish uniform service rates and charges for all systems served by the utility in Marion County.

Monthly Service Rates

We have calculated monthly service rates using our preferred rate structure, the base facility charge (BFC) rate structure. The BFC rate structure allows the utility to more accurately track its costs and allows the customers to have some control over their bills. Each customer pays for his or her pro rata share of the fixed costs necessary to provide utility service through the base facility charge and pays for his or her usage through the gallonage charge.

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We have calculated new rates for the utility which are designed to allow it to achieve the \$509,703 revenue requirement approved herein. We find that these new rates are fair, just, and reasonable, and are not unduly discriminatory. The existing rates, interim rates, "pass-through interim rates," requested rates, and the rates which we hereby approve are set forth below for comparison.

SUNSHINE UTILITIES OF CENTRAL FLORIDA

Schedule of Rates

WATER

Residential and General Service

<u>Meter Size</u>	<u>Utility Present Rates *</u>	<u>Commission Approved Interim Rates*</u>	<u>Commission Approved Pass-Through Interim Rates*</u>	<u>Utility Proposed Final Rates**</u>	<u>Commission Approved Final Rates**</u>
5/8" x 3/4"	\$ 6.96	\$ 8.12	\$ 8.29	\$ 12.10	\$ 7.24
1"	17.43	20.34	20.77	30.25	18.10
1 1/4"	26.15	30.51	31.15	45.38	27.15
1 1/2"	34.84	40.65	41.50	60.50	36.20
2"	55.76	65.06	66.42	96.80	57.92
3"	111.32	129.89	132.60	193.60	115.84
4"	174.26	203.33	207.58	302.50	181.00
6"	389.77	454.78	464.28	605.00	362.00
Gallonage Charge	1.78	\$ 2.08	\$ 2.12	\$ 1.88	\$ 1.84

* Current, interim, and "pass-through interim rates" for Lakeview Hills and Whispering Sands are different from those listed in this column. Those rates for these two systems are as follows:

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Lakeview Hills

Residential and General Service

<u>Meter Size</u>	<u>Utility Present Rates</u>	<u>Commission Approved Interim Rates</u>	<u>Commission Approved Pass-Through Interim Rates</u>
5/8" x 3/4"	\$ 6.29	\$ 7.34	\$ 7.49
1"	15.73	18.35	18.73
1 1/2"	31.46	36.71	37.48
2"	50.34	58.74	59.97
Gallage Charge	\$.89	\$ 1.04	\$ 1.06

Whispering Sands

Multi-Residential
(Quadruplexes only)

<u>Description</u>	<u>Utility Present Rates</u>	<u>Commission Approved Interim Rates</u>	<u>Commission Approved Pass-Through Interim Rates</u>
Per Unit	\$ 6.30	\$ 7.35	\$ 7.50
Per Quadruplex	25.20	29.40	30.01

** Uniform for all systems, including Lakeview Hills and Whispering Sands

It should be noted that although the approved revenue requirement represents an overall increase of 9.69%, the percentage rate increase will not be uniform for all the systems served by the utility. The rates/revenues for the eighteen water systems

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included in the last rate case will increase only 3.51%. The rates/revenues for Lakeview Hills will increase approximately 58.8%. From the information provided by the utility, it is unclear whether a fair rate of return had been achieved under Lakeview Hill's former rates. The rates/revenues for Whispering Sands will increase approximately 122.2%. This increase is primarily attributable to the fact that the system serves only quadruplexes which were on flat rates at the time the system was purchased. Meters have since been installed, and the customers will now be billed based on measured consumption. The quadruplexes were using a large quantity of water under the flat rate structure, and we expect that the metered rates will promote conservation.

The rates approved above shall be effective for meter readings taken on or after thirty (30) days after the stamped approval date on the revised tariff sheets. The utility shall submit revised tariff sheets reflecting the approved rates along with a proposed customer notice listing the new rates and explaining the reasons therefor. The revised tariff sheets will be approved upon our staff's verification that the tariff sheets are consistent with our decision herein and that the proposed customer notice is adequate.

Service Availability Charges

Rule 25-30.580, Florida Administrative Code, states that a utility's service availability policy must be designed such that the maximum amount of contributions-in-aid-of-construction, net of amortization, does not exceed 75% of the total original cost, net of accumulated depreciation, of the utility's facilities and plant when the facilities and plant are at their designed capacity. The rule also states that the minimum amount of contributions-in-aid-of-construction should not be less than the percentage of such facilities and plant that are represented by the water transmission and distribution system.

The utility's present level of net plant to net CIAC is 63.73%, which falls with the guidelines of the above-stated rule. However, we shall adjust the system capacity charge so that the utility will meet the 75% maximum level at build-out. With an additional investment of approximately \$45,000 for two wells and two generators, the utility can add approximately 885 additional connections. By our calculations, considering the 160 new connections per year average over the last five years, it will take approximately 5-1/2 years for the utility to reach built-out.

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Currently, Sunshine charges a \$100.00 meter installation charge for 5/8 inch by 3/4 inch meters and actual cost for all meters one inch large and above in all of its systems except Lakeview Hills and Whispering Sands, which have no meter installation charges. We shall not change these meter installation charge, other than to make it uniform for all Sunshine systems in Marion county. In addition, the system capacity charges approved below shall be uniform for all of the utility's Marion County systems. The current and approved system capacity charges are listed below for comparison.

SERVICE AVAILABILITY CHARGES

System Capacity Charge

	<u>Current *</u>	<u>Approved **</u>
Per ERC	\$420.00	\$ 110.00
Per GPD	N/A	\$.3143
(One ERC is 350 GPD)		

* This column does not reflect current service availability charges for Lakeview Hills or Whispering Sands. Lakeview Hills currently has a \$400.00 per ERC tap-in fee. Whispering Sands currently has a customer connection charge of \$300.00 per quadruplex.

** Uniform for all systems, including Lakeview Hills and Whispering Sands.

The charges approved above shall be effective for connections made on or after the stamped approval date on the revised tariff sheets. The utility shall submit revised tariff sheets reflecting the approved charges along with a proposed customer notice listing the new charges and explaining the reasons therefor. The revised tariff sheets will be approved upon our staff's verification that the tariff sheets are consistent with our decision herein and that the proposed customer notice is adequate.

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Miscellaneous Service Charges

The miscellaneous service charges set forth below, which we hereby approve, are designed to defray the costs associated with each of the services provided and place the responsibility of the costs incurred on the person creating them rather than on the ratepaying body as a whole. The miscellaneous service charges approved below shall be uniform for all of Sunshine's systems in Marion County. The current and approved charges are set forth below for comparison.

	<u>Present</u>		<u>Approved</u>	
	<u>Hours</u>		<u>Hours</u>	
	<u>Bus.</u>	<u>After</u>	<u>Bus.</u>	<u>After</u>
(1) <u>Sunshine:</u>				
Initial Connection	\$10	\$15	\$15	\$15
Normal Reconnection	\$10	\$15	\$15	\$15
Violation Reconnection	\$15	\$20	\$15	\$20
Premises Visit	\$10	\$15	\$10	N/A
(2) <u>Lakeview Hills:</u>				
Initial Connection	-	-	\$15	\$15
Normal Reconnection	\$ 5	\$ 5	\$15	\$15
Violation Reconnection	\$ 5	\$ 5	\$10	\$20
Premises Visit	-	-	\$10	N/A
(3) <u>Whispering Sands:</u>				
Initial Connection	-	-	\$15	\$15
Normal Reconnection	-	-	\$15	\$15
Violation Reconnection	-	-	\$15	\$20
Premises Visit	-	-	\$10	N/A

The charges approved above shall be effective for service rendered on or after the stamped approval date on the revised tariff sheets. The utility shall submit revised tariff sheets reflecting the approved charges along with a proposed customer notice listing the new charges and explaining the reasons therefor. The revised tariff sheets will be approved upon our staff's

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verification that the tariff sheets are consistent with our decision herein and that the proposed customer notice is adequate.

Customer Deposits

As noted earlier in this Order, the utility had a bad debt expense of 1.53% of its annual revenues. We believe that this problem would be alleviated by a customer deposit program, and we therefore require the utility to implement a customer deposit program which meets the requirements of Rule 25-30.311, Florida Administrative Code. The average monthly bill for a residential customer is \$18.59. Twice this amount is approximately \$40.00, which we think would be an adequate initial deposit for residential customers. Deposits for general service customers should be calculated based on estimated usage for a two month period. For those customers with a bad credit history, the utility should follow the guidelines set forth in Rule 25-30.311(7), Florida Administrative Code.

Amortization of Rate Case Expense

Section 367.0816, Florida Statutes, states,

The amount of rate case expense determined by the commission . . . to be recovered through . . . rate[s] shall be apportioned for recovery over a period of 4 years. At the conclusion of the recovery period, the rate[s] . . . shall be reduced immediately by the amount of rate case expense previously included in rates.

The rate case expense which we have allowed the utility to recover is \$57,081. Pursuant to the above-quoted section of Chapter 367, we calculate that for this amount to be recovered over four years, \$14,270 must be recovered annually. However, since that annual amount does not reflect the regulatory assessment fees (RAFs) the utility must pay on the revenue attributable to rate case expense recovery, we have grossed-up the annual amount to reflect the RAFs and, upon so doing, find that the appropriate annual recovery of rate case expense is \$14,942 per year for four years.

At the end of four years, the utility's rates should be reduced to reflect the \$14,942 reduction to its annual revenue requirement. Based on existing circumstances, the effect of this

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revenue reduction on water rates is set forth below. 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 a pass-through rate adjustment, separate data shall be filed for each rate change.

Schedule of Rate Decrease in Four Years
Based on Existing Circumstances

Water
Monthly Rates

Residential and General Service

<u>Meter Size</u>	<u>Rates</u>	<u>Decrease</u>
5/8" X 3/4"	\$ 7.24	\$.21
1"	18.10	.53
1-1/4"	27.15	.80
1-1/2"	36.20	1.06
2"	57.92	1.70
3"	115.84	3.39
4"	181.00	5.30
6"	362.00	10.61
Gallonage Charge	\$ 1.84	\$.05

Refund of Interim Rates

By Order No. 23935, issued December 24, 1990, we suspended the utility's proposed rates and approved interim rates. In our calculation of the interim revenue requirement, we removed the expense associated with an increase in regulatory assessment fees from 2.5% to 4.5%. The utility responded by filing a pass-through rate adjustment application so it could recover that which we disallowed. As a result, we have two separate periods from which to calculate a refund.

The interim rates became effective for meters read on or after January 6, 1991. Annualized revenues generated from these rates is \$541,473. The revenue requirement approved herein is \$509,703. Therefore, the amount which the utility must refund for the interim

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rate period is \$31,770 on an annual basis, or 5.87% of the revenues which the utility collected during the period that these rates were in effect.

The "pass-through interim rates" became effective for service rendered on or after January 21, 1991. Annualized revenues generated by these rates is \$552,119. The revenue requirement approved herein is \$509,703. Therefore, the amount which the utility must refund for the "pass-through interim rates" period is \$42,416 on an annual basis, or 7.68% of the revenues which the utility collected during the period these rates were in effect.

The refunds shall be made with interest and in conformance with Rule 25-30.360, Florida Administrative Code.

BOOKS AND RECORDS

The utility is in violation of Rule 25-30.115, Florida Administrative Code, which requires a utility to maintain its accounts and records in accordance with NARUC Uniform System of Accounts (USA). The USA specifically requires the books to be kept on a monthly basis and closed at the end of each calendar year, unless otherwise authorized by the Commission.

During our audit, we discovered numerous problems with the utility's record keeping. Most of the supporting documentation (invoices) did not contain or reflect the account charged, total amount remitted to payor, or have an adequate internal description. The utility's books were maintained on a semi-accrual basis, but there was an absence of consistency in the accounting treatment of data. In many instances there was an inadequate audit trail between utility records and source documentation.

Therefore, we hereby order the utility to comply with the Rule 25-30.115, Florida Administrative Code. If, within six months of the date of this Order the utility has not substantially brought its books and records in compliance with NARUC USA, we shall order it to show cause why it should not be fined. No extension of time shall be granted in this regard.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the application of Sunshine Utilities of Central Florida, Inc., for an

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increase in its water rates in Marion County is approved to the extent set forth in the body of this Order. It is further

ORDERED that each of the findings made in the body of this Order are by reference incorporated herein. It is further

ORDERED that each of the schedules attached hereto are by reference incorporated herein. It is further

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

ORDERED that Sunshine Utilities of Central Florida, 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 pages. It is further

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

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

ORDERED that prior to its implementation of the rates and charges approved herein, Sunshine Utilities of Central Florida, 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, Sunshine Utilities of Central Florida, Inc., shall submit and have approved revised tariff pages. The revised tariff pages will be approved upon Staff's verification

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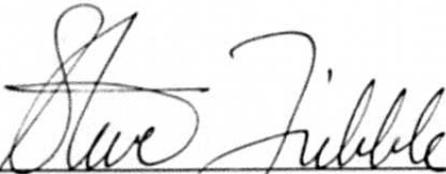
that the pages are consistent with our decision herein and that the protest period has expired. It is further

ORDERED that Sunshine Utilities of Central Florida, Inc., shall refund the interim rates and "pass-through interim rates" as set forth in the body of this Order. It is further

ORDERED that Sunshine Utilities of Central Florida, Inc., shall within six months of the date of this Order comply with Rule 25-30.115, Florida Administrative Code, by bringing its books and records into substantial compliance with the National Association of Regulatory Utility Commissions (NARUC) Uniform System of Accounts (USA). It is further

ORDERED that if no timely protest is received from a substantially affected person, this docket will be closed upon Staff's verification of the refund ordered herein, provided that the First District Court of Appeal's opinion in the overearnings case becomes final and remains unchanged.

By ORDER of the Florida Public Service Commission, this 7th
of MAY, 1991.


STEVE TRIBBLE, Director,
Division of Records and Reporting

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on May 28, 1991.

In the absence of such a petition, this order shall become effective on the day 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 this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

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SUNSHINE UTILITIES OF CENTRAL FL
SCHEDULE OF WATER RATE BASE
TEST YEAR ENDED MAY 31, 1990

SCHEDULE NO. 1-A
DOCKET NO. 900386-WU

COMPONENT	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR PER UTILITY	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR
UTILITY PLANT IN SERVICE	\$ 1,696,761	\$ 8,701	\$ 1,705,462	\$ (219,550)	\$ 1,485,912
LAND	61,474	0	61,474	0	61,474
NON-USED & USEFUL COMPONENTS	(248,633)	0	(248,633)	56,204	(192,429)
C.W.I.P.	0	0	0	0	0
ACCUM DEPRECIATION	(340,266)	(12,821)	(353,087)	25,599	(327,488)
AQUISITION ADJUSTMENTS	0	0	0	0	0
ACCUM AMORTIZATION	0	0	0	0	0
C.I.A.C.	(933,275)	280,753	(652,522)	(280,753)	(933,275)
ACCUM AMORTIZATION	120,973	(49,279)	71,694	49,279	120,973
ADVANCES FOR CONSTRUCTION	(118,623)	118,623	0	0	0
WORKING CAPITAL ALLOWANCE	0	59,969	59,969	(9,489)	50,480
RATE BASE	\$ 238,411	\$ 405,946	\$ 644,357	\$ (378,710)	\$ 265,647

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SUNSHINE UTILITIES OF CENTRAL FL
 ADJUSTMENTS TO RATE BASE
 TEST YEAR ENDED MAY 31, 1990

SCHEDULE NO. 1-B
 PAGE 1 OF 1
 DOCKET NO. 900386-WU

EXPLANATION	WATER

UTILITY PLANT IN SERVICE	
A. To adjust for exclusion of profit and mark-up on labor and materials.	\$ (206,790)
B. To adjust to reflect shared facilities.	(8,394)
C. To adjust for retirement of utility vehicle.	(14,036)
D. To adjust for reclassification	9,670

NET ADJUSTMENT	(219,550)

NON-USED & USEFUL COMPONENTS	
A. To adjust for exclusion of plant.	\$ 56,204

ACCUMULATED DEPRECIATION	
A. To adjust for exclusion of plant.	\$ 5,523
B. To adjust for shared use of facilities.	6,040
C. To adjust for retirement of vehicle.	14,036

NET ADJUSTMENT	\$ 25,599

C.I.A.C.	
To adjust	\$ (280,753)

ACCUMULATED AMORTIZATION	
To adjust	\$ 49,279

WORKING CAPITAL	
A. To reflect adjustment for Working Capital.	\$ (9,489)

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SUNSHINE UTILITIES OF CENTRAL FL
 CAPITAL STRUCTURE
 TEST YEAR ENDED MAY 31, 1990

SCHEDULE NO. 2-A
 DOCKET NO. 900386-WU

DESCRIPTION	ADJUSTED TEST YEAR PER UTILITY	WEIGHT	COMMISSION WEIGHTED COST	COMMISSION WEIGHTED COST	COMMISSION ADJUSTMENTS TO UTILITY EXHIBIT	BALANCE PER COMMISSION	WEIGHT	COST	WEIGHTED COST
LONG TERM DEBT	\$ 59,539	9.24%	11.00%	1.02%	\$(21,232)	\$ 38,307	14.42%	11.00%	1.59%
SHORT TERM DEBT	81,704	12.68%	10.52%	1.33%	(29,136)	52,568	19.79%	10.52%	2.08%
CUSTOMER DEPOSITS	5,155	0.80%	8.00%	0.06%	(1,838)	3,317	1.25%	8.00%	0.10%
PREFERRED STOCK	0	0.00%	0.00%	0.00%	0	0	0.00%	0.00%	0.00%
COMMON EQUITY	497,959	77.28%	11.89%	9.19%	(326,504)	171,455	64.54%	11.89%	7.67%
INVESTMENT TAX CREDITS	0	0.00%	0.00%	0.00%	0	0	0.00%	0.00%	0.00%
DEFERRED INCOME TAXES	0	0.00%	0.00%	0.00%	0	0	0.00%	0.00%	0.00%
OTHER CAPITAL	0	0.00%	0.00%	0.00%	0	0	0.00%	0.00%	0.00%
TOTAL CAPITAL	\$ 644,357	100.00%		11.60%	\$(378,710)	\$ 265,647	100.00%		11.44%

RANGE OF REASONABLENESS	LOW	HIGH
EQUITY	10.89%	12.89%
OVERALL RATE OF RETURN	10.80%	12.09%

SUNSHINE UTILITIES OF CENTRAL FL
 ADJUSTMENTS TO CAPITAL STRUCTURE
 TEST YEAR ENDED MAY 31, 1990

SCHEDULE NO. 2-B
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DESCRIPTION	ADJUST FOR CIAC	ADJUST FOR ERROR	PRO RATA RECONCILE	NET ADJUSTMENT
LONG TERM DEBT	\$ 0	\$ 0	(21,232)	\$ (21,232)
SHORT TERM DEBT	0		(29,136)	(29,136)
CUSTOMER DEPOSITS	0		(1,838)	(1,838)
PREFERRED STOCK	0		0	0
COMMON EQUITY	(231,474)		(95,030)	(326,504)
INVESTMENT TAX CREDITS	0		0	0
DEFERRED INCOME TAXES	0		0	0
OTHER CAPITAL	0		0	0
TOTAL CAPITAL	\$ (231,474)	\$ 0	(147,236)	\$ (378,710)

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SUNSHINE UTILITIES OF CENTRAL FL
 STATEMENT OF WATER OPERATIONS
 TEST YEAR ENDED MAY 31, 1990

SCHEDULE NO. 3-A
 DOCKET NO. 900386-WU

DESCRIPTION	TEST YEAR PER UTILITY	UTILITY ADJUSTMENTS	UTILITY	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR	REVENUE INCREASE OR (DECREASE)	REVENUE REQUIREMENT
			ADJUSTED TEST YEAR				
1 OPERATING REVENUES	\$ 455,777	\$ 193,458	\$ 649,235	\$ (184,563)	\$ 464,672	\$ 45,031	\$ 509,703
OPERATING EXPENSES						9.69%	
2 OPERATION AND MAINTENANCE	\$ 422,719	\$ 57,034	\$ 479,753	\$ (75,911)	\$ 403,842		\$ 403,842
3 DEPRECIATION	26,697	12,821	39,518	(11,199)	28,319		28,319
4 AMORTIZATION	0	0	0	0	0		0
5 TAXES OTHER THAN INCOME	36,366	18,853	55,219	(10,095)	45,124	2,026	47,150
6 INCOME TAXES	0	0	0	0	0	0	0
7 TOTAL OPERATING EXPENSES	\$ 485,782	\$ 88,708	\$ 574,490	\$ (97,205)	\$ 477,285	\$ 2,026	\$ 479,312
8 OPERATING INCOME	\$ (30,005)	\$ 104,750	\$ 74,745	\$ (87,358)	\$ (12,613)	\$ 43,004	\$ 30,391
9 RATE BASE	\$ 238,411		\$ 644,357		\$ 265,647		\$ 265,647
10 RATE OF RETURN	-12.59%		11.60%		-4.75%		11.44%

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SUNSHINE UTILITIES OF CENTRAL FL
 ADJUSTMENTS TO OPERATING STATEMENT
 TEST YEAR ENDED MAY 31, 1990

SCHEDULE NO. 3-B
 PAGE 1 OF 2
 DOCKET NO. 900386-WU

EXPLANATION	WATER
-----	-----
OPERATING REVENUES	
A. To remove utility's requested increase.	\$ (184,563)

OPERATIONS & MAINTENANCE EXPENSE	
A. To adjust officers salaries.	\$ (25,946)
B. To adjust employee salaries to reflect the proper level of expense for a related company.	(8,860)
C. To reflect disallowance of pro-forma payroll adjustment.	(12,070)
C. To adjust purchase power expense.	(702)
D. To adjust for misclassified items. misclassified capital items.	(9,670)
E. To adjust Contractual Services-legal.	(5,044)
F. To adjust Regulatory Commissions Expenses-other	(2,000)
G. To adjust bad debt expense.	(4,797)
H. To adjust Rental Expense for increased rent.	3,239
I. To remove disallowance of prior rate case expense.	(5,804)
J. To adjust current portion of rate rate case expense.	(4,257)

NET ADJUSTMENT	\$ (75,911)

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SUNSHINE UTILITIES OF CENTRAL FL
 ADJUSTMENTS TO OPERATING STATEMENT
 TEST YEAR ENDED MAY 31, 1990

SCHEDULE NO. 3-B
 PAGE 2 of 2
 DOCKET NO. 900386-WU

EXPLANATION	WATER
-----	-----
DEPRECIATION EXPENSE	
A. To remove expense associated with disallowance of plant.	\$ (3,673)
B. To adjust for reallocation of general plant to related party.	(621)
C. To adjust for retirement of vehicle.	(156)
D. To adjust for reclassification of expenses.	270
E. To reflect CIAC adjustment	(7,019)
NET ADJUSTMENT	\$ (11,199) -----
TAXES OTHER THAN INCOME	
A. To remove requested provision for RAF's.	\$ (8,305)
B. To reflect payroll taxes related to adjustment to salaries.	(1,790)
NET ADJUSTMENT	\$ (10,095) -----
OPERATING REVENUES	
A. To adjust revenues to reflect an allowance of a fair rate of return.	\$ 45,031 -----
TAXES OTHER THAN INCOME	
A. To reflect regulatory assessment fees related to adjustment to revenues.	\$ 2,026 -----