

State of Florida



Public Service Commission

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-M-E-M-O-R-A-N-D-U-M-

DATE: November 17, 2009

TO: Office of Commission Clerk (Cole)

FROM: Division of Economic Regulation (Deason, Fletcher, Bulecza-Banks, Springer) *DR BF*
Office of the General Counsel (Brubaker) *JB*

RE: Docket No. 090392-WS – Application for increase in water and wastewater rates in Lake County by Utilities Inc. of Pennbrooke. *MOS* *ALM* *197*

AGENDA: 12/01/09 – Regular Agenda – Decision on Suspension of Rates and on Interim Rates – Participation is at the Discretion of the Commission

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Edgar

CRITICAL DATES: 60-Day Suspension Date Waived by Company to 12/01/09

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\090392.RCM.DOC

Case Background

Utilities Inc. of Pennbrooke (Pennbrooke or Utility) is a Class B utility providing water and wastewater service to approximately 1,468 water and 1,251 wastewater customers in Lake County. Water and wastewater rates were last established for this Utility in its 2006 rate case.¹

On September 28, 2009, Pennbrooke filed its application for a rate increase at issue in the instant docket. The Utility's application did not meet the minimum filing requirements (MFRs). As of the filing of this recommendation, those deficiencies remain outstanding. The Utility

¹ See Order No. PSC-07-0088-PAA-WS, issued January 31, 2007, in Docket No. 060261-WS, In re: Application for increase in water and wastewater rates in Lake County by Utilities, Inc. of Pennbrooke.

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requested that the application be processed using the Proposed Agency Action (PAA) procedure and requested interim rates. The test year established for interim and final rates is the 13-month average period ending December 31, 2008.

Pennbrooke requested interim revenue increases of \$188,663 (53.08 percent) for water and \$201,514 (53.09 percent) for wastewater. The Utility requested final revenue increases of \$265,505 for water and \$209,874 for wastewater.

The original 60-day statutory deadline for the Commission to suspend Pennbrooke's requested final rates was November 27, 2009. However, by letter dated October 8, 2009, Pennbrooke agreed to extend the statutory time frame through December 1, 2009. This recommendation addresses the suspension of Pennbrooke's requested final rates and the Utility's requested interim rates. The Commission has jurisdiction pursuant to Sections 367.081 and 367.082, Florida Statutes (F.S.).

Discussion of Issues

Issue 1: Should the Utility's proposed final water and wastewater rates be suspended?

Recommendation: Yes. Pennbrooke's proposed final water and wastewater rates should be suspended. (Deason)

Staff Analysis: Section 367.081(6), F.S., provides that the Commission may, for good cause, withhold consent to the implementation of the requested rates within 60 days after the date the rate request is filed. Further, Section 367.081(8), F.S., permits the proposed rates to go into effect (secured and subject to refund) at the expiration of five months from the official date of filing if: (1) the Commission has not acted upon the requested rate increase; or (2) if the Commission's PAA action is protested by a party other than the Utility.

Staff has reviewed the filing and has considered the information filed in support of the rate application and the proposed final rates. Staff recommends that it is necessary to require further investigation of this information, including on-site investigations by staff accountants and engineers. Based on the foregoing, staff recommends that it is appropriate to suspend the Utility's proposed rate increase.

Issue 2: Should any interim revenue increases be approved?

Recommendation: Yes, Pennbrooke should be authorized to collect annual water and wastewater revenues as indicated below: (Deason)

	<u>Adjusted Test Year Revenues</u>	<u>\$ Increase</u>	<u>Revenue Requirement</u>	<u>% Increase</u>
Water	\$355,422	\$169,676	\$525,098	47.74%
Wastewater	\$379,591	\$189,766	\$569,357	49.99%

Staff Analysis: Pennbrooke has filed rate base, cost of capital, and operating statements to support its requested water and wastewater increases. Pursuant to Section 367.082(5)(b)1, F.S., the achieved rate of return for interim purposes must be calculated by applying adjustments consistent with those used in the Utility's most recent rate proceeding and annualizing any rate changes. Staff has reviewed Pennbrooke's interim request, as well as Order No. PSC-07-0088-PAA-WS, in which the Commission last established rate base. Staff's recommended adjustments are discussed below. Staff has attached accounting schedules to illustrate staff's recommended rate base, capital structure, and test year operating income amounts. Rate base is labeled as Schedule Nos. 1-A and 1-B, capital structure is labeled as Schedule No. 2, and operating income for water and wastewater, respectively, is labeled as Schedule Nos. 3-A and 3-B, with the adjustments shown on Schedule No. 3-C.

RATE BASE

Pursuant to Rule 25-30.433(2) Florida Administrative Code (F.A.C.), working capital for class B utilities shall be calculated using the formula method which is one-eighth of operation and maintenance expenses (O&M). Based on staff's \$884 adjustment to wastewater O&M expenses discussed below, staff has made an adjustment to wastewater working capital of \$111. Therefore, staff recommends that Pennbrooke's interim water rate base should be \$808,850 and wastewater rate base should be \$1,184,751.

COST OF CAPITAL

The Utility recorded its return on equity (ROE) as 11.13 percent. However, based on Order No. PSC-07-0088-PAA-WS, Pennbrooke was allowed a ROE of 10.45 percent. Therefore, based on this adjustment, staff recommends an interim weighted average cost of capital of 7.82 percent. This represents a sixty-eight basis points reduction of the Utility's requested ROE.

NET OPERATING INCOME

Based on its review, staff recommends an adjustment to operating expenses. Pennbrooke included adjustments to increase wastewater expenses by \$884 for a non-used and useful adjustment. In accordance with Order No. PSC-07-0088-PAA-WS, the Commission has determined that Pennbrooke is 100 percent used and useful, therefore; staff believes the Utility's proposed adjustment is unnecessary. As such, staff recommends that Pennbrooke's non-used and useful adjustment for wastewater be removed from the interim net operating income calculation.

Based on the above, staff recommends that the appropriate test year operating loss, before any revenue increase, is \$37,817 for water and \$20,391 for wastewater.

REVENUE REQUIREMENT

Based on the above adjustments, staff recommends revenue requirements of \$525,098 for water and \$569,357 for wastewater. This represents interim increases in annual revenues of \$169,676 (or 47.74 percent) for water and \$189,766 (or 49.99 percent) for wastewater. These increases will allow the Utility the opportunity to recover its water and wastewater operating expenses and earn a 7.82 percent return on its water and wastewater rate bases.

Issue 3: What are the appropriate interim water and wastewater rates?

Recommendation: The water and wastewater service rates for Pennbrooke in effect as of December 31, 2008, should be increased by 47.84 percent and 50.08 percent, respectively,² to generate the recommended revenue increase for the interim period. The approved rates should be effective for service rendered as of the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1)(a), F.A.C. The rates should not be implemented until staff verifies that the tariff sheets are consistent with the Commission’s decision, the proposed customer notice is adequate, and the required security has been filed. The Utility should provide proof of the date notice was given within 10 days after the date of notice. (Deason)

Staff Analysis: Staff recommends that interim water and wastewater service rates for Pennbrooke be designed to allow the Utility the opportunity to generate annual operating revenues of \$525,098 for water operations and \$569,357 for wastewater operations. Before removal of miscellaneous revenues, this would result in increases of \$169,676 or 47.74 percent for water and \$189,766 or 49.99 percent for wastewater. To determine the appropriate percentage increase to apply to the service rates, miscellaneous service revenues should be removed from the test year revenues. The calculation is as follows:

	<u>Water</u>	<u>Wastewater</u>
1 Total Test Year Revenues	\$355,422	\$379,591
2 Less: Miscellaneous Revenues	<u>782</u>	<u>666</u>
3 Test Year Revenues from Service Rates	\$354,640	\$378,925
4 Revenue Increase	<u>\$169,676</u>	<u>\$189,766</u>
5 % Service Rate Increase (Line 4/Line3)	<u>47.84%</u>	<u>50.08%</u>

The interim rate increase of 47.84 percent for water and 50.08 percent for wastewater should be applied as an across-the-board increase to the service rates in effect as of December 31, 2008. The approved rates should be effective for service rendered as of the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. The rates should not be implemented until staff verifies that the tariff sheets are consistent with the Commission’s decision, the proposed customer notice is adequate, and the required security has been filed. The Utility should provide proof of the date notice was given within 10 days after the date of notice.

The Utility’s test year, proposed interim and final rates, and staff’s recommended interim rates are shown on Schedule No. 4-A for water and Schedule No. 4-B for wastewater.

² The 47.84% and 50.08% represent the percentage rate increases based on rates charged in the historical test year through December 31, 2008. However, in accordance with Section 367.081(4)(a), F.S., the Utility was granted index increases in February 2009. As a result, the customer will actually experience increases of 44.42% for water and 46.64% for wastewater based on the rates currently in effect.

Issue 4: What is the appropriate security to guarantee the interim increase?

Recommendation: The Utility should be required to open an escrow account or file a surety bond or letter of credit to guarantee any potential refund of revenues collected under interim conditions. If the security provided is an escrow account, the Utility should deposit \$29,954 into the escrow account each month. Otherwise, the surety bond or letter of credit should be in the amount of \$209,818. Pursuant to Rule 25-30.360(6), F.A.C., the Utility should provide a report by the 20th of each month indicating the monthly and total revenue collected subject to refund. Should a refund be required, the refund should be with interest and in accordance with Rule 25-30.360, F.A.C. (Deason, Springer)

Staff Analysis: Pursuant to Section 367.082, F.S., revenues collected under interim rates shall be placed under bond, escrow, letter of credit, or corporate undertaking subject to refund with interest at a rate ordered by the Commission. As recommended in Issue 2, the total annual interim increase is \$359,442 for water and wastewater. In accordance with Rule 25-30.360, F.A.C., staff has calculated the potential refund of revenues and interest collected under interim conditions to be \$209,818. This amount is based on an estimated seven months of revenue being collected from staff's recommended interim rates over the Utility's current authorized rates shown on Schedules Nos. 4-A and 4-B.

Pennbrooke is a wholly-owned subsidiary of Utilities, Inc. (UI), which provides all investor capital to its subsidiaries. The Commission approved a corporate undertaking in the amount of \$75,165 to secure interim increases granted in Docket No. 080249-WS for UI's Labrador Utilities, Inc. subsidiary.³ As such, staff reviewed the financial statements of UI. As a result of staff's interim recommendations in this docket and Docket Nos. 090381-WS⁴ and 090402-WS,⁵ the total requested cumulative corporate undertaking amount is \$683,154, of which \$209,818 is subject to refund for this docket.

The criteria for a corporate undertaking includes sufficient liquidity, ownership equity, profitability, and interest coverage to guarantee any potential refund. Staff reviewed the financial statements of the parent company to determine if UI can support a corporate undertaking on behalf of its subsidiaries. UI's 2006, 2007, and 2008 financial statements were used to determine the financial condition of the company. Net income has been on average two times greater than the requested cumulative corporate undertaking amount over the three year period. However, UI experienced a net loss in 2008. The company has also experienced a steady decline in its interest coverage ratio and relative level of net income over the three year review period. In addition, UI's average equity ratio has decreased to 40.7 percent from 44.8 percent in 2007.

Staff believes UI has inadequate liquidity, profitability, and interest coverage to support a corporate undertaking in the amount requested. While the existing corporate undertaking

³ See Order No. PSC-08-0751-PCO-WS, issued November 13, 2008, In re: Application for increase in water and wastewater rates in Pasco County by Labrador Utilities, Inc.

⁴ In re: Application for increase in Water and Wastewater rates in Seminole County by Utilities Inc. of Longwood.

⁵ In re: Application for increase in Water and Wastewater rates in Seminole County by Sanlando Utilities Corporation.

amount of \$75,165 secured on behalf of Labrador Utilities, Inc. is still appropriate, staff recommends that UI be required to secure a surety bond, letter of credit, or escrow agreement to guarantee any new monies collected subject to refund.

If the security provided is an escrow account, said account should be established between the Utility and an independent financial institution pursuant to a written escrow agreement. The Commission should be a party to the written escrow agreement and a signatory to the escrow account. The written escrow agreement should state the following: that the account is established at the direction of the Commission for the purpose set forth above; that no withdrawals of funds shall occur without the prior approval of the Commission through the Commission Clerk, of Office of Commission Clerk; the account shall be interest bearing; information concerning that escrow account shall be available from the institution to the Commission or its representative at all times; the amount of revenue subject to refund shall be deposited in the escrow account within seven days of receipt; and, pursuant to Cosentino v. Elson, 263 So. 2d 253 (Fla 3d DCA 1972), escrow accounts are not subject to garnishments.

The Utility should deposit \$29,954 into the escrow account each month for possible refund. The escrow agreement should also state that if a refund to the customers is required, all interest earned on the escrow account shall be distributed to the customers, and if a refund to the customers is not required, the interest earned on the escrow account shall revert to the Utility.

If the security provided is a surety bond or a letter of credit, said instrument should be in the amount of \$209,818. If the Utility chooses a surety bond as security, the surety bond should state that it will be released or terminated only upon subsequent order of the Commission. If the Utility chooses to provide a letter of credit as security, the letter of credit should state that it is irrevocable for the period it is in effect and that it will be in effect until a final Commission order is rendered releasing the funds to the Utility or requiring a refund.

Regardless of the type of security provided, the Utility should keep an accurate and detailed account of all monies it receives. Pursuant to Rule 25-30.360(6), F.A.C., the Utility shall provide a report by the 20th day of each month indicating the monthly and total revenue collected subject to refund. Should a refund be required, the refund should be with interest and undertaken in accordance with Rule 25-30.360, F.A.C.

In no instance should maintenance and administrative costs associated with any refund be borne by the customers. Such costs are the responsibility of, and should be borne by, the Utility.

Docket No. 090392-WS
Date: November 17, 2009

Issue 5: Should the docket be closed?

Recommendation: No. The docket should remain open pending the Commission's PAA decision on the Utility's requested rate increase. (Brubaker, Deason)

Staff Analysis: The docket should remain open pending the Commission's PAA decision on the Utility's requested rate increase.

Utilities, Inc. of Pennbrooke Schedule of Water Rate Base Test Year Ended 12/31/08			Schedule No. 1-A Docket No. 090392-WS		
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year
1 Plant in Service	\$2,134,960	\$55,348	\$2,190,308	\$0	\$2,190,308
2 Land and Land Rights	21,972	263	22,235	0	22,235
3 Non-used and Useful Components	0	0	0	0	0
4 Accumulated Depreciation	(906,138)	24,962	(881,176)	0	(881,176)
5 CIAC	(772,606)	(122,479)	(895,085)	0	(895,085)
6 Amortization of CIAC	315,164	16,315	331,479	0	331,479
7 Acquisition Adjustment	476,560	(476,560)	0	0	0
8 Working Capital Allowance	<u>41,486</u>	<u>(397)</u>	<u>41,089</u>	<u>0</u>	<u>41,089</u>
9 Rate Base	<u>\$1,311,398</u>	<u>(\$502,548)</u>	<u>\$808,850</u>	<u>\$0</u>	<u>\$808,850</u>

Utilities, Inc. of Pennbrooke Schedule of Wastewater Rate Base Test Year Ended 12/31/08			Schedule No. 1-B Docket No. 090392-WS		
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year
1 Plant in Service	\$2,759,918	\$74,001	\$2,833,919	\$0	\$2,833,919
2 Land and Land Rights	57,035	223	57,258	0	57,258
3 Non-used and Useful Components	0	0	0	0	0
4 Accumulated Depreciation	(998,974)	(19,911)	(1,018,885)	0	(1,018,885)
5 CIAC	(1,312,363)	95,603	(1,216,760)	0	(1,216,760)
6 Amortization of CIAC	455,023	33,273	488,296	0	488,296
7 Acquisition Adjustment	0	0	0	0	0
8 Working Capital Allowance	<u>41,372</u>	<u>(338)</u>	<u>41,034</u>	<u>(111)</u>	<u>40,923</u>
9 Rate Base	<u>\$1,002,011</u>	<u>\$182,851</u>	<u>\$1,184,862</u>	<u>(\$111)</u>	<u>\$1,184,751</u>

Utilities, Inc. of Pennbrooke		Schedule 1-C	
Adjustments to Rate Base		Docket No. 090392-WS	
Test Year Ended 12/31/08			
Explanation	Water	Wastewater	
<u>Working Capital</u>	<u>\$0</u>	<u>(\$111)</u>	

Utilities, Inc. of Pennbrooke Capital Structure - 13-Month Average Test Year Ended 12/31/08						Schedule No. 2 Docket No. 090392-WS			
Description	Total Capital	Specific Adjust- ments	Subtotal Adjusted Capital	Prorata Adjust- ments	Capital Reconciled to Rate Base	Ratio	Cost Rate	Weighted Cost	
Per Utility									
1 Long-term Debt	\$180,000,000	\$0	\$180,000,000	(\$179,072,491)	\$927,509	42.42%	6.65%	2.82%	
2 Short-term Debt	32,637,500	0	32,637,500	(32,469,325)	168,175	7.69%	5.23%	0.40%	
3 Preferred Stock	0	0	0	0	0	0.00%	0.00%	0.00%	
4 Common Equity	158,054,717	0	158,054,717	(157,047,736)	1,006,981	46.06%	11.13%	5.13%	
5 Customer Deposits	5,233	0	5,233	0	5,233	0.24%	6.00%	0.01%	
6 Tax Credits-Zero Cost	0	0	0	0	0	0.00%	0.00%	0.00%	
7 Deferred Income Taxes	<u>78,365</u>	<u>0</u>	<u>78,365</u>	<u>0</u>	<u>78,365</u>	<u>3.58%</u>	0.00%	<u>0.00%</u>	
8 Total Capital	<u>\$370,775,815</u>	<u>\$0</u>	<u>\$370,775,815</u>	<u>(\$368,589,552)</u>	<u>\$2,186,263</u>	<u>100.00%</u>		<u>8.36%</u>	
Per Staff									
9 Long-term Debt	\$180,000,000	\$0	\$180,000,000	(\$179,072,544)	\$927,456	46.52%	6.65%	3.09%	
10 Short-term Debt	32,637,500	0	32,637,500	(32,469,334)	168,166	8.44%	5.23%	0.44%	
11 Preferred Stock	0	0	0	0	0	0.00%	0.00%	0.00%	
12 Common Equity	158,054,717	0	158,054,717	(157,240,335)	814,382	40.85%	10.45%	4.27%	
13 Customer Deposits	5,233	0	5,233	0	5,233	0.26%	6.00%	0.02%	
14 Tax Credits-Zero Cost	0	0	0	0	0	0.00%	0.00%	0.00%	
15 Deferred Income Taxes	<u>78,365</u>	<u>0</u>	<u>78,365</u>	<u>0</u>	<u>78,365</u>	<u>3.93%</u>	0.00%	<u>0.00%</u>	
16 Total Capital	<u>\$370,775,815</u>	<u>\$0</u>	<u>\$370,775,815</u>	<u>(\$368,782,214)</u>	<u>\$1,993,601</u>	<u>100.00%</u>		<u>7.82%</u>	
						LOW	HIGH		
RETURN ON EQUITY						<u>10.45%</u>	<u>12.45%</u>		
OVERALL RATE OF RETURN						<u>7.82%</u>	<u>8.64%</u>		

Utilities, Inc. of Pennbrooke Statement of Water Operations Test Year Ended 12/31/08						Schedule No. 3-A Docket No. 090392-WS	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$391,699</u>	<u>\$152,386</u>	<u>\$544,085</u>	<u>(\$188,663)</u>	<u>\$355,422</u>	<u>\$169,676</u> 47.74%	<u>\$525,098</u>
Operating Expenses							
2 Operation & Maintenance	\$331,885	(\$3,175)	\$328,710	\$0	\$328,710	\$0	\$328,710
3 Depreciation	54,404	7,606	62,010	0	62,010	0	62,010
4 Amortization	0	0	0	0	0		0
5 Taxes Other Than Income	45,721	5,432	51,153	(8,490)	42,663	7,635	50,299
6 Income Taxes	<u>(32,463)</u>	<u>67,036</u>	<u>34,573</u>	<u>(74,717)</u>	<u>(40,144)</u>	<u>60,976</u>	<u>20,832</u>
7 Total Operating Expense	<u>\$399,547</u>	<u>\$76,899</u>	<u>\$476,446</u>	<u>(\$83,207)</u>	<u>\$393,239</u>	<u>\$68,611</u>	<u>\$461,851</u>
8 Operating Income	<u>(\$7,848)</u>	<u>\$75,487</u>	<u>\$67,639</u>	<u>(\$105,456)</u>	<u>\$(37,817)</u>	<u>\$101,065</u>	<u>\$63,247</u>
9 Rate Base	<u>\$1,311,398</u>		<u>\$808,850</u>		<u>\$808,850</u>		<u>\$808,850</u>
10 Rate of Return	<u>(0.60%)</u>		<u>8.36%</u>		<u>(4.68%)</u>		<u>7.82%</u>

Utilities, Inc. of Pennbrooke Statement of Wastewater Operations Test Year Ended 12/31/08						Schedule No. 3-B Docket No. 090392-WS	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$417,902</u>	<u>\$163,203</u>	<u>\$581,105</u>	<u>(\$201,514)</u>	<u>\$379,591</u>	<u>\$189,766</u> 49.99%	<u>\$569,357</u>
Operating Expenses							
2 Operation & Maintenance	\$330,973	(\$2,703)	\$328,270	(\$884)	\$327,386	\$0	\$327,386
3 Depreciation	54,860	15,635	70,495	0	70,495	0	70,495
4 Amortization	0	0	0	0	0	0	0
5 Taxes Other Than Income	38,918	9,933	48,851	(9,068)	39,783	8,539	48,322
6 Income Taxes	<u>(27,633)</u>	<u>62,040</u>	<u>34,407</u>	<u>(72,089)</u>	<u>(37,682)</u>	<u>68,196</u>	<u>30,513</u>
7 Total Operating Expense	<u>\$397,118</u>	<u>\$84,905</u>	<u>\$482,023</u>	<u>(\$82,041)</u>	<u>\$399,982</u>	<u>\$76,735</u>	<u>\$476,717</u>
8 Operating Income	<u>\$20,784</u>	<u>\$78,298</u>	<u>\$99,082</u>	<u>(\$119,473)</u>	<u>(\$20,391)</u>	<u>\$113,031</u>	<u>\$92,640</u>
9 Rate Base	<u>\$1,002,011</u>		<u>\$1,184,862</u>		<u>\$1,184,751</u>		<u>\$1,184,751</u>
10 Rate of Return	<u>2.07%</u>		<u>8.36%</u>		<u>(1.72)%</u>		<u>7.82%</u>

Utilities, Inc. of Pennbrooke		Schedule 3-C	
Adjustments to Operating Income		Docket No. 090392-WS	
Test Year Ended 12/31/08			
Explanation	Water	Wastewater	
<u>Operating Revenues</u>			
Remove requested final revenue increase.	<u>(\$188,663)</u>	<u>(\$201,514)</u>	
<u>Operation and Maintenance Expense</u>			
To remove non-used and useful adjustment.	<u>\$0</u>	<u>(\$884)</u>	
<u>Taxes Other Than Income</u>			
RAFs on revenue adjustments above.	<u>(\$8,490)</u>	<u>(\$9,068)</u>	
<u>Income Taxes</u>			
To reflect the appropriate income taxes.	<u>(\$74,717)</u>	<u>(\$72,089)</u>	

Utilities, Inc. of Pennbrooke Water Monthly Service Rates Test Year Ended 12/31/08			Schedule No. 4-A Docket No. 090392-WS		
	Test Year Rates	Present Rates	Utility Requested Interim	Utility Requested Final	Staff Recomm. Interim
Residential, General Service, Bulk Sales, and Multi-Family					
Base Facility Charge by Meter Size:					
5/8" x 3/4"	\$5.08	\$5.20	\$7.82	\$8.87	\$7.51
1"	\$12.70	\$12.99	\$19.55	\$22.15	\$18.78
1-1/2"	\$25.39	\$25.97	\$39.08	\$44.29	\$37.54
2"	\$40.62	\$41.55	\$62.52	\$70.86	\$60.05
3"	\$81.24	\$83.10	\$125.03	\$141.72	\$120.11
4"	\$126.93	\$129.84	\$195.36	\$221.43	\$187.66
<u>Gallonge Charge, per 1,000 Gallons</u>					
GS-Gallonge Charge	\$1.83	\$1.87	\$2.81	\$3.19	\$2.71
RS-Gallonge Charge, 0-10,000 gallons	\$1.72	\$1.76	\$2.65	\$3.00	\$2.54
RS-Gallonge Charge, over 10,000 gallons	\$2.15	\$2.20	\$3.31	\$3.75	\$3.18
<u>Irrigation</u>					
Base Facility Charge by Meter Size:					
5/8" x 3/4"	\$5.08	\$5.20	\$7.82	\$8.87	\$7.51
2"	\$40.62	\$41.55	\$62.52	\$70.86	\$60.05
3"	\$81.24	\$83.10	\$125.03	\$141.72	\$120.11
4"	\$126.93	\$129.84	\$195.36	\$221.43	\$187.66
<u>Gallonge Charge, per 1,000 Gallons</u>					
GS-Gallonge Charge	\$1.83	\$1.87	\$2.81	\$3.19	\$2.71
RS-Gallonge Charge, 0-10,000 gallons	\$1.72	\$1.76	\$2.65	\$3.00	\$2.54
RS-Gallonge Charge, over 10,000 gallons	\$2.15	\$2.20	\$3.31	\$3.75	\$3.18
<u>Typical Residential Bills 5/8" x 3/4" Meter</u>					
3,000 Gallons	\$10.24	\$10.48	\$15.77	\$17.87	\$15.14
5,000 Gallons	\$13.68	\$14.00	\$21.07	\$23.87	\$20.23
10,000 Gallons	\$22.28	\$22.80	\$34.32	\$38.87	\$32.94

Utilities, Inc. of Pennbrooke Wastewater Monthly Service Rates Test Year Ended 12/31/08			SCHEDULE NO. 4-B Docket No. 090392-WS		
	Test Year Rates	Present Rates	Utility Requested Interim	Utility Requested Final	Staff Recomm. Interim
<u>Residential</u>					
Base Facility Charge All Meter Sizes:	\$11.21	\$11.47	\$17.02	\$17.25	\$16.82
Gallage Charge - Per 1,000 gallons (6,000 gallon cap)	\$3.49	\$3.57	\$5.30	\$5.37	\$5.24
<u>General Service</u>					
Base Facility Charge by Meter Size:					
5/8" x 3/4"	\$11.21	\$11.47	\$17.02	\$17.25	\$16.82
1"	\$28.04	\$28.69	\$42.56	\$43.14	\$42.08
1-1/2"	\$56.07	\$57.37	\$85.11	\$86.26	\$84.15
2"	\$89.70	\$91.77	\$136.14	\$137.98	\$134.62
3"	\$179.41	\$183.55	\$272.30	\$275.98	\$269.26
4"	\$280.33	\$286.81	\$425.48	\$431.24	\$420.72
Gallage Charge, per 1,000 Gallons	\$4.19	\$4.29	\$6.36	\$6.45	\$6.29
<u>Reuse</u>					
Gallage Charge, per 1,000 Gallons	\$0.09	\$0.09	\$0.09	\$0.09	\$0.14
<u>Typical Residential Bills 5/8" x 3/4" Meter</u>					
3,000 Gallons	\$21.68	\$22.18	\$32.92	\$33.36	\$32.54
5,000 Gallons	\$28.66	\$29.32	\$43.52	\$44.10	\$43.01
10,000 Gallons (Wastewater Gallage Cap - 6,000 Gallons)	\$32.15	\$32.89	\$48.82	\$49.47	\$48.25