

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3545
February 21, 1991RESOLUTION

(Res. W-3545) GLEN RIDGE WATER COMPANY (GRWC).
ORDER AUTHORIZING A GENERAL RATE INCREASE PRODUCING
\$3,939 OR 64.74% ADDITIONAL ANNUAL REVENUE.

GRWC, by draft advice letter accepted by the Water Utilities Branch (Branch) on September 24, 1990, requested authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to increase rates for water service by \$4,251 or 73.6%. GRWC estimates that 1991 gross revenue of \$5,772 at present rates would increase to \$10,023 at proposed rates to produce a rate of return on rate base of 9.22%. GRWC presently serves 37 flat rate customers in the Glen Ridge Park Subdivision, and vicinity, located about one-fourth mile north of Meeks Bay on the west shore of Lake Tahoe, El Dorado County.

The present rates became effective November 17, 1982 pursuant to Resolution W-3040, dated November 17, 1982 which authorized a general rate increase of \$2,560 or 100%.

The Branch made an independent analysis of GRWC's summary of earnings. Appendix A shows GRWC's and Branch's estimated summary of earnings at present, requested and adopted rates for test year 1991. Appendix A shows differences in expenses and rate base.

Both the Branch and GRWC estimated 39 customers for test year 1991. GRWC, however, inadvertently used the 1990 recorded number of customers for computing revenue at present rates for the test year in its original request. The Branch corrected this error and the adjusted revenue at present rates in test year 1991 is reflected in Appendix A.

The differences in estimates for operating expenses are in purchased power; other volume related expenses; materials; contract work; other plant maintenance; general expenses; payroll taxes; and income taxes.

The Branch's estimate for purchased power is lower than GRWC's. The Branch estimated power consumption based on later 12-month recorded information which reflected the normal operating condition of the water system. GRWC based its estimate on the recorded power consumption from July 1, 1989 through June 30, 1990. During this 12-month period, the system experienced more than usual water leaks and had several pumping problems which resulted

in extremely high power consumption. Both the Branch and GRWC applied to their respective power consumption estimates the latest Sierra Pacific Power Company electric rates to arrive at their estimates of purchased power expense.

GRWC's estimate of other volume related expenses consists of water testing costs. According to the Uniform System of Accounts, the cost of water testing does not belong in this account. Therefore, the Branch properly moved these water testing costs to contract work.

The Branch's estimate of materials expense is higher than GRWC's because it is based on additional information not available to GRWC when it made its estimate.

The difference between the Branch's and GRWC's estimates of contract work is due to water testing costs transferred from the other volume related expenses account as discussed earlier, additional testing requirements imposed by the Department of Health Services and the Branch having access to later information which was not available to GRWC when it prepared its estimate.

The Branch's estimate of other plant maintenance reflects telephone company charges for GRWC's automatic control system. GRWC inadvertently overlooked these expenses.

The Branch's estimate of general expenses is significantly lower than GRWC's and is based on recorded data. GRWC provided no explanation for its estimate.

The Branch's estimate of payroll taxes is based on its estimate of management salary and the current rates for social security and unemployment taxes. GRWC did not include payroll taxes in its request.

The Branch's income tax estimates reflect the current rates under the Federal Tax Reform Act of 1986 and the corresponding state rates for 1991. The \$800 minimum state franchise tax does not apply in this case because GRWC's parent company files a consolidated income tax return. GRWC inadvertently estimated zero income taxes in 1991 at proposed rates even though it showed taxable income.

The difference in rate base estimates is due to a difference in accumulated depreciation estimates.

The Branch's estimate of accumulated depreciation is higher than GRWC's. The difference is due to a minor error in GRWC's calculations.

GRWC's draft advice letter requested rates which it estimated would produce a return on rate base of 9.22% in 1991. The Branch's recommended summary of earnings would produce a rate of return of 7.17% at the Branch's recommended rates. This rate of return, although lower than the 10.50% to 11.00% standard rate of return range recommended by the Finance Branch of the Commission Advisory and Compliance Division for small, 100% equity financed water utilities, results in GRWC being granted the total revenue increase requested. The authorized rate of return in the last rate case is generally

used to determine whether a utility's earnings are excessive when the Commission is considering granting rate relief for offsettable items such as purchased power. The Branch, therefore, recommends that the Commission find a rate of return on rate base not exceeding 11.00%, the high point of the recommended range, to be reasonable for the purpose of future earnings of GRWC.

In addition to its request to increase its rates for water service, GRWC also requested to make changes in its current filed tariff Rule No. 11, Discontinuance and Restoration of Service. Paragraph 1. of Section C. of GRWC's Rule No. 11 currently states, in part:

"Where service has been discontinued for violation of these rules or for nonpayment of bills, the utility may charge \$10.00 for reconnection of service during regular working hours or \$15.00 for reconnection of service at other than regular working hours....."

GRWC requests that the charges be increased to \$25.00 for reconnection of service during regular working hours or \$40.00 for reconnection of service at other than working hours based on current actual costs to do the work. The Branch, after analyzing the conditions under which the work would be conducted and current costs to do such work, concurs with the utility's request.

GRWC also proposes to add the following paragraph to Section C., Restoration of Service:

5. A customer who requests discontinuance of service and within four months requests restoration of service, will pay a charge of \$25.00 during the period April 1 through November 30 and a charge of \$40.00 during the period December 1 to March 31. Each payment will entitle the customer to one turn-on and turn-off.

GRWC indicates that the provisions of this paragraph will allow it to charge for connection and reconnection costs incurred when customers request service shut-off for the winter. In another proceeding, Commission Decision 88-10-056 authorized Graeagle Water Company to add a paragraph to its filed tariff similar to the one proposed by GRWC. The Branch's analysis of the request indicates that GRWC's situation and operating conditions are identical to Graeagle's. In view of this, the Branch recommends that GRWC's request to add paragraph 5., above, to Rule No. 11 of its filed tariff be authorized.

GRWC was informed of the Branch's differing views of expenses and rate base and has stated that it accepts the Branch's estimates.

A notice of the proposed rate increase and public meeting was mailed to each customer on October 2, 1990. The Commission received one letter from a customer complaining that GRWC's current water rate, which is the same for all customers, is unfair to part-time residents who should not be charged the same rate as the year-round customers. The main reason that part-time and permanent residents pay the same annual residential flat rate is because

a water utility has a fundamental obligation to stand ready to serve its customers at all times and in doing so incurs certain fixed costs. These fixed costs, which make up most of a water utility's operational expenses, are independent of the costs to deliver water, and its recovery is shared equally by all customers. Fixed costs include system maintenance expenses, customer accounting expenses, insurance premiums, property taxes, and depreciation expenses. The Consumer Affairs Branch has not received any complaints against the utility under its current ownership, a period of approximately one-and-one-half years.

On October 25, 1990, a public meeting, attended by six members of the public, was held in the vicinity of the service area. A Branch representative conducted the meeting and GRWC's operator explained GRWC's request and answered questions. All customers present at the meeting agreed that the system has been functioning much better since it was purchased by Tahoe Swiss Village, Inc. (TSV). Under the prior owner, no one managed the system, forcing customers themselves to operate the system to get water. Leaks went unattended and illegal tie-ins went unnoticed resulting in tremendous waste in both water and power. Customers indicated that these problems have been solved since TSV took over ownership of the system. One customer did comment that the increase was quite large but realized that the prior owner had not kept the system up. No one complained about water quality or water service under TSV ownership.

According to the California Department of Health Services, GRWC meets all drinking water standards currently in effect. There are no outstanding Commission orders requiring system improvements.

Branch engineers conducted a field investigation of GRWC's facilities and service area on September 27 and 28, 1990. Visible portions of the water system were inspected, utility books reviewed and methods of operation checked. The investigation indicated that service is satisfactory. GRWC, however, does not measure water production at its water source which is in violation of the requirements of Section II.4.a. of the Commission's General Order 103 "Rules Governing Water Service Including Minimum Standards for Design and Construction." This matter is addressed later in the rate design discussion.

One major improvement that will need to be made is coating the inside of the 100,000 gallon steel storage tank to prevent rusting and extend the useful life of the tank. GRWC plans to do this work within the next few years. The Branch, therefore, recommends that GRWC be authorized to file an advice letter rate increase request to offset the cost of the coating project once the work has been completed.

GRWC's conservation program consists of a public awareness campaign and regular patrols in which the operator of the water system monitors obvious water waste and offers assistance to customers in meeting their irrigation needs without waste. GRWC also informed the Branch that it has an adequate water supply that has not been adversely impacted by the drought situation. Therefore, the Branch does not recommend that additional conservation measures be ordered at this time.

GRWC currently has three rate schedules: Schedule No. 1A, Annual General Metered Service; Schedule No. 2 AR, Annual Residential Flat Rate Service; and Schedule No. 5, Public Fire Hydrant Service.

GRWC is currently providing service only under Schedule No. 2AR, Annual Residential Flat Rate Service. The Branch recommends that these rates be increased by the system average increase adopted in this resolution. The filed rate Schedule 2AR is limited to 3/4-inch flat rate service. Even though GRWC has no customers receiving service through a 1-inch service, it proposes to make this service available to new customers. After reviewing GRWC's proposal, the Branch recommends that GRWC be allowed to add 1-inch flat rate service to Schedule 2AR, Annual Residential Flat Rate Service.

GRWC has no metered customers, however, it wants to continue offering metered rates to its customers by retaining Schedule No. 1A, Annual General Metered Service. In addition to not metering its customers' water usage, GRWC does not meter water production and has no historical data on water produced. Without any recorded water production or water consumption data for the GRWC system, it is impossible at this time to design metered rates to coincide with the current Commission rate design policy for water utilities. The Branch, therefore, recommends that the present Annual General Metered Service rates, both service charge and commodity charge, be increased by the system average increase adopted in this resolution.

As indicated earlier, GRWC does not meter water production and is, therefore, in violation of Section II.4.a. of the Commission's General Order 103, which states in part:

"...Each utility shall install a suitable measuring device, or otherwise determine production, at each source of supply in order that a record may be maintained of the quantity of water produced by each source."

The Branch, therefore, recommends that GRWC be ordered to install a suitable measuring device at its well site and be authorized to file an advice letter rate increase to recover the costs of installing the measuring device.

Pursuant to Section 2713 of the Public Utilities Code, GRWC is prohibited from charging any rates for service under Schedule No. 5, Public Fire Hydrant Service, without a formal agreement with a local fire protection agency. Because GRWC has no such agreement, Schedule No. 5 should be cancelled.

The Branch recommends that the Commission authorize an increase in gross revenue of \$3,939 or 64.74% in 1991. This increase provides a 7.17% rate of return on rate base in test year 1991.

At the Branch's recommended rates shown in Appendix B, a residential customer's annual water bill will increase from \$156.00 to \$257.00 or 64.74% in 1991.

FINDINGS

1. The Branch's recommended summary of earnings (Appendix A) is reasonable and should be adopted.
2. The rates and Tariff Rule No. 11 changes recommended by the Branch (Appendix B) are reasonable and should be adopted.
3. The quantities (Appendix C) used to develop the Branch's recommendations are reasonable and should be adopted.
4. GRWC should be ordered to install a suitable water production measuring device at its well site as required by Section II.4.a. of the Commission's General Order 103.
5. GRWC should be authorized to file an advice letter increase request to recover the costs associated with the installation of the water production measuring device.
6. GRWC should be authorized to file an advice letter increase request to recover the costs associated with coating its storage tank.
7. GRWC's tariff Schedule No. 5, Public Fire Hydrant Service is no longer applicable and should be cancelled.
8. The rate increase authorized herein is justified and the resulting rates are just and reasonable.

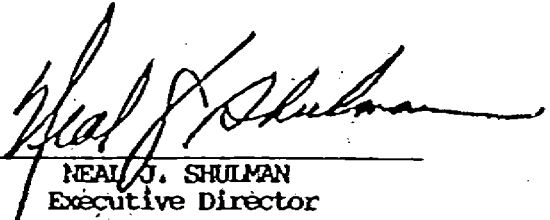
IT IS ORDERED THAT:

1. Authority is granted under the Public Utilities Code Section 454 for Glen Ridge Water Company to file an advice letter incorporating the summary of earnings, Tariff Rule 11, and revised rate schedules attached to this resolution as Appendices A and B respectively and concurrently to cancel its presently effective rate Schedules Nos. 1A and 2AR. Such filing shall comply with General Order 96-A. The effective date of the revised rate schedule shall be the date of filing.
2. Glen Ridge Water Company shall install a suitable water production measuring device pursuant to Section II.4.a. of Public Utilities Commission General Order 103 within 180 days of the effective date of this resolution.
3. Glen Ridge Water Company is authorized to file an advice letter(s) to recover costs associated with the installation of water production measuring device and coating its storage tank, after the work has been completed. Such filing shall comply with General Order 96-A.

Resolution No. W-3545

4. Glen Ridge Water Company's filed tariff Schedule No. 5, Public Fire Hydrant Service is cancelled.

5. This resolution is effective today.


NEAL J. SHULMAN
Executive Director

PATRICIA M. ECKERT
President
G. MITCHELL WILK
JOHN B. CHANIAN
Commissioners

I abstain.
DANIEL W. FESSLER
Commissioner

I abstain.
NORMAN D. SHUMWAY
Commissioner

APPENDIX A

Glen Ridge Water Company

SUMMARY OF EARNINGS
Test Year 1991

Item	Utility Estimated		Branch Estimated		Adopted
	Present Rates	Requested Rates	Present Rates	Requested Rates	
<u>Operating Revenue</u>					
Flat Rate	\$6,084*	\$10,023	\$6,084	\$10,023	\$10,023
<u>Operating Expenses</u>					
Purchased Power	\$2,202	\$2,202	\$1,850	\$1,850	\$1,850
Other Volume Related	266	266	0	0	0
Materials	200	200	270	270	270
Contract Work	500	500	925	925	925
Transportation	300	300	300	300	300
Other Plant Maint.	0	0	330	330	330
Management Salaries	700	700	700	700	700
Office Supplies	111	111	111	111	111
Professional Services	750	750	750	750	750
General Expenses	200	200	60	60	60
Regulatory Comm. Exp.	112	112	112	112	112
Subtotal	\$5,341	\$5,341	\$5,408	\$5,408	\$5,408
Depreciation	\$1,659	\$1,659	\$1,659	\$1,659	\$1,659
Property Taxes	232	232	232	232	232
Payroll Taxes	0	0	85	85	85
Income Taxes	0	0	0	604	604
Total Deductions	\$7,232	\$7,232	\$7,384	\$7,988	\$7,988
Net Revenue	(\$1,148)	\$2,791	(\$1,300)	\$2,035	\$2,035
<u>Rate Base</u>					
Average Plant	\$63,347	\$63,347	\$63,347	\$63,347	\$63,347
Average Dep. Reserve	\$33,180	\$33,180	\$35,064	\$35,064	\$35,064
Net Plant	\$30,167	\$30,167	\$28,283	\$28,283	\$28,283
Less Advances	\$0	\$0	\$0	\$0	\$0
Contributions	\$0	\$0	\$0	\$0	\$0
Plus Working Cash	\$0	\$0	\$0	\$0	\$0
Mat'l. & Supplies	\$100	\$100	\$100	\$100	\$100
Rate Base	\$30,267	\$30,267	\$28,383	\$28,383	\$28,383
Rate of Return	loss	9.22%	loss	7.17%	7.17%

* Corrected by Branch as explained in text.

APPENDIX B
(Page 1)

GLEN RIDGE WATER COMPANY

Schedule No. 1A

ANNUAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service furnished on an annual basis.

TERRITORY

Glenridge Park Subdivision, and vicinity, located about one-fourth mile north of Meeks Bay, El Dorado County.

RATES

Monthly Quantity Rates:	<u>Per Meter</u> <u>Per Month</u>	
First 300 cu. ft., per 100 cu. ft.	\$0.99	(I)
Over 300 cu. ft., per 100 cu. ft.	1.32	(I)
Annual Service Charges:	<u>Per Meter</u> <u>Per Year</u>	
For 5/8 x 3/4-inch meter	\$119.00	(I)
For 3/4-inch meter	130.00	
For 1-inch meter	178.00	
For 1-1/2-inch meter	237.00	
For 2-inch meter	320.00	(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.

(continued)

APPENDIX B
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GLEN RIDGE WATER COMPANY

Schedule No. 1A
(continued)

ANNUAL METERED SERVICE

SPECIAL CONDITIONS

1. The annual service charge applies to service during the 12-month period commencing January 1 and is due in advance. If a permanent resident of the area has been a customer of the utility for at least 12 months, he may elect, at the beginning of the calendar year, to pay prorated service charges in advance at intervals of less than one year in accordance with the utility's established billing periods. When meters are read every six months, the charge will be computed by multiplying by six, the number of cubic feet to which each block rate is applicable on a monthly basis. (T)
(T)
2. The established billing cycle is every six months. (T)
3. The opening bill for metered service, except upon conversion from flat rate service, shall be the established annual service charge for the service. Where initial service is established after the first day of any year, the portion of such annual charge applicable to the current year shall be determined by multiplying the annual charge by one three-hundred-sixty-fifth ($1/365$) of the number of days remaining in the calendar year. The balance of the payment of the initial annual charge shall be credited against the charges for the succeeding annual period. If service is not continued for at least one year after the date of initial service, no refund of the initial annual charges shall be due the customer.
4. All bills are subject to the reimbursement fee set forth on on Schedule UF. (N)
(N)

APPENDIX B
(Page 3)

GLEN RIDGE WATER COMPANY

Schedule No. 2AR

ANNUAL RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate residential water service furnished on an annual basis.

TERRITORY

Glenridge Park Subdivision, and vicinity, located about one-fourth mile north of Meeks Bay, El Dorado County.

RATES

	<u>Per Service Connection Per Year</u>	
For a single-family residential unit, 3/4" size, including premises	\$257.00	(I)
For each additional single-family residential unit on the same premises and served from the same 3/4" service connection	\$214.00	(I)
For a single-family residential unit, 1" size, including premises	\$428.00	(N)

SPECIAL CONDITIONS

1. The above flat rates 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 so elects, a meter shall be installed and service provided under Schedule 1A, Annual General Metered Service, effective as of the first day of the following calendar month. Where the flat rate charge for a period has been paid in advance, refund of the prorated difference between such flat rate payment and the minimum meter charge for the same period shall be made on or before that day.

(continued)

APPENDIX B
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GLEN RIDGE WATER COMPANY

Schedule No. 2AR
(continued)

ANNUAL RESIDENTIAL FLAT RATE SERVICE

4. The annual flat rate charge applies to service during the 12-month period commencing January 1 and is due in advance. If a permanent resident of the area has been a customer of the utility for at least 12 months, he may elect, at the beginning of the calendar year, to pay prorated flat rate charges in advance at intervals of less than one year in accordance with the utility's established billing periods.
5. The established billing cycle is every six months. (T)
6. The opening bill for flat rate service shall be the established annual flat rate charge for the service. Where initial service is established after the first day of any year, the portion of such annual charge applicable to the current year shall be determined by multiplying the annual charge by one three-hundred-sixty-fifth ($1/365$) of the number of days remaining in the calendar year. The balance of the payment of the initial annual charge shall be credited against the charges for the succeeding annual period. If service is not continued for at least one year after the date of initial service, no refund of the initial annual charges shall be due the customer.
7. All bills are subject to the reimbursement fee set forth Schedule No. UF. (N)
(N)

APPENDIX B
(Page 5)

GLEN RIDGE WATER COMPANY

Rule No. 11
(continued)

DISCONTINUANCE AND RESTORATION OF SERVICE

- B. 3. b. In order to protect itself against serious and unnecessary waste or misuse of water, the utility may meter any flat rate service and apply the regularly established meter rates where the customer continues to misuse or waste water beyond five days after the utility has given the customer written notice to remedy such practices.

4. For Unsafe Apparatus or Where Service is Detrimental or Damaging to the Utility or Its Customers

If an unsafe or hazardous condition is found to exist on the customer's premises, or if the use of water thereon by apparatus, appliances, equipment or otherwise is found to be detrimental or damaging to the utility or its customers, the service may be shut off without notice. The utility will notify the customer immediately of the reasons for the discontinuance and the corrective action to be taken by the customer before service can be restored.

5. For Fraudulent Use of Service

When the utility has discovered that a customer has obtained service by fraudulent means, or has diverted the water service for unauthorized use, the service to that customer may be discontinued without notice. The utility will not restore service to such customer until that customer has complied with all filed rules and reasonable requirements of the utility and the utility has been reimbursed for the full amount of the service rendered and the actual cost to the utility incurred by reason of the fraudulent use.

C. Restoration of Service

1. Reconnection Charge

Where service has been discontinued for violation of these rules or for nonpayment of bills, the utility may charge \$25.00 for reconnection of service during regular working hours or \$40.00 for reconnection of service at other than regular working hours when the customer has requested that the reconnection be made at other than regular working hours.

(I)
(I)

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APPENDIX B
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GLEN RIDGE WATER COMPANY

Rule No. 11
(continued)

DISCONTINUANCE AND RESTORATION OF SERVICE

C. 2. To Be Made During Regular Working Hours

The utility will endeavor to make reconnections during regular working hours on the day of the request, if conditions permit, otherwise reconnections will be made on the regular working day following the day the request is made.

3. To Be Made at Other Than Working Hours

When a customer has requested that the reconnection be made at other than regular working hours, the utility will reasonably endeavor to so make the reconnection if practicable under the circumstances.

4. Wrongful Discontinuance

A service wrongfully discontinued by the utility, must be restored without charge for the restoration to the customer within 24 hours.

5. A customer who requests discontinuance of service and within four months requests restoration of service, will pay a charge of \$25.00 during the period April 1 through November 30 and a charge of \$40.00 during the period December 1 through March 31. Each payment will entitle the customer to one turn-on and turn-off.

(N)
|
(N)

D. Refusal to Serve

1. Conditions for Refusal

The utility may refuse to serve an applicant for service under the following conditions:

- a. If the applicant fails to comply with any of the rules as filed with the Public Utilities Commission.
- b. If the intended use of the service is of such a nature that it will be detrimental or injurious to existing customers.

(continued)

APPENDIX B
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GLEN RIDGE WATER COMPANY

Rule No. 11
(continued)

DISCONTINUANCE AND RESTORATION OF SERVICE

- D. 1. c. If, in the judgement of the utility, the applicant's installation for utilizing the service is unsafe or hazardous, or of such nature that satisfactory service cannot be rendered.
- d. Where service has been discontinued for fraudulent use, the utility will not serve an applicant until it has determined that all conditions of fraudulent use or practice has been corrected.

2. Notification to Customers

When an applicant is refused service under the provisions of this rule, the utility will notify the applicant promptly of the reason for the refusal to service and of the right of applicant to appeal the utility's decision to the Public Utilities Commission.

APPENDIX C
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ADOPTED QUANTITIES
(Test Year 1991)

Name of Company: Glen Ridge Water Company

Net-to-Gross Multiplier:	1.297
Federal Tax Rate:	15.0%
State Tax Rate:	9.3%

Offset Items

1. Purchased Power (Electric)	
Sierra Pacific Power Company	
Total Cost	\$1850
kWh	20,401
Eff. Sch. Date	11/1/89
\$/kWh (inc. \$.00032 CEC)	0.09068
2. Payroll	
Employee Labor	\$0
Office Salaries	0
Adm. & Mgt. Sal.	700
Total	\$700
3. Payroll Taxes:	\$ 85
4. Ad Valorem Taxes	\$232
Tax Rate	1.16%
Assessed Value	\$20,000
5. Testing Expenses (in Contract Work)	\$425

Service Connections

1. Meter Size	
5/8 x 3/4"	0
3/4"	0
1"	0
1-1/2"	0
2"	0
Total	0

Metered Water Sales Used to Design Rates:

	<u>Usage - Ccf/yr.</u>
Total	0

APPENDIX C
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ADOPTED QUANTITIES
(Test Year 1991)

GENERAL FLAT RATE SERVICE

<u>Residential</u>	<u>Number of Services</u>
1. For a single-family residential unit, 3/4" size, including premises	39
2. For each additional single-family residential unit on the same premises and served from the same 3/4" service connection	0
3. For a single-family residential unit, 1" size, including premises	<u>0</u>
Total	39

APPENDIX C
(Page 3)

ADOPTED INCOME TAX CALCULATIONS
(Test Year 1991)

<u>Line No.</u>	<u>Item</u>	<u>Adopted Rates</u>	
		<u>CCFT</u>	<u>FIT</u>
1.	Operating Revenues	\$10,023	\$10,023
2.	Operating Expenses	5,408	5,408
3.	Taxes Other Than Income	317	317
4.	Depreciation	1,659	1,659
5.	Interest Expense	0	0
6.	CCFT (Line No. 9)	--	245
7.	Total Deductions	7,384	7,629
8.	State Taxable Income	2,639	--
9.	CCFT	245	--
10.	Federal Taxable Income	--	2,394
11.	FIT	--	359
12.	ITC	--	0
13.	Net FIT	--	359
14.	Total Income Taxes		\$ 604

(END OF APPENDIX C)