GATLIN, SCHIEFELBEIN & COWDERY, P.A.

Attorneys at Law



The Mahan Station 1709-D Mahan Drive Tallahassee, Florida 32308

B. KENNETH GATLIN WAYNE L. SCHIEFELBEIN KATHRYN G.W. COWDERY

TELEPHONE (904) 877-5609 TELECOPIER (904) 877-9031 E-MAIL: bkgatlin@nettally.com

January 24, 1997

HAND DELIVERY

Ms. Blanca S. Bayo, Director Division of Records and Reporting Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-1850

Docket No. 951056-WS Application by PALM COAST UTILITY CORPORATION for a rate increase in Flagler County, Florida

Dear Ms. Bayo:

DAE OMU

closures

Enclosed for filing on behalf of Palm Coast Utility Corporation in the above docket are an original and fifteen copies of:

1) Amended Motion for Reconsideration or, Alternatively, Motion to Correct Computational Errors; and $\frac{6969-97-1/24497}{1}$

Request for Oral Argument. - 2770- 377 2)

Please acknowledge receipt of the foregoing by stamping the enclosed extra copy of this letter and returning same to my attention. Thank you for your assistance. AFA _

Very truly yours, APP ____

B. Kenneth Gatlin

00969-97



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for rate)	Docket No. 951056-WS
increase in Flagler County by)	
PALM COAST UTILITY CORPORATION)	Filed: January 24, 1997

AMENDED MOTION FOR RECONSIDERATION OR, ALTERNATIVELY, MOTION TO CORRECT COMPUTATIONAL ERRORS

Palm Coast Utility Corporation (PCUC), files this its amended motion for reconsideration of Order No. PSC-96-1338-FOF-WS (the Order), or, alternatively, motion to correct computational errors, for the purpose of calling to the Commission's attention significant staff computational errors not addressed in PCUC's original Motion for Reconsideration, and states:

RECONSIDERATION

- 1. This amended motion for reconsideration is filed pursuant to Rule 25-22.035(3), F.A.C., and Rule 1.190, Fla.R.Civ.P.
- 2. PCUC realleges each and every allegation in its motion for reconsideration, filed herein on November 22, 1996.

PCUC has discovered an additional set of staff

computational errors which have a substantial impact on the ACK ___ financial integrity of PCUC, by understating water rate base by AFA _ APP \$2,454,294, water revenue requirement by \$301,373, and wastewater CAF ___revenue requirement by \$113,861. CMU ____ Commission staff developed certain schedules and 4. CTR _ EAG __ - workpapers after the agenda conference so that the Order would LEG ightharpoonup correctly reflect the Commission's decision. PCUC has further OPC __examined those voluminous staff workpapers, which were made RCH available to PCUC after the Order was issued, and discovered the

following substantial errors:

- a. Schedule 1-A, Schedule of Water Rate Base (Order at p. 102) at line 3 of the far right column shows \$(19,067,314) as the Non-Used & Useful Components for the Commission Adjusted Average Test Year. (See Att. A1)
- b. That figure is supported by schedules in Staff's electronic spreadsheet pcucfin.wk3. Schedule A-7 of electronic spreadsheet pcucfin.wk3 is the Non-Used and Useful Summary. It shows the non-used and useful adjustments for Water Plant and Water Accumulated Depreciation to be \$(29,279,207) and \$8,669,753, respectively, and shows the total non-used and useful adjustment for water rate base to be \$(19,067,314), in agreement with Schedule 1-A of the Order. (See Att. A2)
- c. Supporting Schedule A-7 is an unnumbered schedule in electronic spreadsheet pcucfin.wk3 entitled "PLANT, ETC & USED AND USEFUL ADJUSTMENTS" for WATER UTILITY PLANT ACCOUNTS. (See Att. A3) The source for the non-used and useful adjustments to water plant and accumulated depreciation in Schedule A-7 is the line labeled TOTALS-WATER in the columns labeled NON-U/U Adj. to Plant and NON-U/U Adj. to Acc. Depr. Those totals are the sums of the six rows immediately above the totals and are reproduced here:

	NON-U/U Adj. to Plant	NON-U/U Adj. to <u>Acc. Depr.</u>
INTANGIBLE PLANT	0	0
SOURCE OF SUPPLY & PUMPING	\$2,614,143	\$1,116,112

	=========	========
TOTALS - WATER	\$29,279,207	\$8,669,753
OTHER	2,580,944	89,797
GENERAL PLANT	2,660,042	118,684
TRANSMISSION & DI	STRIBUTION 19,450,204	6,788,497
WATER TREATMENT P	PLANT 1,973,874	556,664

- d. The above totals by plant groupings are supposed to equal the sum of the primary account totals preceding them in Att. A3. THEY DO NOT. The totals in GENERAL PLANT actually equal the sum of the GENERAL PLANT accounts plus the OTHER accounts. That is, the amounts in the OTHER accounts are added twice, such that the total non-used adjustments are overstated by \$2,580,944 for water plant and \$89,797 for water accumulated depreciation. These errors occurred because the formulas used to determine the GENERAL PLANT totals erroneously add both GENERAL PLANT accounts and OTHER accounts, instead of just GENERAL PLANT accounts. This is not an obvious error that would be noticed in the normal course of reviewing a staff worksheet for the purpose of determining whether it reflects the Commission's vote on used and useful methodology.
- e. The corrected totals for water plant and accumulated depreciation are \$(26,698,263) and \$8,579,956, respectively. (See Att. A4) The corrected total non-used and useful adjustment for water rate base is \$(16,576,167). See corrected Schedule A-7. (Att. A5)
- 5. The mathematical errors result in an understated water rate base of \$2,454,294, understated water revenue requirement of \$301,373 and understated wastewater revenue requirement of \$13,861.

(See Att. A8 & A9) These understatements reflect not only the correction of the mathematical errors in non-used and useful adjustments to water plant and accumulated depreciation, but also the resulting fallout changes to the used water debit deferred taxes component of rate base and the cost of capital. The used water debit deferred taxes is a function of used water plant. The cost of capital, which is used to determine the return on both water and wastewater rate base, increased from 7.90% to 8.10% because the Commission found that the ITC component of capital should be specific and not be adjusted to rate base on a pro rata basis [Order at page 55]. Corrected schedules are included as follows:

- Att. A6 corrected Schedule 1-A, Water Rate Base
- Att. A7 corrected Schedule 2, Capital Structure
- Att. A8 corrected Schedule 3-A, Statement of Water Operations (including a summary of the impact of the computational errors)
- Att. A9- corrected Schedule 3-B, Statement of Wastewater Operations (including a summary of the impact of the computational errors)
- 6. Accordingly, PCUC requests that the Commission allow and grant this amended motion for reconsideration in furtherance of justice, and that the Commission's final order reflect the corrections.

ALTERNATIVE MOTION TO CORRECT COMPUTATIONAL ERRORS

7. Given the continued pendency of PCUC's original Motion for Reconsideration, there is no question that the Order remains under the control of the Commission.

- 8. The Commission has the inherent power to reconsider or amend "final" orders still under its control. The exercise of this power is particularly appropriate where mistake or inadvertence is shown.
- 9. PCUC has hereinabove clearly shown mistake or inadvertence in the above computational errors, which result in a substantial understatement of water rate base and water revenue requirement. The extent of these errors should be deemed an extraordinary circumstance warranting corrections in the rate base, cost of capital, revenue requirement and rates established by the Order.

WHEREFORE, Palm Coast Utility Corporation hereby requests the Commission to reconsider or correct its decisions on the foregoing issues, and adjust rates accordingly.

DATED this 24th day of January, 1997.

Respectfully submitted,

B. Kenneth Gatlin

Gatlin, Schiefelbein & Cowdery, P.A.

1709-D Mahan Drive

Tallahassee, Florida 32308

(904) 877-5609

Attorneys for PALM COAST UTILITY CORPORATION

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by hand delivery to Ms. Bobbie Reyes, Esquire, Division of Legal Services, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0850, to Mr. Stephen C. Reilly, Associate Public Counsel, Office of Public Counsel, Claude Pepper Building, Room 812, 111 West Madison Street, Tallahassee, Florida 32399-1400, and to Mr. Richard Melson, Esquire, Hopping Green Sams & Smith, 123 South Calhoun Street, Tallahassee, Florida 32314, and by U.S. Mail to Mr. Albert J. Hadeed, County Attorney, 1200 East Moody Boulevard, #11, Bunnell, Florida 32110-9764, and to Mr. Arthur L. Sirkin, c/o County Attorney, 1200 East Moody Blvd., #11, Bunnell, Florida 32110, on this 24th day of January, 1997.

B. Kenneth Gatlin

AMENDED MOTION FOR RECONSIDERATION OR ALTERNATIVELY MOTION TO CORRECT COMPUTATIONAL ERRORS

ATTACHMENTS

ATT. NO.	Description Schedule A-1, Schedule of Water Rate Base from
	Order No. PSC-96-1338-FOF-WS at page 102. Uncorrected
A2	Schedule A-7 of Staff electronic spreadsheet pcucfin.wk3, Non-Used and Useful Summary. Uncorrected
А3	Unnumbered schedule of Staff electronic spreadsheet pcucfin.wk3 Plant, Etc. & Used and Useful Adjustments for Water Utility Plant Accounts. <u>Uncorrected</u>
A4	Unnumbered schedule of Staff electronic spreadsheet pcucfin.wk3 Plant, Etc. & Used and Useful Adjustments for Water Utility Plant Accounts. Corrected
A5	Schedule A-7 of Staff electronic spreadsheet pcucfin.wk3 Non-Used and Useful Summary. Corrected
A 6	Schedule A-1, from Order No. PSC-96-1338-FOF-WS at page 102. Corrected
A7	Schedule No.2, Capital Structure, from Order No. PSC-96-1338-FOF-WS. Corrected
A8	Schedule No.3-A, Statement of Water Operations, from Order No. PSC-96-1338-FOF-WS. Corrected. Includes a summary of the impact of the computational errors.
А9	Schedule No.3-B, Statement of Wastewater Operations, rom Order No. PSC-96-1338-FOF-WS. Corrected. Includes a summary of the impact of the computational errors.

ORDER NO. PSC-96-1338-FOF-WS

DOCKET NO. 951056-WS

PAGE 102

PALM COAST UTILITY CORPORATION SCHEDULE NO. 1-A SCHEDULE OF WATER RATE BASE DOCKET NO. 951056-WS TEST YEAR ENDED 12/31/95 TEST YEAR COMMISSION ADJ **ADJUSTED** UTILITY PER UTILITY **TEST YEAR** COMMISSION **AVERAGE** COMPONENT YEAR-END **ADJUSTMENTS** PER UTILITY ADJUSTMENTS TEST YEAR 1 UTILITY PLANT IN SERVICE 63,505,519 (2,128,199)\$ 61,377,320 (1,089,914)60,287,406 2 LAND & LAND RIGHTS 504,632 0 504,632 0 504,632 3 NON-USED & USEFUL COMPONENTS (8,602,553) ٥ (8,602,553) (10,464,761)(19,067,314) 4 CWIP 3,992,210 (3.992,210)0 0 5 ACCUMULATED DEPRECIATION (20,996,438)1,074,065 (19,922,373) 938,154 (18,984,219) 6 CIAC (16,390,083) (16,390,083) 1,027,079 (15,363,004) 7 AMORTIZATION OF CIAC 3,241,580 0 3,241,580 (246,931) 2,994,649 8 NET DEBIT DEFERRED TAXES (USED) 1,119,911 1,119,911 0 (482,849)637,062 0 0 0 10 ADVANCES FOR CONSTRUCTION (2,672,139)2,672,139 0 0 11 WORKING CAPITAL ALLOWANCE 0 0 0 ٥ 12 OTHER 0 0 ٥ 0 ٥ **RATE BASE** 23,702,639 (2,374,205)\$ 21,328,434 (10,319,222)11,009,212 ----------

DALM COAST UTILITY CORR	Cabad A 7			
PALM COAST UTILITY CORP	Sched A-7	AL COLUMNIT	AD ILICT	
NON-USED AND USEFUL SUMMARY	AMOUNT	AMOUNT	ADJUST	
İ	PER	PER	PER	
WATER	UTILITY	STAFF	STAFF	
PLANT	(13,615,786)	(20 270 207)	(15,663,421)	
- 	, , , ,			
LAND	0	0	0	
ACCUMULATED DEPRECIATION	3,896,893	8,669,753	4,772,860.	
ICIAC	1,319,118	1,899,848	580,730	
ACCUMULATED AMORT CIAC	(202,778)	(357,709)	(154,931)	
1' '	· · · · · · · · · · · · · · · · · · ·			
ADVANCES FOR CONSTRUCTION	0	0	0	
OTHER	_ 0	0	0	
	*			
TOTAL NON-USED AND USEFUL	18 602 5531	(19,067,314)	(10 464 761)	
ווטואב מטומיים מפני מאט שמפריטוב	[0,002,553]	(19,001,014)	(10,404,701)	
NON-USED AND USEFUL DEPR EXP	296,334	664,949	368,6158	3ch b13,p1,col9,line 49
NON-USED AND USEFUL AMORT EXP	30,675	60,548	29,873 9	Sch b13,p1,col9,line 50
NET ADJUSTMENT-WATER	(265,659)	(604,401)	(338,742)	
THE TROOPINETT WATER	1200,0007	1001,1017	100011 121	
DOODEDTY TAY EVENUE OF OCCUPANT AND	000000	000000	^	
PROPERTY TAX EXPENSE-GROSS (Sch B-15)	290000	290000 _	0	
Ratio of non-used plant to total (per staff)		48.16%		
Non-used property tax	31352	139,672	(108,320)	
110.1 0000 11000 17 1	• • • • • • • • • • • • • • • • • • • •		(
WASTEWATER				
PLANT	(20 225 560)	(31,106,873)	(10 881 304)	
p = - · ·		•		
LAND	0	0	0	
ACCUMULATED DEPRECIATION	6,759,615	10,250,580	3,490,965	
CIAC	43,537,577	43,599,174	61,597	
1 = r · =			•	
ACCUMULATED AMORT CIAC	(11,299,063)	(10,895,217)	403,846	
ADVANCES FOR CONSTRUCTION	0	0	0	
OTHER	0	0	0	
TOTAL NON-USED AND USEFUL	18,772,560	11,847,664	(6,924,896)	
		1110111007	10,02 1,000	
NON HOED AND HOEFILL DEED EVE	FAT 44 :	000.50	044.00=	
NON-USED AND USEFUL DEPR EXP	587,624	932,521	344,897	
NON-USED AND USEFUL AMORT EXP	1,060,447	1,094,039	33,592	
NET ADJUSTMENT-WASTEWATER	472,823	161,519	(311,304)	
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PROPERTY TAX EXPENSE-GROSS (Sch B-15)				
I HOLEHT TAX EXITENSE GHOSS (SCH B - 15)	210,000	210000_	0	
Ratio of non-used plant to total (per staff)	210,000	210000 <u> </u>	0	
Ratio of non-used plant to total (per staff)	_	56.47%		
	210,000 66,329		(52,267)	

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LANT, E	ETG & USED AND USEFU	L ADJUSTM	ENTS		COR	RECTED														
WATER	UTILITY PLANT ACCOUN	Year End	13-Mo Avg	STAFF	13-Mo Avg			3-Mo Avis									NET PLAN			
CCT.		Per MFRs	Recom.	Specifie	Adjusted	Rates Par	Acs Depr Per MFRsf		STAFF pecific A		DeprExp PerMFRsi		STAFF Recom.	STAFF Adjusted	NON-U/UN				NON−U/U Adjto	
NO.	ACCOUNT NAME	SCH A-5	Adustme <u>r</u> A	kdjustme r	Balance	MFR:	SCH A-9	∖d <u>iustme</u> nAd	ljustme ni	3 alance	Sch B - 13	3th mth a	Adjustme	n Balance	MR	MR	RESERVE	Plant	Acc. Depr	depr exp
	TANGBLE PLANT																			
	rganization ranchises	8,130	0	0	6,130	3.33%	4,225	(102)	0	4,123	204	0	0		0	. 0	NA.	NA	NA	N
	rancrises ther Plant & Misc.	2,684 228,345	•	0	2,664 207,527	3.15% 5.77%	2,136 134,872	(858) (5,982)	0	1,278	84 13.176	0 (1,201)	0		0	NA NA	NA NA	NA NA	NA NA	N
	OURCEOF SUPPLY& PU	MPING	(20,010)	·	207,027	0.77 %	154,072	(5,962)	·	120,030	13,176	(1,201)		11,8//5	U	NA	NA	NA	NA	N
	end and Land Rights	123,422	0	0	123,422	NA	263	0	0	263	0	0	0	0	0.00%	0.00%	0	0	0	
	tructures and improvements	105,208	0	0		3.07%	47,379	(1,608)	0	45,771	3,228	0	C	-,	35.43%	40.19%	2,829	37,275		1,14
	to flecting and impounding ake River and Other intakes	0	0	0	0	0.00%	0	0	0	0	0	0	9	•	0.00%	0.00%	0	0	0	
	Wells and Springs	4,781,730		ő	•	4.89%	2.188.918	(116,261)	0	2,072,657	232,644	(6,499)	0		0.00% 35.43%	0.00% 40.19%	121,668	1,639,949	734.342	80,1
	ritration Gelleries	0	o o	ó	0	0.00%	0	(110,231)	ŏ	0	0	(0,404)	č		0.00%	0.00%	121,008	1,000,000	0,042	60,1
	upply Mains	2,191,871	0	0	2, ,	2.86%	826,711	(31,308)	0	795,403	62,616	0	c	62,616	35.43%	40.19%	66,472	776,580	281,811	22,1
	ower Generation Equipment tumping Equipment	0 378.829	0	0	•	0.00%	0	0	0	0	0	0	C		0.00%	0.00%	0	0	0	
339.2 0	omprigeograpment SherPlant & Miss.	378,829 95,961	0	0		5.00% 10.00%	218,809 44,109	(9,469) (4.800)	0	209,340 39,309	18,936 9,600	0	C		33.35% 35.43%	38.26% 40.19%	8,322 2,697	126,336 33,999		6,3 3,4
	VATER TREATMENT PLAN	т спос.	•	•	•4,501		44,108	(4,804)	•	39,308	₹,000	U	,	8,000	35.43%	40.19%	2,097	33,999	12,927	3,4
	and& LandRights	280,476	0	0	280,476	NA	27	0	0	27	0	0	c		0.00%	0.00%	0	0	0	
	tructures & Improvements	3,945,088	0	0		3.03%	700,248	(59,770)	0	640,478	119,580	0	C		0.00%	0.00%	0	0	0	
	Veter Treetment Eq. Other Plant & Mac.	9,447,104		0		5.06%		(221,120)	0	2,623,297	478,236	(7,348)	•		21.22%	23.36%	142,923			
	RANSMISSION & DISTRE		0	0	0	4.00%	0	0	0	0	0	0	C) 0	0.00%	0.00%	0	0	0	
	and & Land Rights	100,734	0	0	100,734	NA	4	0		4	٥	٥			0.00%	0.00%				
	ituatues & Improvements	5,499	0	0	5,499	3.06%	2,672	(84)	0	2,588	168	ō		168	0.00%	0.00%	0	0	. 0	
	distribution Reservoirs	1,969,660		0		2.67%	673,453	(26,310)	0	647,143	52,620	0			0.00%	0.00%	0	c		
	ransmission and Distribution M Idvanced Mains —Beachside		(211,385)	_	25,898,061	2.30%		(300,919)	0	9.099,553	601,668	(4,872)	(75.38%		19,051,732		
	kavancea Mains⊸peachskas Novembed Mains⊶P.C	1,095,156 36799	(43,115)	0		2.20%	113,536	12,048 426	0	125,584	24,096 852	(949)	, (0.00%	0.00%	0	0	-	
	Service s	1,140,496	-			2.36%	257,836	(13,384)	0	4,299 244,452	26,916	(2,483)			0.00% 26.30%	0.00% 31.35%	39,936			
334.4 N	Aeters and Meter Installations	2,364,999		ŏ		4.78%	717.383	(56,429)	ő	660.954	113,124	(7,241)				0.00%	35,330	2/2,2/3	04,231	. 0,-
335,4 F	fydrents	2,515,589		Ō		2.21%		(27,516)	ō	574,894	55,500	(1,542)				5,16%	ŏ	126,197	29,665	2,
	Other Plant & Miss.	0	0	0	• 0	4.00%	0	o	0	0	0	0	(0.00%	0.00%	0	C	0	
	BENERAL PLANT	_	_	_	_															
	end& LandRights Structures& Improvements	0 529,769		0	-	NA 2.47%	0 136,640	0	0	0	13,103	0			9.02%	0 13.20%	0	47,785	11,734	
	office Furniture & Equipment	387,772				7.67%		(6,550) (9,547)	0	130,090 190,164	29,761	(3,117)	. (13.20%	16,707 6,562			
	reneportetion Equipment	673,147				11,73%	493,774	(39,733)	ŏ	454,041	78,946	(6,792)			0.00%	0.00%	NA.	0.,0.0		
	Stores Equipment	6,007		0	6,026	4.08%	4,154	(104)	0	4,050	245	1	(0.00%	0.00%	NA	Č	0	
	ools, Shop & Garage	187,372		0		4.69%	70,028	(4,336)	0	65,692	8,795	(1,349)			0.00%	0.00%	NA	C		
	aboratory Equipment	20,566		0		6.80%		(541)	0	9,373	1,398	11			0.00%	0.00%	NA	9		
	Power Operated Equipment Dommunication Equipment	251,825 52,483		0		5.61% 7.63%		(2,943)	0	89,463 34,292	13,874 4,003	(2,31 8) 0			0.00%	0.00%	NA NA		-	
	discellaneous Fruinment	1,514		č		0.00%		(2,001)	0	1,427	4,000	ő	ì		0.00%	0.00%	NA.		-	
	Other Tangible Plant	0		Č		0.00%		ō	ō	0	ō	ō		o o	NA	NA	NA		0	
	Undistrituted Plant	0	246,612	C	246,612	0.00%	. 0	0	0	0	0	0	(0	NA	NA	NA		0	
	OTHER .		_	_							_			_						
	Future Use Plant Advanced Property	196,151 2,672,139			,	0.00%		(4,476)	0	89,797 0	0	0				100.00%	0	,		
107 7	data ced Property	2,0/2,138	(207,340)	•	2,304,793	0.00%		·	U	v	v	v		, ,	100.00%	100.00%	·	2,304,730	, ,	
ŧ	NTANGBLE PLANT	237,139	(20,818)		216,321		141,233	(6,942)	0	134,291	13464	-1201.24		12,263	NA			(0	
	SOURCE OF SUPPLY & PUMP	N: 7,657,021	(133,028)				3,326,189		٥	3,162,743	327024		4					2,614,143		
	WATER TREATMENT PLANT	13,672,668			13,527,514		3,544,692	(280,890)	0	3,263,802	597,816			590,468				1,973,874		
	TRANSMISSION & DISTRIBUTI BENERAL PLANT	0135,336,378 2,110,455			34,755,350		11,771,639	(412,168) (70,232)	0	11,359,471 974,115	874,944 150,125				3.62%			79,098		
	OTHER	2,110,465			2.580.944		94,273	(4.476)	0	89,797	130,123	(13,304)			100.00%			2.580.944		
	TOTALS - WATER		(1,089,914)		60,792,037		19,922,373	(938,154)	ŏ	18,984,219	1.963.373	(45,700)		1,917,673				26,698,263		664.5
		01,001,001	(1,000,01.4				10,0	(000,000,000,000,000,000,000,000,000,00				,								
1	IMPUTATION OF CIAC ON	I MARGIN R		Weter Treatment	L	T&D Mains	Total						RATIO OF	NON - USED	& USEFUL PL	ANT TO PL	ANT	43.92%		
	Service Availability Charge (PC	C or MEF)		592	2	908														
21	ERCs included in MR (Note 1) SAC * ERCs in MR (Line 1*Lhe	-		<u>1.183</u> 700.05		767 696.617														
ı	Net plant included as a resulto	MR																		
4.5	Source Supply & Pumping			201,98																
	Water Treetment			142,92																
	Total WaterTreatment I&D Plant less Meters			344,91	l.	343,95														
	Amount of GIAC to Impute (Lor	ver of thes 3 c	or 4)	344,911		243,953	-													
	O	- 4 - 6 - 6 - 6 - 6	2.52	2 400		4 400														
	Composite CIAC Amortization r Amortization Expanse (CIAC * r		3 pzj	3,199 10,992		3.19% 10.962														

Attachment No. 1233

PALM COAST UTILITY CORP NON-USED AND USEFUL SUMMARY	Sched A-7 AMOUNT	AMOUNT	ADJUST	
With Table 1	PER	PER	PER	
WATER [CORRECTED	UTILITY	STAFF	STAFF	
PLANT	(13,615,786)	(26,698,263)	(13,082,477)	
LAND	0	0	0	
ACCUMULATED DEPRECIATION	3,896,893	8,579,956	4,683,063	
CIAC	1,319,118	1,899,848	580,730	
ACCUMULATED AMORT CIAC	(202,778)	(357,709)	(154,931)	
ADVANCES FOR CONSTRUCTION	0	0	0	
OTHER	0	0	0	
TOTAL NON-USED AND USEFUL	(8,602,553)	(16,576,167)	(7,973,614)	
NON-USED AND USEFUL DEPR EXP	296,334	664,949	368,615S	ch b13,p1,col9,lin
NON-USED AND USEFUL AMORT EXP	30,675	60,548	29,873 S	ch b13,p1,col9,lir
NET ADJUSTMENT-WATER	(265,659)	(604,401)	(338,742)	
PROPERTY TAX EXPENSE-GROSS (Sch B-15)	290000	290000	0	
Ratio of non-used plant to total (per staff)		43.92%	***************************************	
Non-used property tax	31352	127,360	(96,008)	
WASTEWATER				
WASTEWATER PLANT	(20,225,569)	(31,106,873)	(10,881,304)	
	(20,225,569) 0	(31,106,873) 0	(10,881,304) 0	
PLANT	0			
PLANT LAND	0	0	0	
PLANT LAND ACCUMULATED DEPRECIATION	0 6,759,615 43,537,577	0 10,250,580	0 3,490,965	
PLANT LAND ACCUMULATED DEPRECIATION CIAC	0 6,759,615 43,537,577	0 10,250,580 43,599,174 (10,895,217) 0	0 3,490,965 61,597 403,846 0	
PLANT LAND ACCUMULATED DEPRECIATION CIAC ACCUMULATED AMORT CIAC	0 6,759,615 43,537,577 (11,299,063)	0 10,250,580 43,599,174 (10,895,217)	0 3,490,965 61,597 403,846	
PLANT LAND ACCUMULATED DEPRECIATION CIAC ACCUMULATED AMORT CIAC ADVANCES FOR CONSTRUCTION	0 6,759,615 43,537,577 (11,299,063) 0	0 10,250,580 43,599,174 (10,895,217) 0	0 3,490,965 61,597 403,846 0	
PLANT LAND ACCUMULATED DEPRECIATION CIAC ACCUMULATED AMORT CIAC ADVANCES FOR CONSTRUCTION OTHER	0 6,759,615 43,537,577 (11,299,063) 0	0 10,250,580 43,599,174 (10,895,217) 0 0	0 3,490,965 61,597 403,846 0	
PLANT LAND ACCUMULATED DEPRECIATION CIAC ACCUMULATED AMORT CIAC ADVANCES FOR CONSTRUCTION OTHER TOTAL NON-USED AND USEFUL	0 6,759,615 43,537,577 (11,299,063) 0 0 18,772,560 587,624 1,060,447	0 10,250,580 43,599,174 (10,895,217) 0 0 11,847,664 932,521 1,094,039	0 3,490,965 61,597 403,846 0 0 (6,924,896) 344,897 33,592	
PLANT LAND ACCUMULATED DEPRECIATION CIAC ACCUMULATED AMORT CIAC ACCUMULATED AMORT CIAC ADVANCES FOR CONSTRUCTION OTHER TOTAL NON-USED AND USEFUL NON-USED AND USEFUL	0 6,759,615 43,537,577 (11,299,063) 0 0 18,772,560 587,624	0 10,250,580 43,599,174 (10,895,217) 0 0 11,847,664 932,521	0 3,490,965 61,597 403,846 0 0 (6,924,896)	
PLANT LAND ACCUMULATED DEPRECIATION CIAC ACCUMULATED AMORT CIAC ADVANCES FOR CONSTRUCTION OTHER TOTAL NON-USED AND USEFUL NON-USED AND USEFUL DEPR EXP NON-USED AND USEFUL AMORT EXP NET ADJUSTMENT-WASTEWATER	0 6,759,615 43,537,577 (11,299,063) 0 0 18,772,560 587,624 1,060,447 472,823	0 10,250,580 43,599,174 (10,895,217) 0 0 11,847,664 932,521 1,094,039 161,519	0 3,490,965 61,597 403,846 0 0 (6,924,896) 344,897 33,592 (311,304)	
PLANT LAND ACCUMULATED DEPRECIATION CIAC ACCUMULATED AMORT CIAC ADVANCES FOR CONSTRUCTION OTHER TOTAL NON-USED AND USEFUL NON-USED AND USEFUL DEPR EXP NON-USED AND USEFUL AMORT EXP NET ADJUSTMENT-WASTEWATER PROPERTY TAX EXPENSE-GROSS (Sch B-15)	0 6,759,615 43,537,577 (11,299,063) 0 0 18,772,560 587,624 1,060,447	0 10,250,580 43,599,174 (10,895,217) 0 0 11,847,664 932,521 1,094,039 161,519	0 3,490,965 61,597 403,846 0 0 (6,924,896) 344,897 33,592	
PLANT LAND ACCUMULATED DEPRECIATION CIAC ACCUMULATED AMORT CIAC ADVANCES FOR CONSTRUCTION OTHER TOTAL NON-USED AND USEFUL NON-USED AND USEFUL DEPR EXP NON-USED AND USEFUL AMORT EXP NON-USED AND USEFUL AMORT EXP NET ADJUSTMENT-WASTEWATER	0 6,759,615 43,537,577 (11,299,063) 0 0 18,772,560 587,624 1,060,447 472,823	0 10,250,580 43,599,174 (10,895,217) 0 0 11,847,664 932,521 1,094,039 161,519	0 3,490,965 61,597 403,846 0 0 (6,924,896) 344,897 33,592 (311,304)	

SCHEDULE NO. 1-A DOCKET NO. 951056-WS

CORRECTED

COMPONENT	 TEST YEAR PER UTILITY YEAR-END A	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR PER UTILITY	COMMISSION ADJUSTMENTS	COMMISSION A AVERAGE TEST YEAR
1 UTILITY PLANT IN SERVICE	\$ 63,505,519\$	(2,128,199)\$	61,377,320 \$	(1,089,914)\$	60,287,406
2 LAND & LAND RIGHTS	504,632	0	504,632	0	504,632
3 NON-USED & USEFUL COMPONENTS	(8,602,553)	0	(8,602,553)	(7,973,614)	(16,576,167)
4 CWIP	3,992,210	(3,992,210)	0	0	0
5 ACCUMULATED DEPRECIATION	(20,996,438)	1,074,065	(19,922,373)	938,154	(18,984,219)
6 CIAC	(16,390,083)	0	(16,390,083)	1,027,079	(15,363,004)
7 AMORTIZATION OF CIAC	3,241,580	0	3,241,580	(246,931)	2,994,649
8 NET DEBIT DEFERRED TAXES (USED)	1,119,911	0	1,119,911	(519,702)	600,209
9	0	0	0	0	0
10 ADVANCES FOR CONSTRUCTION	(2,672,139)	2,672,139	0	0	0
11 WORKING CAPITAL ALLOWANCE	0	0	0	0	0
2 OTHER	0	0	0	0	0
RATE BASE	\$ 23,702,639 \$	(2,374,205)\$	21,328,434 \$	(7,864,928)\$	13,463,506

PALM COAST UTILITY CORPORATION CAPITAL STRUCTURE TEST YEAR ENDED 12/31/95

SCHEDULE NO. 2 DOCKET NO. 951056-WS

CORRECTED

			SPECIFIC ADJUSTMENTS	PRO RATA	CAPITAL RECONCILED TO RATE		COST	WEIGHTED
DESCRIPTION		CAPITAL	(EXPLAIN)	ADJUSTMENTS	BASE	RATIO	RATE	COST
PER UTILITY 1995 – YEAR-END								
1 LONG TERM DEBT	\$	12,125,000 \$	0 5	(643,582)\$	11,481,418	30.73%	7.24%	2.23%
2 SHORT-TERM DEBT		4,312,000	0	(228,876)	4,083,124	10.93%	7.73%	0.84%
3 PREFERRED STOCK		0	0	Ó	0	0.00%	0.00%	0.00%
4 COMMON EQUITY		20,265,735	0	(1,075,683)	19,190,052	51.37%	11.10%	5.70%
5 CUSTOMER DEPOSITS		485,000	0	(25,743)	459,257	1.23%	6.00%	0.07%
6 DEFERRED INCOME TAXES		0	0	0	0	0.00%	0.00%	0.00%
7 DEFERRED ITC'S-ZERO COST		2,266,072	0	(120,281)	2,145,791	5.74%	0.00%	0.00%
8 OTHER		<u>o</u>	<u>0</u>	0	<u>0</u>	0.00%	0.00%	0.00%
9 TOTAL CAPITAL	\$	39,453,807 \$	<u>o</u> :	\$ <u>(2,094,165</u>)\$	37,359,642	100.00%		8.85%
PER COMMISSION 1995 - 13-MC)N	TH AVERAGE						
10 LONG TERM DEBT	\$	12,557,692 \$	0 :	\$ (7,092,202)\$	5,465,490	29.31%	7.24%	2.12%
11 SHORT-TERM DEBT	•	3,668,231	0	(2,071,705)	1,596,526	8.56%	7.73%	0.66%
12 PREFERRED STOCK		0	0	Ó	0	0.00%	0.00%	0.00%
13 COMMON EQUITY		19,943,543	0	(11,263,506)	8,680,037	46.55%	11.10%	5.17%
14 CUSTOMER DEPOSITS		458,926	0	<u>0</u>	458,926	2.46%	6.00%	0.15%
15 DEFERRED INCOME TAXES		0	0	0	0	0.00%	0.00%	0.00%
15 DEFERRED ITC'S-ZERO COST		2,316,226	129,534	<u>0</u>	2,445,760	13.12%	0.00%	0.00%
16 OTHER		<u>o</u>	<u>0</u>	<u>0</u>	<u>0</u>	0.00%	0.00%	0.00%
17 TOTAL CAPITAL	\$	38,944,618 \$	129,534	\$ <u>(20,427,413</u>)\$	18,646,739	100.00%		8.10%
				RANGE OF REA	SONABLENESS	LOW	HIGH	
						40.40**	40.400/	
				RETURN ON E	QUITY	<u>10.10%</u>	<u>12.10%</u>	
				OVERALL RAT	E OF RETURN	7.63%	8.56%	

PALM COAST UTILITY CORPORATION STATEMENT OF WATER OPERATIONS TEST YEAR ENDED 12/31/95

CORRECTED

SCHEDULE NO. 3-A DOCKET NO. 951056-WS

1EBI IEAK ERDED 12/31/95			CORRECTED					
DESCRIPTION		TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	COMMISSION ADJUSTMENTS			REVENUE QUIREMENT
1 OPERATING REVENUES	\$	5,384,699 \$	1,586,948\$	6,971,647\$	(1,571,283)\$	5,400,364 \$	(4,956)\$	5,395,408
OPERATING EXPENSES:	-						-0.09%	
2 OPERATION AND MAINTENANCE	\$	3,026,338 \$	(222,018)\$	2,804,320 \$	(44,132)\$	2,760,188 \$	\$	2,760,188
3 DEPRECIATION		1,621,374	(437,104)	1,184,270	(349,719)	834,551		834,551
4 AMORTIZATION		(82,781)	(5,469)	(88,250)	5,469	(82,781)		(82,781)
5 TAXES OTHER THAN INCOME		874,220	(180,899)	693,321	(166,716)	526,605	(223)	526,382
6 INCOME TAXES	-	(289,553)	781,183	491,630	(223,216)	268,414	(1,781)	266,633
7 TOTAL OPERATING EXPENSES	\$	5,149,598 \$ 	(64,307)\$	5,085,291 \$	(778,313)\$	4,306,978 \$	(2,004)\$	4,304,974
8 OPERATING INCOME	\$	235,101 \$ ======	1,651,255\$	1,886,356 \$	(792,970)\$	1,093,386 \$	(2, 952)\$	1,090,435
9 RATE BASE	\$	23,702,639	\$	21,328,434	\$	13,463,506	\$	13,463,506
RATE OF RETURN		0.99%		8.84% =======	=	8.12%	==	8.10%

SUMMARY OF IMPACT OF ERRORS

	Rev. Req.	Rate Base
As corrected	5,395,408	13,463,506
Per Order	5,094,035	11,009,212
Understatement	301,373	2,454,294

PALM COAST UTILITY CORPORATION STATEMENT OF WASTEWATER OPERATIONS TEST YEAR ENDED 12/31/95

CORRECTED

SCHEDULE NO. 3-B DOCKET NO. 951056-WS

DESCRIPTION	TEST YEAR PER UTILITY 1995	UTILITY ADJUSTMENTS	ADJUSTED TEST YEAR/ UTILITY 1995	COMMISSION ADJUSTMENTS		REVENUE INCREASE	REVENUE REQUIREMENT
1 OPERATING REVENUES	\$ 3,150,538 \$	1,756,312\$	4,906,850 \$	(1,619,645)\$	3,287,205 \$	(168,082)\$	3,119,123
OPERATING EXPENSES						-5.11%	
2 OPERATION AND MAINTENANCE	\$ 2,049,154 \$	(80,503)\$	1,968,651 \$	(54,030)\$	1,914,621 \$	\$	1,914,621
3 DEPRECIATION	35,244	728,836	764,080	(337,397)	426,683		426,683
4 AMORTIZATION	(57,525)	(1,309)	(58,834)	1,309	(57,525)		(57,525)
5 TAXES OTHER THAN INCOME	258,285	187,325	445,610	(125,151)	320,459	(7,564)	312,895
6 INCOME TAXES	131,947	237,542	369,489	(206,437)	163,052	(60,403)	102,649
7 TOTAL OPERATING EXPENSES	\$ 2,417,105 \$	1,071,891 \$	3,488,996 \$	(721,706)\$	2,767,290 \$	(67,967)\$	2,699,323
8 OPERATING INCOME	\$ 733,433 \$	684,421 \$	1,417,854 \$	(897,939)\$	5 519,915 \$ ========	(100,115)\$	419,800
9 RATE BASE	\$ 14,057,238	\$	16,031,208	\$	5,183,232	\$	5,183,232
RATE OF RETURN	5 <i>2</i> 2%		8.84% ========		10.03%		8.10%

SUMMARY OF IMPACT OF ERRORS

	Rev. Req.	Rate Base
As corrected	3,119,123	5,183,232
Per Order	3,105,262	5,183,232
Understatement	13,861	0