

ORIGINAL

LAW OFFICES

ROSE, SUNDBSTROM & BENTLEY, LLP

2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

(850) 877-6555
FAX (850) 656-4029
www.rsbatorneys.com

CENTRAL FLORIDA OFFICE
600 S. NORTH LAKE BLVD., SUITE 160
ALTAMONTE SPRINGS, FLORIDA 32701
(407) 830-6331
FAX (407) 830-8522

FREDERICK L. ASCHAUER, JR.
CHRIS H. BENTLEY, P.A.
ROBERT C. BRANNAN
DAVID F. CHESTER
F. MARSHALL DETERDING
JOHN R. JENKINS, P.A.
STEVEN T. MINDLIN, P.A.
DAREN L. SHIPPY
WILLIAM E. SUNDBSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON
ROBERT M. C. ROSE, OF COUNSEL
WAYNE L. SCHIEFELBEIN, OF COUNSEL

MARTIN S. FRIEDMAN, P.A.
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September 17, 2004

VIA HAND DELIVERY

Blanca S. Bayo, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Oak Springs, LLC; PSC Docket No. 040515-WU
Original Certificate Application
Our File No. 38021.01

Dear Ms. Bayo:

After discussions with several members of the Public Service Commission staff, the Utility has now revised the contents of Exhibit "H" to its Application for Original Certificate. These changes adjust the beginning balances in the rate base accounts and as such, also revise the calculated rates in accordance with that change.

I am therefore attaching 15 copies of a Revised Exhibit "H" which should replace the original Exhibit "H" which was included with the Application filed on May 28, 2004. Please replace all copies of Exhibit "H" previously submitted with the revised Exhibit "H" attached.

Also in order to incorporate the revisions to Exhibit "H" into the tariff sheets, I am attaching hereto the original and 15 copies of Revised Tariff Sheet Nos. 12 and 13 which should replace like-numbered pages in Exhibit "E" to the original Application as filed on May 28, 2004.

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Blanca S. Bayo, Director
September 17, 2004
Page 2

If you or any members of the Commission staff have any questions in this regard, please do not hesitate to contact me.

Sincerely,

ROSE, SUNDBSTROM & BENTLEY, LLP

A large, stylized handwritten signature in black ink, appearing to read 'F. Marshall Deterding', is written over the typed name and firm name.

**F. Marshall Deterding
For The Firm**

FMD/tms

cc: Patti Daniel
Cheryl Johnson
Martha Brown
Mike Campbell
Julian Coto
Gary Morse

OAK SPRINGS, LLC

Description of Existing Potable Water Facilities

and

Original Cost Study

REVISED "EXHIBIT H"

Oak Springs MHP
Docket No.

Exhibit No.
Page 1 of 1
Preparer: Gary Morse

Line No.	NARUC Account No.	Account Description	Projected 2004	Allocation Basis		Amount Allocated To:	
				Base Facility	Gallonage	Base Facility	Gallonage
1	601	Salaries and Wages - Employees	\$ -	50%	50%	\$ -	\$ -
2	603	Salaries and Wages - Officers, Directors, and Majority Stockholder	-	50%	50%	-	-
3	604	Employee Pensions and Benefits	-	50%	50%	-	-
4	610	Purchased Water	-	0%	100%	-	-
5	615	Purchased Power	12,686	0%	100%	-	12,686
6	616	Fuel for Power Production	-	0%	100%	-	-
7	618	Chemicals	1,442	0%	100%	-	1,442
8	620	Materials and Supplies	500	50%	50%	250	250
	630	Contractual Services					
9		Management Fee	6,000	50%	50%	3,000	3,000
10		Meter Reading and Billing	11,304	50%	50%	5,652	5,652
11		Professional (Contract Ops & Engineering)	5,508	50%	50%	2,754	2,754
12		Lab Testing	1,852	50%	50%	926	926
13		Other (Routine Repair and Maintenance)	2,000	0%	100%	-	2,000
14		Accounting (Annual Report)	2,500	50%	50%	1,250	1,250
15	640	Rents	-	100%	0%	-	-
16	650	Transportation Expense	-	50%	50%	-	-
17	655	Insurance Expense	-	50%	50%	-	-
18	665	Regulatory Commission Expenses	-	50%	50%	-	-
19	670	Bad Debt Expense	392	50%	50%	196	196
20	675	Miscellaneous Expenses	500	50%	50%	250	250
21		Total Operation and Maintenance Expenses	44,684			14,278	30,406
	236	Taxes Other Than Income Tax:					
22		Regulatory Assessment Fees	3,525	0%	100%	-	3,525
23		Payroll Tax	-	50%	50%	-	-
24		Property Tax/Tangible Tax	3,174	50%	50%	1,587	1,587
25		Total Taxes Other Than Income Tax	3,174			1,587	1,587
26		Income Taxes	-	-	-	-	-
27		Depreciation/Amortization Expense	17,035	50%	50%	8,518	8,518
28		Total Revenue Requirement Before Return on Investment	64,893			24,383	40,511
29		Overall Rate of Return on Net Investment @ 7.00%	13,439	37.6%	62.4%	5,050	8,390
30		Total Revenue Requirement Including Return on Investment	\$ 78,332			\$ 29,432	\$ 48,900
		Rate Design:					
29		Factored ERC's				314	
30		Revenue Gallons (000's)					24,650
31		Monthly Base Facility Charge				\$ 7.81	
32		Gallonage Charge(\$/000)					\$ 1.98
33		Typical Bill @ 7,400 Gallons/Month					22.46

Historical and Projected Revenue Requirement - Water

Florida Public Service Commission

Oak Springs MHP
Docket No.

Exhibit No.
Page 1 of 1
Preparer: Gary Morse

Line No.	NARUC Account No.	Account Description	Actual 2003	Estimated 2003	Projected 2004
1	601	Salaries and Wages - Employees (5)	\$ -	\$ -	\$ -
2	603	Salaries and Wages - Officers, Directors, and Majority Stockholder	-	-	-
3	604	Employee Pensions and Benefits	-	-	-
4	610	Purchased Water	-	-	-
5	615	Purchased Power	9,328 (1)	12,437 (2)	12,686 (12)
6	616	Fuel for Power Production	-	-	-
7	618	Chemicals	1,145 (3)	1,374 (4)	1,442 (12)
8	620	Materials and Supplies (8)	-	-	500
	630	Contractual Services			
9		Management Fee	-	-	6,000
10		Meter Reading and Billing	5,324 (5)	11,304 (6)	11,304
11		Professional (Contract Operation)	5,400 (7)	5,400 (7)	5,508 (12)
12		Lab Testing	1,780	1,816	1,852 (12)
13		Other (Routine Repair and Maintenance) (8)	-	-	2,000
14		Accounting and Legal (Annual Report) (8)	-	-	2,500
15	640	Rents	-	-	-
16	650	Transportation Expense	-	-	-
17	655	Insurance Expense	-	-	-
18	665	Regulatory Commission Expense	-	-	-
19	670	Bad Debt Expense (9)	-	-	392
20	675	Miscellaneous Expenses (8)	-	-	500
21		Total Operation and Maintenance Expenses	22,977	32,330	44,684
	236	Taxes Other Than Income Tax:			
22		Regulatory Assessment Fees	-	-	3,525
23		Payroll Tax	-	-	- (12)
24		Property Tax/Tangible Tax	3,023	3,023	3,174 (12)
25		Total Taxes Other Than Income Tax	3,023	3,023	3,174
26		Income Taxes (10)	-	-	-
27		Depreciation/Amortization Expense	-	18,755	17,035
28		Total Revenue Requirement Before Return on Investment	26,000	54,109	64,893
29		Overall Rate of Return on Net Investment @ 7.00% (11)	-	14,121	13,439
30		Total Revenue Requirement Including Return on Investment	\$ 26,000	\$ 68,230	\$ 78,332

Footnotes:

- (1) Actual 2003 expense represents only 9 months of actual data.
- (2) Estimated power cost for 2003 based on 9 months annualized.
- (3) Actual 2003 expense represents only 10 months of actual data.
- (4) Estimated chemical cost for 2003 based on 10 months annualized.
- (5) Actual 2003 expense represents only 9 months of actual data and the contractor charge of \$2.00 per meter.
- (6) Estimated meter reading cost for 2003 and 2004 based on a cost of \$3.00 per meter and 314 meters respectively.
- (7) Contract operation for water plant based on current cost of \$450 per month.
- (8) While the utility did not incur any expenditures for material and supplies, routine repairs, accounting(annual report), or miscellaneous expense, such costs are anticipated in the future. As such, reasonable estimates have been made for the projected test year as shown.
- (9) While the utility did not book any expenditure for bad debt during the 2003 historical test period, such costs are anticipated in the future. As such, 1/2 of 1% of the revenue requirement has been recognized as shown above.
- (10) Oak Springs parent company is a limited partnership. Therefore, pursuant to Rule 25-30.433(7), the utility operation does not incur an income tax liability.
- (11) Based on capital structure at April 30, 2004 and proposed leverage formula in staff recommendation in Docket No. 040006-WS.
- (12) 2004 costs escalated at 2%, except chemicals and property taxes which were escalated at 5% from 2003 costs.

Rate Base Summary - Revised 9/15/04

Florida Public Service Commission

**Oak Springs MHP
Docket No.**

**Exhibit No.
Page 1 of 1
Preparer: Gary Morse**

Line No.		
1	Gross Utility Plant In Service	\$ 429,105
2	Accumulated Depreciation	232,957
3	Net Utility Plant In Service	<u>\$ 196,148</u>
4	CIAC (Lines and Services) (Net)	0
5	Cash Working Capital (1/8 of O&M)	5,585
6	Rate Base	<u><u>\$ 201,734</u></u>

Original Cost Study - Water System Utility Plant In Service

Florida Public Service Commission

Oak Springs
 Docket No.
 Estimated Original Cost at December 31, 2003

Schedule 3 REVISED
 Page 1 of 1
 Preparer: J. Coto/G. Morse

Line No.	NARUC Account	Description	Year Installed (2)	Age (Yrs.)	FPSC (3) Depreciation Rate (%)	Costing Method		Index Values (1)		Replacement Cost (5)	Estimated Original Cost	Accumulated Depreciation	Original Cost Less Accum. Depreciation	
						Actual Invoice (4)	Trended	Test Yr	Yr. Installed					
1	301	Organization (Original Certificate Filing)(8)				Estimated					\$10,000	0	\$10,000	
2	303	Land and Land Rights	1973	30.5		Estimated (7)				\$3,750	3,750	\$0	\$3,750	
3	304	Structures and Improvements	1973	30.5	3.57%	Trended	313.00	100.00	8,466	1,198	1,198	1,198	0	
4	307	Wells and Springs-Well No. 1	1973	30.5	3.70%	Trended	291.00	100.00	90,000	30,928	30,928	30,928	0	
5	307	Wells and Springs-Well No. 2	1983	20.5	3.70%	Trended	291.00	208.00	80,000	57,182	43,373	43,373	13,809	
6	309	Supply Mains	1973	30.5	3.13%	Trended	333.00	100.00	12,500	3,754	3,584	3,584	170	
7	310	Power Generation Equipment	1998	5.5	5.88%	Trended	531.00	486.00	28,000	25,627	8,288	17,339	0	
8	311	Pumping Equipment - Well No. 1 Pump	1973	30.5	5.88%	Trended	531.00	100.00	28,000	5,273	5,273	5,273	0	
9	311	Pumping Equipment - Well No. 2 Pump	1995	8.5	5.88%	Trended	531.00	437.00	32,000	26,335	13,162	13,173	0	
10	311	Pumping Equipment - High Serv Pumps	1999	4.5	5.88%	Trended	531.00	499.00	11,000	10,337	2,735	7,602	0	
11	320	Water Treatment Equipment	1973	30.5	5.88%	Trended	385.00	100.00	74,400	19,325	19,325	19,325	0	
12	330	Distribution Reservoirs & Standpipes												
13		-Steel Tanks Hydro	1996	7.5	3.33%	Trended	270.00	251.00	26,000	24,170	6,037	18,134	24,170	
14		-Steel Tanks Storage Reservoir	1999	4.5	3.33%	Trended	270.00	268.00	38,000	37,719	5,652	32,066		
15	331	Transmission and Distribution Lines												
16		Phase 1	1973	30.5	2.50%	Trended	215.00	144.00	47,210	31,620	24,110	7,510		
17		Phase 2	1973	30.5	2.50%	Trended	215.00	144.00	28,297	18,952	14,451	4,501		
18		Phase 3	1983	20.5	2.50%	Trended	215.00	144.00	18,164	12,166	6,235	5,931	62,738	
19	333	Services												
20		Phase 1	1973	30.5	2.86%	Trended	275.00	206.00	25,100	18,802	16,401	2,401		
21		Phase 2	1973	30.5	2.86%	Trended	275.00	206.00	11,900	8,914	7,776	1,138		
22		Phase 3	1983	20.5	2.86%	Trended	275.00	206.00	6,800	5,094	2,987	2,107	32,810	
23	334	Meters and Meter Installations												
24		Phase 1	2000	3.5	5.88%	Trended	330.00	320.00	37,650	36,509	7,514	28,996		
25		Phase 2	2000	3.5	5.88%	Trended	330.00	320.00	17,850	17,309	3,562	13,747		
26		Phase 3	2000	3.5	5.88%	Trended	330.00	320.00	10,200	9,891	2,036	7,855	63,709	
27	335	Hydrants												
28		Phase 1	1973	30.5	2.50%	Trended	505.00	281.00	7,500	4,173	3,182	991		
29		Phase 2	1973	30.5	2.50%	Trended	505.00	281.00	9,000	5,008	3,819	1,189		
30		Phase 3	1983	20.5	2.50%	Trended	505.00	281.00	3,000	1,669	856	814	10,850	
31	336	Backflow Prevention Devices	2000	3.5	4.00%	Trended	385.00	372.00	3,400	3,400	476	2,924	3,400	
32		Total Net Original Cost Plant In Service								<u>\$658,187</u>	<u>\$429,105</u>	<u>\$232,957</u>	<u>\$196,148</u>	197,678

Footnotes:

- (1) Based on Handy Whitman Indices at mid year for the test year and estimated year of original installation/replacement
- (2) As indicated in information provided by Oak Springs for year installed and/or year replaced
- (3) Depreciation rates based on FPSC prescribed guidelines per Chapter 25-30.140
- (4) The parent company is not able to obtain any actual invoices or support for the original plant investment
 Therefore, the Company has prepared an original cost study to support the original plant investment
- (5) Represents the estimated cost today for similar facilities as prepared by Excel Engineering Consultants per the attached replacement cost analysis
- (6) Represents the actual original cost of meters (including installation) based upon the documentation provided to Excel Engineering by the party that did the meter installation.
- (7) From Replacement Cost Support Schedule 1.
- (8) Estimated Franchise/Organizational Costs - Accounts 301/302 anticipated to be incurred.

\$196,148

0 CIAC - Lines
\$196,148 Net Rate Base

Line No.	Description	Unit	Quantity	Unit Price	Total Cost
1	Potable Water Transmission/Distribution System				
2	Pipe Installation				
3	2" PVC - Phase 1	LF	4,005	\$4.00	16,020
4	2" PVC - Phase 2	LF	1,060	\$4.00	4,240
5	2" PVC - Phase 3	LF	453	\$4.00	1,812
6	4" PVC - Phase 1	LF	0	\$5.00	0
7	4" PVC - Phase 2	LF	1,801	\$5.00	9,005
8	4" PVC - Phase 3	LF	1,720	\$5.00	8,600
9	6" PVC - Phase 1	LF	4,215	\$6.00	25,290
10	6" PVC - Phase 2	LF	2,442	\$6.00	14,652
11	6" PVC - Phase 3	LF	292	\$6.00	1,752
12	Total Transmission and Distribution				81,371
13	Valves, Backflow Preventers, and Fire Hydrants				
14	2" Gate Valve - Phase 1	Each	1	\$400.00	400
15	2" Gate Valve - Phase 2	Each	1	\$400.00	400
16	2" Gate Valve - Phase 3	Each	1	\$400.00	400
17	4" Gate Valve - Phase 1	Each	5	\$500.00	2,500
18	4" Gate Valve - Phase 2	Each	0	\$500.00	0
19	4" Gate Valve - Phase 3	Each	6	\$500.00	3,000
20	6" Gate Valve - Phase 1	Each	5	\$600.00	3,000
21	6" Gate Valve - Phase 2	Each	0	\$600.00	0
22	6" Gate Valve - Phase 3	Each	4	\$600.00	2,400
23	Total T&D Valves				12,100
24					
25	1" RPZ Backflow Preventor	Each	4	\$850.00	3,400
26	2" Blow-off Valve	Each	1	\$200.00	200
27	Fire Hydrant Assembly - Phase 1	Each	5	\$1,500.00	7,500
28	Fire Hydrant Assembly - Phase 2	Each	6	\$1,500.00	9,000
29	Fire Hydrant Assembly - Phase 3	Each	2	\$1,500.00	3,000
30					
31	Service Laterals				
32	1" Service Lateral -Phase 1	Each	251	\$100.00	25,100
33	1" Service Lateral -Phase 2	Each	119	\$100.00	11,900
34	1" Service Lateral -Phase 3	Each	68	\$100.00	6,800
35	Total Services		438		43,800
36					
37	5/8" Water Meter -Phase 1	Each	251	\$150.00	37,650
38	5/8" Water Meter -Phase 2	Each	119	\$150.00	17,850
39	5/8" Water Meter -Phase 3	Each	68	\$150.00	10,200
40	Total Meters		438		65,700
41					
42	Total Water Transmission/Distribution System				226,071
43					
44					
45	Potable Water Treatment Facilities				
46	8" Well #1 (458 ft.)	Each	1	\$90,000.00	90,000
47	8" Well #2 (410 ft.)	Each	1	\$80,000.00	80,000
48	20HP Motor-Well & Pump	Each	1	\$28,000.00	28,000
49	30HP Motor-Well & Pump	Each	1	\$32,000.00	32,000
50	28,000gallon-Steel Reservoir+Aerator	Each	1	\$38,000.00	38,000
51	Hydropneumatic Tank (10,000 gal)	Each	1	\$26,000.00	26,000
52	25-HP High Service Pumps	Each	2	\$5,500.00	11,000
53	8" Water Meter	Each	2	\$10,000.00	20,000
54	6" /4" Gate Valve	Each	4	\$1,000.00	4,000
55	6" /4" Swing Check Valve	Each	4	\$1,000.00	4,000
56	6" /4" DIP	LF	200	\$22.50	4,500
57	Operation Building	SF	200	\$21.00	4,200
58	6' Chain-link Fence	LF	344	\$12.40	4,266
59	Emergency Generator (70 kW)	kW	70	\$400.00	28,000
60	Dual Cylinder Chlorination System	Each	1	\$14,000.00	14,000
61	Coleman Air Compressor (5 HP)	Each	1	\$1,400.00	1,400
62	Control Panel/Transfer Switch	Each	2	\$7,000.00	14,000
63	Electrical			\$25,000.00	25,000
64					
65	Total Water Treatment Facilities				428,366
66					
67	Estimated Land Value				3,750
68					
69	Total Estimated Replacement Cost				\$658,187
70					

Note: WTF area of 0.75 acres based on site plan.
Estimated value per acre is \$5,000.

Summary of Historical Water Treatment Plant Flows
For The 12-Months Ended December 2002

Line No.	Average Day Flow (MGD)	Maximum Day Flow (MGD)
1	January	0.000
2	February	0.000
3	March	0.000
4	April	0.000
5	May	0.000
6	June	0.000
7	July	0.000
8	August	0.000
9	September	0.000
10	October	0.000
11	November	0.000
12	December	0.000
13	Minimum	0.000
14	Maximum	0.000
15	Permitted (2) Plant Capacity (MGD)	0.000
16	CUP Permitted (3) Plant Capacity (MGD)	0.000
17	Well Capacity: (1)	
	Well No. 1	0 GPM 936,000 GPD
	Well No. 2	00 GPM 288,000 GPD
	Well No. 3	00 GPM 864,000 GPD

Footnotes:

(1) Well No. 2 (6-inch dia.) is in the process of being abandoned and will be replaced with a new well, no. 3 (12-inch dia.)

(2) Based on FDEP Permit

(3) Based on data contained in CUP issued April 2001 and will expire April 30, 2004.

Oak Springs, LLC
Original Certificate Application

Cost of Capital as of April 30, 2004

	<u>Amount</u>	<u>Percentage</u>	<u>Percentage Rate</u>	<u>Weighted Cost</u>
<u>Long-Term Debt</u>	\$4,545,505	73.95%	5.44%*	4.023
<u>Owners' Equity</u>	<u>\$1,601,478</u>	<u>26.05%</u>	11.40%**	<u>2.970</u>
Total	<u>\$6,146,983</u>	<u>100%</u>		<u>6.993</u>

Weighted Cost of Capital 7.00%

* Current flat rate on mortgage debt

** This is the return on equity generated by the leverage formula proposed for adoption by the staff recommendation dated May 20, 2004 in Docket No. 040006-WS. If approved, this will be the leverage formula which will be effective at the time rates are approved in this case.

OAK SPRINGS, LLC

Tariff Sheets

REVISED "EXHIBIT E"

NAME OF COMPANY OAK SPRINGS, LLC

WATER TARIFF

GENERAL SERVICE

RATE SCHEDULE GS

- AVAILABILITY - Available throughout the area served by the Company.
APPLICABILITY - For water service to all Customers for which no other schedule applies.
LIMITATIONS - Subject to all of the Rules and Regulations of this tariff and General Rules and Regulations of the Commission.

BILLING PERIOD -

RATE -

<u>Meter Size</u>	<u>Base Facility Charge</u>
5/8 X 3/4"	\$ 7.81
3/4"	\$ 11.72
1"	\$ 19.53
1 1/2"	\$ 39.05
2"	\$ 62.48
3"	\$ 124.96
4"	\$ 195.25

Gallage Charge
per 1,000 Gallons \$ 1.98

TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.

EFFECTIVE DATE -
TYPE OF FILING - Original Certificate

MICHAEL CAMPBELL
ISSUING OFFICER

MANAGING MEMBER
TITLE

NAME OF COMPANY OAK SPRINGS, LLC

WATER TARIFF

RESIDENTIAL SERVICE

RATE SCHEDULE RS

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - For water service for all purposes in private residences and individually metered apartment units.

LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD -

RATE -

<u>Meter Size</u>	<u>Base Facility Charge</u>
5/8 X 3/4"	\$ 7.81
3/4"	\$ 11.72
1"	\$ 19.53
1 1/2"	\$ 39.05
2"	\$ 62.48
3"	\$ 124.96
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Gallonage Charge
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EFFECTIVE DATE -

TYPE OF FILING - Original Certificate

MICHAEL CAMPBELL
ISSUING OFFICER

MANAGING MEMBER
TITLE