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October 8, 2004

Blanca S. Bayo, Director
Division of Commission Clerk and
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Building, Room 110
Tallahassee, Florida 32399-0850

Via hand delivery

Re: Docket No. 030998-WS: Joint Application for Approval of the Transfer of Majority Organizational Control of Del Tura Phase I, LLC and CWS Communities LP as the Result of the Acquisition by Hometown America, L.L.C. of the Stock of Chateau Communities, Inc.

Dear Ms. Bayo:

Enclosed pursuant to Patti Daniel's letter of September 10, 2004 are an original and four copies of this letter which follows-up on my July 9, 2004 letter to you and responds to Staff's letter of September 10, 2004 in this docket.

As was referenced in my July 9 letter, Robert Munro, Utilities Director, and Gary Morse, the utilities' rate consultant, met with PSC auditor Charles Winston in the Orlando District office on July 14, 2004 regarding the audit exceptions and disclosures. To the extent exceptions or disclosures are not addressed in this letter, it means that the response given in the July 9, 2004 letter is the complete response.

In general, to the best of Hometown America's knowledge it has obtained all existing continuing property records and source documents for each of the three systems as required by Regulations to Govern the Preservation of Records of Electric, Gas and Water Utilities, with the exceptions noted in the Staff Audits and utility responses.

CWS Communities LP (serving Haselton Village)

Exception No. 1: General ledger books and copies of all supporting invoices are being maintained in Florida at the Utility's local office. It is the understanding of Messrs. Munro and Morse from the July 14 meeting that Mr. Winston believed that the written procedures and general ledger book with supporting invoices meets NARUC standards.

TAL:49838:1

DOCUMENT NUMBER-DATE

10897 OCT-8 04

FPSC-COMMISSION CLERK

Exception No. 3: Customer Billing

The audit staff noted that Haselton Village (also referred to as the "Park") does not charge or bill 42 of the 285 lots for water service. This is currently true. This issue was addressed in the PSC order granting the original water certificate in 1989 for CWS Communities LP (then Century Realty Funds, Inc. and Haselton Associates, Ltd. d/b/a Route 19A North Joint Venture). That order states that the utility had been in operation since 1973, initially as an exempt utility providing service to its 150 lots (referred to as Phase I), the cost of which was included in rent. In 1985 the utility and mobile home park were sold, the park expanded by 147 spaces (referred to as Phase II in the order), and a revised lease agreement established for water and sewer service for new customers. The 147 Phase I lot residents had what are known as "lifetime leases" which by their terms did not allow for separate billing of water and wastewater charges. Because of this, the certification order stated with regard to the monthly flat residential rates approved:

"Previously, these rates have been applied to second phase customers added since the mobile home park was expanded in 1985. First phase customers have not been billed where lifetime leases include utility service within the monthly lease payments. As these leases expire, subsequent customers shall be subject to separate water and sewer rates."

The utility did not consider these lifetime leaseholders as customers and therefore did not bill them.

Further clarification of the status of the 42 lots not currently being billed for water is that 16 of lots are governed by lifetime leases. The remaining 26 lots are not technically lifetime leases, but are leases which state that the leaseholder does not pay for water. From the point of view of the Department of Business and Professional Regulation, these leases are essentially treated in the same manner as lifetime leases.

In addition to not having billed the 42 lots identified above, CWS Communities LP had overlooked billing the Park clubhouse. Attached hereto as Attachment "A", as requested by Staff, is the calculation of \$230.27 of regulatory assessment fees (RAFs) owed to the PSC based upon imputed revenues for the 42 lots and Park clubhouse, calculated from July 29, 2002 through 2003. The July 29, 2002 date is used because that is the date on with the PSC approved the transfer of the utility to Chateau, which subsequently merged into the Hometown America corporate structure. (Order No. PSC-02-028-FOF-WU, Docket 020102-WS, transfer from CWS Communities Trust to CP Limited Partnership, known in Florida as Chateau Communities Limited Partnership). There are no model homes in the Park which are connected to the water and wastewater systems.

Because of the lack of clarity of the 1989 certification order, and because it had never been brought to Chateau's attention that the PSC expected the utility to bill these Phase I residents as customers, Chateau/Hometown America requests that it not be required to pay back-RAFs on imputed revenue to the 42 lots.

Nonetheless, it is Hometown America's understanding based upon instruction from PSC Staff that even though the 1989 order's language may have been unclear, the utility was required to bill all Park residents as customers. If the transfer order in this docket clarifies and orders that the utility is required to bill all residents as customers, Hometown America will begin billing the 42 lot residents as required by the PSC.

Haselton Village as an exempt wastewater service reseller

Attached as Attachment "B," as requested by Staff, are copies of the bills from the City of Eustis (the "City") for wastewater service provided to the Park from August 2003 through July 2004. For the calendar year 2003, the City charged the Park \$20.89 per occupied lot for wastewater service. Haselton Village in turn calculated a charge per occupied lot of \$20.89 for 240 residents (due to a scrivener's error, the residents were charged \$20.40 per month, but the Park intends to collect the amount undercharged). Thirty-three long time residents paid a wastewater charge of \$14.40 because when they moved into the Park, the lease capped their sewage rate at \$14.40. Sixteen residents do not pay any wastewater charge because they hold lifetime leases which state that they do not pay for sewer. The Park collects less in revenues than it is billed by the City. In 2004, the City changed its billing so that it charges the Park \$20.89 per lot, whether or not it is occupied, plus has added on a consumption charge based upon the park's master meter. The Park was not aware of this change and for 2004 continued to charge \$20.40 per occupied lot for the 240 residents. However, the Park does intend to charge all 240 residents the \$20.89 per month, and will add an additional \$8.00 per lot to cover the new City consumption charge. The \$8.00 per lot for consumption is based upon 2004 consumption. The Park will also conduct a true-up calculation at the end of 2005 comparing the estimated charge with a charge calculated based on actual consumption, and will credit residents if a pro rata share based on actual consumption is less than \$8.00 per lot. The Park intends that it will not charge residents more than the direct pass-through of the base facility charge per lot and pro rata share of consumption. The Park has in the past and will continue pay its pro rata share of wastewater service for the clubhouse.

Del Tura Phase I, LLC

Exception No. 5: Same response as that given by CWS Communities LP, Exception No. 1, above.

Audit Disclosure No. 4: Revenues not Billed to Developer

The utility has unintentionally failed to bill the park owned properties. Staff has requested a computation of regulatory assessment fees due. Attached hereto as Attachment "C" is a schedule calculating the RAFs due from the date of the PSC order approving transfer of the utility to Chateau through 2003. (Order No. PSC-96-0770-FOF-SU, issued June 17, 1996 in Docket 950781-SU approved transfer of Sun Coast Investment Group, Ltd. from North Trail

Utilities to Chateau Communities, Inc.). The total RAFs due is \$2,214.33. Hometown America will assure that revenues for park properties will be accounted for 2004 and subsequent years, and that RAFs in the future will account for these revenues. There are no models in the park which are connected to the water or wastewater system.

CWS Communities LP, d/b/a Palm Valley

Exception No. 1: See response to CWS Communities LP Exception No. 1, above.

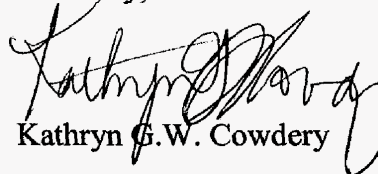
Exception No. 5: Customer Billing

The utility inadvertently did not charge the clubhouse and office for water and wastewater service prior to March 2004. Staff has requested that the utility calculate the RAFs due for this oversight. Attached hereto as Attachment "D" is the calculation of \$456.02 of RAFs due from July 29, 2002 through 2003. (Order No. PSC-02-1029-FOF-WS, issued July 29, 2002 in Docket 020122-WS approved transfer of CWS Communities LP d/b/a Palm Valley to CP Limited Partnership, known in Florida as Chateau Communities Limited Partnership.) Hometown American will assure that the books properly reflect these revenues in the future and that the RAFs are therefore also correctly calculated. There are no models in the park that are connected to the water and wastewater system.

Reuse service at Palm Valley: In response to Staff's letter of September 10, 2004, attached as Attachment "E" is a list of customers who have received reuse service, but have not been billed, how long service has been provided to each of those customers, the amount of unbilled revenue for each year for which the service was provided at no charge, and the explanation as to why customers have not yet been billed for reuse service.

Please contact me if you have any questions.

Sincerely,



Kathryn G.W. Cowdery

Encs.

Cc (w/encs.): Stephanie Clapp (via hand delivery)
Denise Vandiver (via hand delivery)
Patti Daniel (via hand delivery)
Nancy Wallace, Esq. (via U.S. Mail)

ATTACHMENT A

Hometown America
 Attachment A
 System: P Haselton Water System
 Calculation of RAF's From The Date of FPSC Order Through 2003
 Order Date: 29-Jul-02

Date	Gallons	Water Billed	Clubhouse Billed	Total Billed
August	N/A	\$ 294.00	\$ 7.00	\$ 301.00
September	N/A	294.00	7.00	301.00
October	N/A	294.00	7.00	301.00
November	N/A	294.00	7.00	301.00
December	N/A	294.00	7.00	301.00
January	N/A	294.00	7.00	301.00
February	N/A	294.00	7.00	301.00
March	N/A	294.00	7.00	301.00
April	N/A	294.00	7.00	301.00
May	N/A	294.00	7.00	301.00
June	N/A	294.00	7.00	301.00
July	N/A	294.00	7.00	301.00
August	N/A	294.00	7.00	301.00
September	N/A	294.00	7.00	301.00
October	N/A	294.00	7.00	301.00
November	N/A	294.00	7.00	301.00
December	N/A	294.00	7.00	301.00
				<u>\$ 5,117.00</u>
				<u><u>\$ 230.27</u></u>

Notes:

For this analysis, it was assumed that the 42 customers in question are year round residents.

Approved rates are \$7.00 per month flat rate for occupied units and \$3.00 per month for unoccupied units.

Clubhouse assumed to be equal to one occupied unit as there is a water fountain and mens/ladies restroom.

ATTACHMENT B



Account # 11000005.01 HASELTON VILLAGE
Service Address 2400 CR 19A

Invoice # 681716 **Invoice Date** 2003/08/07
Original Invoice Total 7,502.75 **Accounting Period** 2003/08/07
Due Date 2003/09/02

Display Trans: Display in detail:

Detail Date	Service Code	Description	Consumption	Amount
2003/08/07	WATR	WATER SALES	4253090.00	
2003/08/07	STRM	STORMWATER FEE	00	471.00
2003/08/07	SEWR	SEWER CONSUMPTION SALES	4253090.00	4,885.84
2003/08/07	GARB	GARBAGE SERVICES	00	2,139.91
2003/08/07	STR1	STORMWATER (SECONDARY)	00	6.00

Account # 11000005.01 HASELTON VILLAGE
 Service Address 2400 CR 19A

Invoice # 692394 Invoice Date 2003/09/08
 Original Invoice Total 9,400.12 Accounting Period 2003/09/08
 Due Date 2003/10/02

Display Trans Display in detail

Detail Date	Service Code	Description	Consumption	Amount ±
2003/09/08	WATR	WATER SALES	9685000.00	1,992.87
2003/09/08	STRM	STORMWATER FEE	.00	465.00
2003/09/08	SEWR	SEWER CONSUMPTION SALES	9685000.00	4,823.60
2003/09/08	GARB	GARBAGE SERVICES	.00	2,112.65
2003/09/08	STR1	STORMWATER (SECONDARY)	.00	6.00

OK

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Account # 11000005.01 HASELTON VILLAGE
Service Address 2400 CR 19A

Invoice # 702879 **Invoice Date** 2003/10/07
Original Invoice Total 6,441.00 **Accounting Period** 2003/10/07
Due Date 2003/11/03

Display Trans: Display in detail:

Detail Date	Service Code	Description	Consumption	Amount
2003/10/07	WATR	WATER SALES	116000.00	
2003/10/07	STRM	STORMWATER FEE	.00	495.00
2003/10/07	SEWR	SEWER CONSUMPTION SALES	116000.00	3,691.05
2003/10/07	GARB	GARBAGE SERVICES	.00	2,248.95
2003/10/07	STR1	STORMWATER (SECONDARY)	.00	6.00

Account # 11000005.01 HASELTON VILLAGE
 Service Address 2400 CR 19A

Invoice # 713695 Invoice Date 2003/11/06
 Original Invoice Total 7,759.00 Accounting Period 2003/11/05
 Due Date 2003/12/02

Display Trans | Display in detail

Detail Date	Service Code	Description	Consumption	Amount \$
2003/11/06	WATR	WATER SALES	1211000 00	
2003/11/06	STRM	STORMWATER FEE	00	531.00
2003/11/06	SEWR	SEWER CONSUMPTION SALES	1211000 00	4,809.49
2003/11/06	GARB	GARBAGE SERVICES	00	2,412.51
2003/11/06	STR1	STORMWATER (SECONDARY)	00	6.00

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Account # 11000005.01 HASELTON VILLAGE
 Service Address 2400 CR 19A

Invoice # 724267 Invoice Date 2003/12/06
 Original Invoice Total 8,625.00 Accounting Period 2003/12/08
 Due Date 2004/01/02

Display Trans | Display in detail

Detail Date	Service Code	Description	Consumption	Amount
2003/12/06	WATR	WATER SALES	610000 00	
2003/12/06	STRM	STORMWATER FEE	00	663 00
2003/12/06	SEWR	SEWER CONSUMPTION SALES	610000 00	4,943 77
2003/12/06	GARB	GARBAGE SERVICES	00	3,012 23
2003/12/06	STR1	STORMWATER (SECONDARY)	00	6 00

OK | Exit | Previous

TRANSMISSION VERIFICATION REPORT

Account History - Consumption And Actual Charges

TIME : 08/24/2004 10:18

Customer ID:	16161	HASELTON VILLAGE		
DATE, TIME	23196	2400 CR 19A	08/24 10:16	
Escalation ID / NAME			3571121	
DURATION	01	10	00:01:18	
Page (S)		Bill type:	CONVERTED BILL	
RESULT			OK	
MODE	Bill Summary	Budget Summary	STANDARD	Discount Summary
			ECM	
Bill date:	1/07/04	Previous balance:		.00

Due date: 1/21/04 Adjustments / payments: .00
 Bill amount: 10,367.75 Charges: 10,367.75

Service Type	Reading Type	Reading Date	Actual Consumption	Demand Consumption	Days	Meter Number	Estimate Code	Comment Code
WA	REG	12/30/03	16250.00	.00	29	111111		

Service	Description	Billed Consumption	Amount	Rate Group	Season
GA	CNV GARBAGE CHG	.00	2957.71	EU/I/RS	
ST	CNV STORMWATER CHG	.00	651.00	EU/I/RS	
SW	CNV SEWER CHG	.00	6753.04	EU/I/RS	
S2	CNV 2nd STORMWATER C	.00	6.00	EU/I/RS	

Account History - Consumption And Actual Charges

Customer ID: 16161 HASELTON VILLAGE

Location ID: 23196 2400 CR 19A

Cycle/route: 01 10 Bill type: CONVERTED BILL

Bill Summary		Budget Summary		Discount Summary	
Bill date:	2/08/04	Previous balance:			.00
Due date:	2/20/04	Adjustments / payments:			.00
Bill amount:	12,309.43	Charges :			12,309.43

Service Type	Reading Type	Reading Date	Actual Consumption	Demand Consumption	Days	Meter Number	Estimate Code	Comment Code
GA	REG	2/03/04	.00	.00	35	111111		

Service	Description	Billed Consumption	Amount	Rate Group	Season
GA	CNV GARBAGE CHG	.00	3577.44	EU/I/RS	
ST	CNV STORMWATER CHG	.00	771.00	EU/I/RS	
SW	CNV SEWER CHG	.00	7954.99	EU/I/RS	
S2	CNV 2nd STORMWATER C	.00	6.00	EU/I/RS	

Account History - Consumption And Actual Charges

Customer ID: 16161 HASELTON VILLAGE
 Location ID: 23196 2400 CR 19A
 Cycle/route: 01 10 Bill type: CONVERTED BILL

Bill Summary		Budget Summary		Discount Summary	
Bill date:	3/04/04	Previous balance:			.00
Due date:	3/18/04	Adjustments / payments:			.00
Bill amount:	14781.18	Charges :			14781.18

Service Type	Reading Type	Reading Date	Actual Consumption	Demand Consumption	Days	Meter Number	Estimate Code	Comment Code
WA	REG	3/01/04	2770.00	.00	27	111111		

Service	Description	Billed Consumption	Amount	Rate Group	Season
GA	CNV GARBAGE CHG	.00	3535.68	EU/I/RS	
ST	CNV STORMWATER CHG	.00	762.00	EU/I/RS	
SW	CNV SEWER CHG	.00	8709.66	EU/I/RS	
S2	CNV 2nd STORMWATER C	.00	6.00	EU/I/RS	
WA	CNV WATER CHG	.00	1767.84	EU/I/RS	

Account History - Consumption And Actual Charges

Customer ID: 16161 HASELTON VLLAGE

Location ID: 23196 2400 CR 19A

Cycle/route: 01 10 Bill type: CONVERTED BILL

Bill Summary		Budget Summary		Discount Summary	
Bill date:	4/06/04	Previous balance:			.00
Due date:	4/20/04	Adjustments / payments:			.00
Bill amount:	17339.20	Charges :			17339.20

Service Type	Reading Type	Reading Date	Actual Consumption	Demand Consumption	Days	Meter Number	Estimate Code	Comment Code
WA	REG	3/31/04	1020.00	.00	30	111111		

Service	Description	Billed Consumption	Amount	Rate Group	Season
GA	CNV GARBAGE CHG	.00	3786.24	EU/ I/RS	
ST	CNV STORMWATER CHG	.00	816.00	EU/ I/RS	
SW	CNV SEWER CHG	.00	12730.96	EU/ I/RS	
S2	CNV 2nd STORMWATER C	.00	6.00	EU/ I/RS	

Account History - Consumption And Actual Charges

Customer ID: 16161 HASELTON VILLAGE
 Location ID: 23196 2400 CR 19A
 Cycle/route: 01 10 Bill type: CONVERTED BILL

Bill Summary		Budget Summary		Discount Summary	
Bill date:	5/06/04	Previous balance:			.00
Due date:	5/20/04	Adjustments / payments:			.00
Bill amount:	10,995.90	Charges :			10,995.90

Service Type	Reading Type	Reading Date	Actual Consumption	Demand Consumption	Days	Meter Number	Estimate Code	Comment Code
WA	REG	5/03/04	650.00	.00	33	111111		

Service	Description	Billed Consumption	Amount	Rate Group	Season
GA	CNV GARBAGE CHG	.00	3340.80	EU/I/RS	
ST	CNV STORMWATER CHG	.00	720.00	EU/I/RS	
SW	CNV SEWER CHG	.00	6929.10*	EU/I/RS	
S2	CNV 2nd STORMWATER C	.00	6.00	EU/I/RS	

Account History - Consumption And Actual Charges

Customer ID: 16161 HASELTON VILLAGE

Location ID: 23196 2400CR 19A

Cycle/route: 01 10 Bill type: CONVERTED BILL

Bill Summary		Budget Summary		Discount Summary	
Bill date:	6/07/04	Previous balance:			.00
Due date:	6/21/04	Adjustments / payments:			.00
Bill amount:	12,056.30	Charges :			12,056.30

Service Type	Reading Type	Reading Date	Actual Consumption	Demand Consumption	Days	Meter Number	Estimate Code	Comment Code
WA	REG	6/01/04	810.00	.00	29	1111111		

Service	Description	Billed Consumption	Amount	Rate Group	Season
GA	CNV GARBAGE CHG	.00	4036.80	EU/I/RS	
ST	CNV STORMWATER CHG	.00	870.00	EU/I/RS	
SW	CNV SEWER CHG	.00	7143.50	EU/I/RS	
S2	CNV 2nd STORMWATER C	.00	6.00	EU/I/RS	

Account History - Consumption And Actual Charges

Customer ID: 16161 HASELTON VILLAGE

Location ID: 23196 2400 CR 19A

Cycle/route: 01 10 Bill type: OFF CYCLE BILL

Bill Summary		Budget Summary		Discount Summary	
Bill date:	7/09/04	Previous balance:		1,692.00-	
Due date:	8/02/04	Adjustments / payments:		8,346.26-	
Bill amount:	222.48	Charges :		10260.74	

Service Type	Reading Type	Reading Date	Actual Consumption	Demand Consumption	Days	Meter Number	Estimate Code	Comment Code
WA	REG	7/01/04	960.00	.00	360	111111		
WA	ADJ	7/01/04	960.00	.00	360	111111		

Service	Description	Billed Consumption	Amount	Rate Group	Season
GA	GARBAGE	.00	2394.24	EU/ I/RS	
ST	STORM WATER	.00	516.00	EU/ I/RS	
SW	BASE AVAILABILITY	.00	6058.10	EU/ I/RS	
SW	CONS CONSUMPTION	960.00	1286.40	EU/ I/RS	
S2	SECONDARY STORMWATER	.00	6.00	EU/ I/RS	

Account History - Consumption And Actual Charges

Customer ID: 16161 HASELTON VLLAGE

Location ID: 23196 2400 CR 19A

Cycle/route: 01 10 Bill type: OFF CYCLE BILL

Bill Summary		Budget Summary		Discount Summary	
Bill date:	8/17/04	Previous balance:		8,351.26	
Due date:	9/07/04	Adjustments / payments:		.00	
Bill amount:	19,969.42	Charges :		11,818.16	

Service Type	Reading Type	Reading Date	Actual Consumption	Demand Consumption	Days	Meter Number	Estimate Code	Comment Code
WA	REG	8/03/04	1973.00	.00	33	111111		

Service	Description	Billed Consumption	Amount	Rate Group	Season
GA	GARBAGE	.00	2394.24	EU/ I/RS	
ST	STORM WATER	.00	516.00	EU/ I/RS	
SW	BASE AVAILABI LTY	.00	6058.10	EU/ I/RS	
SW	CONS CONSUMPT ION	1973.00	2643.82	EU/ I/RS	
S2	SECONDARY STORMWATER	.00	6.00	EU/ I/RS	

ATTACHMENT C

Hometown America
 Attachment C
 System: Del Tura Wastewater System
 Calculation of RAF's From The Date of FPSC Order Through 2003
 Order Date: 17-Jun-96

Location	Gallons	Quarterly Rate	Annual Total	Total Since 6/17/96
Clubhouse	N/A	\$ 652.87	\$ 2,611.48	\$ 19,682.72
Satellite Area 1	N/A	\$ 65.29	\$ 261.16	\$ 1,968.36
Satellite Area 2	N/A	\$ 65.29	\$ 261.16	\$ 1,968.36
Satellite Area 3	N/A	\$ 65.29	\$ 261.16	\$ 1,968.36
Sales/Adm Offices	N/A	\$ 261.13	\$ 1,044.52	\$ 7,872.55
Construction Office	N/A	\$ 130.58	\$ 522.32	\$ 3,936.73
Security Guard Gate	N/A	\$ 65.29	\$ 261.16	\$ 1,968.36
3 Mini Rec Areas	N/A	\$ 65.29	\$ 783.48	\$ 5,905.09
2 T Houses	N/A	\$ 65.29	\$ 522.32	\$ 3,936.73
				\$ 49,207.26
Regulatory Assessment Fees				<u>\$ 2,214.33</u>

Notes:
 Period in question is 7.537 years through end of 2003.



ATTACHMENT D

Hometown America
Attachment D
System: **Palm Valley Water and Wastewater System**
Calculation of RAF's From The Date of FPSC Order Through 2003
Order Date: 29-Jul-02

Clubhouse 2" Meter				
Date	Gallons	Water Billed	Sewer Billed	Total Billed
August	39,700	\$ 21.44	\$ 22.23	\$ 43.67
September	39,300	21.22	22.01	43.23
October	94,000	292.76	515.53	808.29
November	(22,500)	76.56	85.95	162.51
December	25,600	135.44	202.94	338.38
January	36,800	161.20	254.13	415.33
February	75,100	249.29	412.71	662.00
March	79,600	259.64	449.72	709.36
April	89,700	282.87	495.88	778.75
May	112,900	336.23	601.90	938.13
June	67,400	231.58	393.97	625.55
July	71,600	241.24	413.16	654.40
August	61,000	216.86	364.72	581.58
September	72,000	242.16	414.99	657.15
October	57,000	207.66	346.44	554.10
November	63,500	222.61	376.15	598.76
December	56,800	207.20	345.53	552.73
				<u>\$ 9,123.91</u>

Regulatory Assessment Fees \$ 410.58

Office 1" Meter				
Date	Gallons	Water Billed	Sewer Billed	Total Billed
August	2,210	\$ 1.19	\$ 1.24	\$ 2.43
September	2,340	1.26	1.31	2.57
October	1,760	27.98	34.90	62.88
November	1,740	27.93	34.81	62.74
December	1,410	27.17	33.30	60.48
January	1,930	28.37	35.68	64.05
February	1,870	28.23	35.41	63.64
March	2,030	28.60	36.14	64.74
April	2,000	28.53	36.00	64.53
May	2,030	28.60	36.14	64.74
June	1,500	27.38	33.72	61.10
July	1,950	28.42	35.77	64.19
August	7,380	40.90	60.59	101.49
September	1,780	28.02	34.99	63.02
October	2,320	29.27	47.75	77.02
November	2,070	28.69	36.32	65.01
December	2,120	28.81	36.55	65.35
				<u>\$ 1,009.97</u>

Regulatory Assessment Fees \$ 45.45

Total Regulatory Assessment Fees \$ 456.02

ATTACHMENT E

Palm Valley reuse service

The following should help answer the PSC questions referenced in the 9/10/04 letter from PSC Staff.

All customers of the utility have been billed for water and wastewater. Reuse is the only service currently not being billed. Palm Valley has not charged for reuse service because the reuse storage tank capacity is insufficient to meet customer demand. The reuse service has been intermittent and very frustrating for customers who are trying to water their lawns. Palm Valley does not believe that it should charge for reuse service until the service is improved. The utility is preparing to install a larger holding area so that reuse is more readily available. Palm Valley would prefer not to begin billing for reuse until the system has sufficient capacity. Palm Valley expects to begin actual billing January 2005.

Model homes in the community are not connected to the water or wastewater system. The only water being used at the models is reuse to keep the landscaping looking good and is used sparingly.

There is a total of 295 homesites that are approved for reuse utility service plus common areas. When first approved by the PSC (reuse rates effective 9/9/02), this total included 147 existing homes and 148 vacant homesites in the new phase. Since then, 31 homes have been built in the new phase.

The following is a list of the 147 homesites that had reuse from the time the reuse rates were implemented. The second list shows the home lot numbers in the new phase that have reuse and the date when usage began.

Original 147 homesites:

401 thru 411
701 thru 705
708 thru 759
783 thru 787
7101
7102
601 thru 672

31 Homes in new phase and date service started:

804	8/04
806	9/03
808	1/03
810	9/02
811	9/02
814	2/03
821	9/03

826	8/03
827	2/04
835	9/03
836	10/03
838	9/02
853	1/02
854	6/02
855	11/02
856	12/03
857	6/03
864	11/02
865	8/04
870	6/03
874	9/02
875	11/02
880	2/02
881	7/04
882	8/02
883	2/03
887	9/02
900	1/03
901	11/02
913	11/02
945	3/04

The PSC established the reuse rates effective 9/9/02. September 2002 usage would have been billed and due November 1, 2002. Listed below (beginning with Nov. 2002 billing) is the amount of unbilled revenue. Since Palm Valley did not record the meter readings in a utility billing system, it is using total monthly reuse that was recorded by the reuse meter at the utility.

2002

November	\$793.50
December	\$819.95

2003

January	\$759.00
February	\$748.65
March	\$570.40
April	\$644.00
May	\$517.50
June	\$828.00
July	\$1176.45
August	\$1069.50

September	\$1069.50
October	\$1426.00
November	\$1173.00
December	\$1212.10

2004

January	\$759.00
February	\$962.33
March	\$1140.00
April	\$966.00
May	\$1035.00
June	\$1069.50
July	\$1319.05
August	\$966.00