

ORIGINALDecision 84 07 014

JUL 5 1984

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of)
Country Lane Water Company for a
general rate increase for water
service in Kern County.

Application 84-01-54
(Filed January 26, 1984)

Timothy O. Witt, for applicant.
Albert A. Arellano, for the Commission
staff.

O P I N I O NBACKGROUND

Country Lane Water Company (Country Lane or applicant) provides metered service to about 274 residential customers and flat-rate service to one customer (a county park) in and around Onyx, Kern County. The system is served by three wells producing at a maximum combined rate of 1,400 gallons per minute. The existing storage facilities consist of six metal tanks with a total capacity of nearly 300,000 gallons. A new pressure tank assures adequate pressure throughout the system.

A certificate of public convenience and necessity was first granted to Country Lane in 1966 by Decision (D.) 71419 dated October 18, 1966, in Application 48155. A general rate increase became effective on February 1, 1977 pursuant to Resolution No. W-2048. Rates have not been increased since 1977.

By this application applicant requests an increase in rates to produce \$40,533 or 129.5% additional annual revenue for

estimated year 1983.^{1/} After customers were informed of this increase the Commission received 24 letters and one petition containing the signatures of 90 property owners. All these documents protested the magnitude of the rate increase being proposed. As a result, a public hearing was held in the community followed by an evidentiary hearing.

PUBLIC HEARING

A public hearing was commenced in this matter at 10 a.m. on May 2, 1984, in Weldon, a community about four miles southwest of Onyx. Approximately 41 customers attended. Ten of these customers made statements. Two customers generally supported the increase request. The rest mostly favored some increase but claimed that the request is much too large. Many indicated that the community was composed primarily of retirees on limited incomes and that such a large increase would require them to cut back on water so much that all landscape and gardening uses would have to be curtailed.

As to service complaints, one customer testified that there was no fire hydrant anywhere near her home. She was informed by Mr. Witt that there is a hydrant approximately 410 feet due west of her home. A second customer also testified about the lack of fire hydrants and was informed that there was one approximately 210 feet due south of her house. Neither customer had been aware of the hydrants. A third customer complained that her water pressure is insufficient in the daytime. In response, Mr. Witt testified that he had never been informed

^{1/} Because this application was filed as an advice letter filing in early 1983 and later changed to a formal application, data are for test year 1983. Since no updated data were offered at the hearing, we must rely on 1983 estimated data even though our decision here will not take effect until after mid-1984.

of this problem until hearing this customer's testimony, that he would have taken care of it had he known about it, and that he would see to it that it was taken care of promptly.

EVIDENTIARY HEARING

Applicant's Showing

Evidentiary hearing commenced at 12:30 p.m. on May 2, 1984. Mr. Witt testified on behalf of the company. He explained that he had taken over the company from his father-in-law upon his father-in-law's death and had helped his father-in-law prior to that time. He stated that his father-in-law died broke and in debt as the result of refusing to increase rates enough to cover the actual costs of running the company. Witt further testified that he has never received any salary nor has his wife who keeps the company books. Further, he explained that he has always used his own equipment when working on the system and he has never charged the company for his equipment or labor. He also explained that when there is not enough money to go around, "we dig into our pockets to pay the bills", and noted that the company has bills that it cannot pay at present.

Witt testified that he differed from the Commission's staff report in that he favored a flat fee of \$10 a month for the first 500 or 1,000 cubic feet of water "and then a fair graduated price from there". He noted that residents of the community pay \$10 a month for basic television and opined that they can afford to pay the same for their water. He stated he also favored a charge for meter installation, explaining that it costs in excess of \$100 to install a new meter.

Witt also noted that he would like the average users, those persons using more than the lifeline amount--enough water to keep their yards green--to be given a break, while the largest users, such as himself, would pay a higher rate. Such a proposal would require a three-tier quantity rate scheme rather than a two-tier scheme, as proposed by staff.

Additionally, Witt stated "I don't think I should work forever for nothing. So therefore I would like that changed." Witt was unable at first to put a dollar valuation on his services. However, upon cross-examination, he stated that he believed \$500 a month would be the minimum anyone should receive for the work he does.

On cross-examination, Witt also testified that he planned to make many improvements to the system. These improvements are not included in his rate increase request. The request, he says, will merely allow the company to make some return on investment and meet its expenses.

Helen Louise Witt, wife of owner Timothy Witt, was also called to testify. She stated that she had never received a salary from Country Lane for her work there. She stated that in April 1984 she worked a total of 43 hours, not counting trips to the bank which is 17 miles away from the office. She added that sometimes she works more than 43 hours in a month. Mrs. Witt also gave examples of typical annual water bills for small, medium, and large users in the Country Lane system.

Country Lane's next witness was Theodore Herling. Herling testified that he regularly helps Mr. Witt when his help is needed. He stated that he is the former owner of two water companies. Based on that experience he testified that he believed

Country Lane is "put together much better, they have more water storage, they have better pumping capacity" than three nearby water companies. Herling stated that he has helped to repair leaks, operate equipment, install water lines, install valves, "just about anything I can do to be of service". He roughly estimated that he worked 100 to 200 hours during 1983. He stated he has never been compensated for that work. He explained that he was simply willing to do the work because it needed to be done when emergencies arose. In addition to Herling, there is one paid employee at Country Lane.

Staff Showing

Robert L. Mahin, the engineer with the Commission's Hydraulic Branch who prepared the results of operations report for Country Lane, testified on behalf of the staff. He explained why staff and applicant differ on 1983 estimated operating revenues (use of number of customers at end of year as opposed to average number of customers), operating and maintenance expenses (underestimates by applicant of power costs and office supplies; overestimates of contract work, materials and supplies; and inclusion of interest on a note that is not an obligation of the company), and utility plant (applicant's misunderstanding of D.91031). Applicant has agreed to staff's recommended rate of return of 11.55% and has agreed to the remainder of staff's figures.

DISCUSSION

It is apparent from the record that this family-run operation has been the beneficiary of the goodwill of Mr. Witt, Mrs. Witt, and the previous owner, Mrs. Witt's father. Country Lane has operated at a loss for several years. People have been

furnishing their services and the use of their vehicles and equipment to the company without recompense. As a result, this application, which represents an attempt to operate Country Lane in a businesslike manner, was a jolting surprise to the customers who had become accustomed to the low-cost water service.

Every public utility in this State is entitled to the opportunity to make a fair rate of return on its investment. We see no justification for penalizing Country Lane today for its failure to operate in a businesslike manner in the past. Staff essentially agrees with this. Its recommendations regarding rate design and salary for Mr. Witt are the only areas of disagreement with applicant.

Rate Design

Staff recommends a standard rate design with a monthly service charge based on meter size, a lifeline rate for the first 300 cubic feet used, and a second tier rate that is 33% larger than the lifeline rate.

While staff's recommendation follows our usual policy we are impressed with Mr. Witt's concern for reasonable rates for the moderate user. Our general policy is to discourage excessive use by providing an inverted rate when we adopt a three-tier system. However, the customers of Country Lane are almost all residential users. Therefore, due to the unique composition of the community, we will adopt a straight three-tier system, as Mr. Witt proposes. The first tier will be a lifeline rate, the second tier will accommodate moderate usage up to 3,000 cubic feet per month. This tier will be 50% higher than the lifeline tier. About 21.5% of all metered sales are for consumption in excess of 3,000 cubic feet per month. The third tier or block will cover all this further usage at a rate high

enough to discourage excessive use. This third tier will promote reasonable conservation efforts. It should be about 25% of the lifeline rate added to the second tier.

Payroll Expense

Witt testified that Country Lane has one paid employee whose proposed salary will remain the same as present. In addition, he proposes to pay Mrs. Witt \$6,000 per year for office work. Staff agrees with these salaries; however, staff's recommendation does not include salary for Mr. Witt. We agree with Witt that his services should be compensated. We are convinced that his services are worth at least \$6,000 annually, as he suggests, and we will adopt that figure as a reasonable management salary.

Other Operating Expenses

Staff pointed out that applicant's expenses for materials and supplies included many items that are, or should have been, included in plant additions. Applicant has agreed to staff's figures.

Applicant also agreed with staff that it used too low a figure in calculating its purchased power costs and its office supply expenses (which did not include company phone calls on owner's residence phone, rent for the company office, or other out-of-office expenses). Further, applicant agreed that its figures for general expenses were overstated because it included interest on a note which is not a company expense.

Applicant estimated \$2,500 in contract work for the test year, but staff recommended \$1,550, the approximate average of the previous five years. Applicant also agreed to this figure and we will adopt all the staff-recommended expense figures.

Operating Revenues

Staff used average annual number of customers to derive its figures for revenues at present and proposed rates. Applicant used number of customers at end of year. Staff's customer number is more accurate and we will adopt it. This reduces the requested increase somewhat.

Utility Plant

We adopt staff's recommended plant value since it is clear that Mr. Witt was misinformed or misunderstood the intent of the language in D.91031 (November 20, 1979) which transferred ownership to him. As a result, applicant undervalued plant by nearly 50%.

Associated Items

Staff's recommendations for depreciation expense and reserve are consistent with actual utility plant value and we adopt them.

Taxes

Applicant has clearly underestimated its tax expenses (both nonincome and income). Staff's estimates appear reasonable and will be adopted.

Rate of Return

Applicant has sought a rate of return of 25.84% on its rate base. However, when checked by staff, the actual request comes to 14.67%. This is true because of inaccuracies in applicant's calculation of its rate base. Staff recommends a rate of return of 11.55%. We agree with staff that this is a reasonable rate of return and adopt it.

As a result of our adoption of the above figures, the estimated revenue for the 1983 test year is \$37,640. This is a 127.1% increase over recorded 1982 figures. Since it is our policy to limit increases for small water companies to no more than 100% in any one year, we will require this increase to be spread over two years.

Table 1 shows the estimates of applicant, staff and adopted revenues and expenses at the adopted rate of return of 11.55% for the test year 1983.

TABLE 1
SUMMARY OF EARNINGS
Test Year 1983

Item	Present Rates			Authorized
	Applicant	Staff	Adopted	Rates
Operating Revenue	\$31,293	\$29,610	\$29,610	\$67,250
Deductions:				
Expenses:				
Purchased Power	5,400	5,910	5,910	5,910
Employee Labor	5,500	5,500	5,500	5,500
Materials	4,000	1,080	1,080	1,080
Contract Work	2,500	1,550	1,550	1,550
Office Salaries	6,000	6,000	6,000	6,000
Management Salaries	6,000	Ø	6,000	6,000
Office Supplies & Exp.	543	700	700	700
Insurance	1,775	1,770	1,770	1,770
Accounting, Legal & Other	2,400	2,400	2,400	2,400
General Expense	4,007	1,500	1,500	1,500
Vehicle Expense	2,700	2,700	2,700	2,700
Subtotal	40,825	29,110	35,110	35,110
Depreciation	9,467	6,930	6,930	6,930
Taxes Other Than on Income	1,774	2,240	2,900	2,900
Income Taxes	Ø	Ø	Ø	4,720
Total Deductions	52,066	38,280	44,940	49,660
Net Operating Revenue	(20,773)	(8,670)	(15,330)	17,590
Rate Base	99,810	152,300	152,190	152,190
Rate of Return	LOSS	LOSS	LOSS	11.55%

(Red Figure)

Findings of Fact

1. A rate of return of 11.55% for applicant's rate base for test year 1983 is reasonable.
2. Applicant has satisfactorily responded to all service complaints.
3. Applicant's service is adequate.
4. The adopted estimates of operating revenues, operating expenses, and rate base for test year 1983 reasonably indicate the results of operation for applicant as shown on Table 1.
5. The adopted rate design is reasonable.
6. Applicant's owner should be compensated for his work on behalf of the company.
7. \$500 per month is reasonable compensation for applicant's owner.
8. The rate of return specified above will require an increase of \$37,640, which is 127.1% above present levels.
9. The adopted quantities set forth in Appendix E accurately reflect the above findings.
10. To mitigate the effect of the large increase and in keeping with our policy of limiting annual increases to 100%, the revenue increase for the first year will be held to \$29,610 with a further increase of \$8,030 for the second year. In addition, the company may collect the 1984 deferred revenue plus interest at the adopted rate of return in the second year. Interest comes to \$930. This will assure that applicant is adequately compensated for the deferral. In the third year, the increase will return to the full authorized rate. The calculations used to derive these rates are shown in Appendix D.

Conclusions of Law

1. The adopted rates are just, reasonable, and nondiscriminatory for the future.
2. The application should be granted to the extent provided by the following order.
3. Because of the immediate need for additional revenue, the following order should be effective today.

O R D E R

IT IS ORDERED that:

1. Country Lane Water Company is authorized to file, effective today, the revised rate schedules set forth in Appendixes A, B, and C to this decision. The effective date of the revised schedule in Appendix A shall be the first day of the month following the effective date of this decision. The effective date of the revised schedule in Appendix B shall be 12 months from the effective date of the schedule in Appendix A. The effective date of the revised schedule in Appendix C shall be 24 months from the effective date of the schedule in Appendix A. The revised schedules shall apply only to service rendered on and after their effective dates. The filing shall comply with General Order 96-A.

A.84-01-54 ALJ/emk

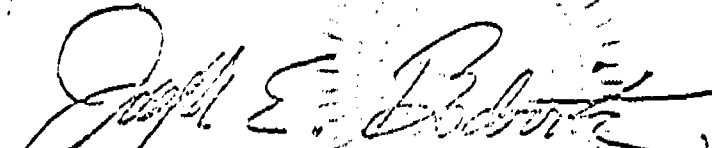
2. The application is granted as set forth above.
This order is effective today.

Dated JUL 5 1984, at San Francisco, California.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
WILLIAM T. BAGLEY
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS BODY.


Joseph E. Bodovitz, Executive Director

APPENDIX A
Page 1

COUNTRY LANE WATER COMPANY

Rates to become effective the first day of the first full calendar month after the date of the decision granting these rates.

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The area known as Tract 2965, and vicinity, located approximately five miles northeast of Weldon, Kern County.

RATES

	<u>Per Meter</u> <u>Per Month</u>	
<u>Service Charges:</u>		
5/8 x 3/4-inch meter	\$ 5.30	(N)
3/4-inch meter	5.80	
1-inch meter	8.00	
1 1/2-inch meter	10.60	
2-inch meter	14.30	(N)
 <u>Quantity Rates:</u>		
First 300 cu.ft., per 100 cu.ft.	\$ 0.52	(N)
Next 2,700 cu.ft., per 100 cu.ft.	0.77	
Over 3,000 cu.ft., per 100 cu.ft.	0.91	(N)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is to be added the monthly charge computed at the Quantity Rates.

APPENDIX A
Page 2

Rates to become effective the first day of the first full calendar month after the date of the decision granting these rates.

Schedule No. 2

FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate water service.

TERRITORY

The area known as Tract 2965, and vicinity, located approximately five miles northeast of Weldon, Kern County.

RATES

Per Service Connection
Per Month

1. For a single-family residential unit, mobile home, or commercial unit	\$ 7.30	(I)
a. For each additional single-family residential unit on the same premises and served from the same service connection	4.40	(I)
2. County Park	100.00	(I)

SPECIAL CONDITIONS

1. Flat rates in 1. above apply to service connections not larger than one inch in diameter.

2. All service not covered by the above classifications shall be furnished only on a metered basis.

3. For service covered by the above classifications, if the utility or the customer so elects, a meter shall be installed and service provided under Schedule No. 1, General Metered Service.

(END OF APPENDIX A)

COUNTRY LANE WATER COMPANY

Rates to become effective 12 months after the effective date of rates in Appendix A.

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The area known as Tract 2965, and vicinity, located approximately five miles northeast of Weldon, Kern County.

RATES

	<u>Per Meter</u> <u>Per Month</u>	
Service Charges:		
5/8 x 3/4-inch meter	\$ 5.65	(I)
3/4-inch meter	6.20	
1-inch meter	8.50	
1 1/2-inch meter	11.30	
2-inch meter	15.30	(I)
Quantity Rates:		
First 300 cu.ft., per 100 cu.ft.	\$ 0.71	(I)
Next 2,700 cu.ft., per 100 cu.ft.	1.07	
Over 3,000 cu.ft., per 100 cu.ft.	1.26	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is to be added the monthly charge computed at the Quantity Rates.

APPENDIX B

Rates to become effective 12 months after the effective date of rates in Appendix A

Schedule No. 2

FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate water service.

TERRITORY

The area known as Tract 2965, and vicinity, located approximately five miles northeast of Weldon, Kern County.

RATES

	<u>Per Service Connection</u> <u>Per Month</u>	
1. For a single-family residential unit, mobile home, or commercial unit	\$ 8.30	(I)
a. For each additional single-family residential unit on the same premises and served from the same service connection	5.00	(I)
2. County Park	114.00	(I)

SPECIAL CONDITIONS

1. Flat rates in 1. above apply to service connections not larger than one inch in diameter.
2. All service not covered by the above classifications shall be furnished only on a metered basis.
3. For service covered by the above classifications, if the utility or the customer so elects, a meter shall be installed and service provided under Schedule No. 1, General Metered Service.

(END OF APPENDIX B)

APPENDIX C

COUNTRY LANE WATER COMPANY

Rates to become effective 12 months after the effective date of the rates in Appendix B.

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The area known as Tract 2965, and vicinity, located approximately five miles northeast of Weldon, Kern County.

RATES

	<u>Per Meter</u>	
	<u>Per Month</u>	
Service Charges:		
5/8 x 3/4-inch meter	\$ 6.00	(I)
3/4-inch meter	6.60	
1-inch meter	9.00	
1 1/2-inch meter	12.00	
2-inch meter	16.00	(I)
Quantity Rates:		
First 300 cu.ft., per 100 cu.ft.	\$ 0.59	(I)
Next 2,700 cu.ft., per 100 cu.ft.	0.88	
Over 3,000 cu.ft., per 100 cu.ft.	1.02	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is to be added the monthly charge computed at the Quantity Rates.

Rates to become effective 12 months after the effective date of the rates in Appendix B.

Schedule No. 2

FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate water service.

TERRITORY

The area known as Tract 2965, and vicinity, located approximately five miles northeast of Weldon, Kern County.

RATES

	<u>Per Service Connection</u> <u>Per Month</u>	
1. For a single-family residential unit, mobile home, or commercial unit	\$ 8.20	(R)
a. For each additional single-family residential unit on the same premises and served from the same service connection	4.95	(R)
2. County Park	112.50	(R)

SPECIAL CONDITIONS

1. Flat rates in 1. above apply to service connections not larger than one inch in diameter.
2. All service not covered by the above classifications shall be furnished only on a metered basis.
3. For service covered by the above classifications, if the utility or the customer so elects, a meter shall be installed and service provided under Schedule No. 1, General Metered Service.

(END OF APPENDIX C)

APPENDIX D

COUNTRY LANE WATER COMPANY

Single Test Year, No Attrition and 100% CAP

<u>Item</u>	<u>Adopted</u>	<u>Adjustment</u>	<u>CAPS</u>
<u>1984</u>	Effective Date Aug. 1, 1984		
Present	\$29,610		\$29,610
Proposed	67,250		59,220
Increase	37,640 - 127.1%		29,610 - 100%
<u>1985</u>	Effective Date Aug. 1, 1985		
Present	67,250		59,220
Proposed	67,250	\$8030+\$927	76,207
Increase	-		16,987 - 28.6%
<u>1986</u>	Effective Date Aug. 1, 1986		
Present	67,250		76,207
Proposed	67,250		67,250
Increase	-		(8,957)-(11.75%)

COMPUTATIONS

Deferred Amount

$$\$37,640 - \$29,610 = \$8,030$$

Interest

$$\$ 8,030 \times 11.55\% = \$ 927$$

Accumulated Revenues

	<u>Adopted</u>	<u>CAPS</u>	<u>Difference</u>
1984-1986	\$201,750	\$202,677	\$927

(END OF APPENDIX D)

APPENDIX E

Page 1

ADOPTED QUANTITIES

Name of Company: Country Lane Water Co.
(Not incorporated)

Net-to-Gross Multiplier:

Federal Tax Rate:	28%
State Tax Rate:	9.0%
Local Franchise Tax Rate:	0.086%
Business License:	-
Uncollectibles Rate:	nil

Offset ItemsTest Year - 1983

1. Purchased Power:
Total Production - Ccf -
Acre-Feet

60,700

139.3

Electric:

SCE Company

Total Cost	\$5910
KWh	72,460 kWh
Eff. Sch. Date	Jan. 1, 1984
\$/kWh Used incl. Energy Comm. Surch.	\$0.07222
Service Charge	\$1.00 per HP

2. Purchased Water: none

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ADOPTED QUANTITIES

Name of Company: Country Lane Water Co.

3. Pump Tax - Replenishment tax: none

4. Payroll and Employee Benefits:

Test Year - 1983

Operation and Maintenance)	\$17,500
Administrative & General)	

Total

Payroll Taxes	\$ 1,830
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5. Ad Valorem Taxes:

Ad Valorem Taxes	\$ 1,010
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Tax Rate	\$1/\$100
Assessed Value	\$101,114

Metered Water Sales Used to Design Rates:

	<u>Range - Ccf</u>	<u>Usage-Ccf</u>		
		<u>1982</u>	<u>1983</u>	
Block 1	0-3	8,442 Ccf		Lifeline
Block 2	3	<u>44,932 Ccf</u>		
Total Metered Usage		53,374 Ccf		

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ADOPTED QUANTITIES

Name of Company: Country Lane Water Co.

Customers & Usage

	<u>No.-1983</u>	<u>Usage-Ccf 1983</u>	<u>Avg. Usage-Ccf/yr. 1983</u>
Commercial:			
Metered	274	53,374 Ccf	195 Ccf/yr.
Flat Rate	-	-	-
Industrial:			
Public Authority:	1	flat rate - County Park	
Other:			
Subtotal	<u>275</u>	<u>Unknown ^{1/}</u>	
Private Fire Protection:	0		
Public Fire Protection:	<u>0</u>		
Total	275		
Water Loss:		Unknown ^{1/}	
Total Water Produced:	—	60,700	

^{1/} Amount of water loss unknown because of unknown water sales to flat rate customer

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Page 4

Country Lane Water Co.

ADOPTED SERVICES BY METER SIZE
(all classes)

<u>Meter Size</u>	<u>1983</u>
5/8 x 3/4"	274
3/4"	
1"	
1 1/2"	
2"	
3"	
4"	
6"	
8"	
10"	
Total	<u>274</u>

FLAT-RATE SERVICES

	<u>1983</u>
2"	1

Additional Singel Family Residential
Unit on the same premises and served
from the same service connection.

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Page 5

COUNTRY LANE WATER CO.

Income Tax Computation
1983 Individual Income Tax Rates

	<u>Revenue</u>	<u>Tax</u>
Total Op. Rev	\$67,250	
Ded. W/o Inc. Taxes or Deprec.	<u>38,010</u>	
Revenue for Inc. Taxes	29,240	
Depreciation	<u>6,930</u>	
Net for State Inc. Tax	22,310	
Tax from tax table	<u>20,800</u>	841
Additional Tax @ 9%		<u>136</u>
State Inc. Tax		977
Net for F.L.T.: \$22,310 - \$977 =	21,333	
Tax from tax table	<u>18,200</u>	2,865
Add'l. Tax @ 0.28%	3,133	<u>877</u>
Federal Inc. Tax		<u>3,742</u>
Total Income Tax		4,719
Net Rev.: \$22,310 - \$4,720 =		17,590
R of R: $\frac{\text{Net Rev.}}{\text{Rate Base}} = \frac{17,590}{152,190}$	11.56%	

152,190 x .0001 = \$ 15 over

(END OF APPENDIX E)

APPENDIX D

COUNTRY LANE WATER COMPANY

Single Test Year, No Attrition and 100% CAP

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Increase	-		16,987 - 28.6%
<u>1986</u>	Effective Date Sept. 1, 1986		
Present	67,250		76,207
Proposed	67,250		67,250
Increase	-		(8,957)-(11.75%)

COMPUTATIONS

Deferred Amount

$$\$37,640 - \$29,610 = \$8,030$$

Interest

$$\$ 8,030 \times 11.55\% = \$ 927$$

Accumulated Revenues

	<u>Adopted</u>	<u>CAPS</u>	<u>Difference</u>
1984-1986	\$201,750	\$202,677	\$927

(END OF APPENDIX D)