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FLORIDA PUBLIC SERVICE COMMISSION

APPLICATION FOR A
STAFF ASSISTED RATE CASE

I. General Data

A. Name of utility Colonial Manor Utility Company

B. Address P.O. Box 398, New Port Richey, FL 34656-0398

1. Telephone Nos. (727) 848-8292

2. County Pasco Nearest City New Port Richey

3. General area served New Port Richey - Holiday

C. Authority:

1. Water Certificate No. 153-W Date Received 9/11/73

2. Wastewater Certificate No. N/A Date Received

3. Date utility started operations: Water Wastewater

D. How system was acquired Asset Purchase

If utility was purchased, give date 1/31/2004 Amount Paid 304,933.50

1. Name of Seller Fioralino Properties, Inc.

2. Was seller affiliated with present owners? No

3. Did you purchase: Stock or assets only X

E. Type of legal entity: Corporation, Partnership or Sole Proprietorship
Corporation

F. Ownership & Officers:

	Name	Title	Percent Ownership
1.	Gary Deremer	President	51
2.	Cecil Delcher	Vice President	49
3.			
4.			

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PSC/ECR 2 (Rev. 3/02)

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G. List of Associated Companies and Addresses:

1. _____

2. _____

3. _____

H. If you have retained an attorney and/or a consultant to represent the utility for this application, furnish the name(s) and address(es):

N/A

II. Accounting Data

A. Outside Accountant

1. Name Jack Bailie
2. Firm J.S. Bailie, C.P.A.
3. Address 2153 Grand Blvd., Holiday, FL 34690
4. Telephone (727) 937-6650

B. Individual to contact on accounting matters:

1. Name Joe Gabay
2. Telephone (727) 848-8292 x 212

C. Location of books and records 4939 Cross Bayou Blvd., NPR, FL

D. Have you filed an Annual Report with the Commission? Yes

Date Last Filed 4/28/05

E. Has your latest semiannual regulatory assessment fee payment been made (January 30 or July 30 whichever is applicable)? Yes

F. Basic Rate Base Data (Most recent two years)

1. Water	2004	2003
Cost of Plant In Service:	$ 396.453	$ 342.907
Less Accumulated Depreciation:	310.149	298.359
Less Contributed Plant:		
Net Owner's Investment:	$ 86.304	$ 44.548

2. Wastewater

	2004	2003
Cost of Plant In Service:	$ N/A	$ N/A
Less Accumulated Depreciation:		
Less Contributed Plant:		
New Owner's Investment:	$ N/A	$ N/A

G. Basic Income Statement (Most recent two years):

1. Water

	2004	2003
Revenues (By Class):		
a. Residential	$ 154,227	$ 123,738.
b. Commercial	3,445	3,344
c. Other	2,982	625.
Total Operating Revenues:	$ 160,654	$ 127,707-
Less Expenses:		
a. Salaries & Wages - Employees		
b. Salaries & Wages - Officers, Directors, & Majority Stockholders	24,000	
c. Employee Pensions & Benefits		
d. Purchased Water	2,470	2,710
e. Purchased Power	5,150	5,449
f. Fuel for Power Production		
g. Chemicals	1,722	1,489.
h. Materials & Supplies	8,077	667
i. Contractual Services	88,821-	84,219-
j. Rents		2,801
k. Transportation Expenses		8,609.
l. Insurance Expense		5,498.
m. Regulatory Commission Expense	(6)	
n. Bad Debt Expense	63	
o. Miscellaneous Expense	3,285	32,904-
p. Depreciation Expense	11,790	10,367
q. Property Taxes		
r. Other Taxes	8,488	7,772
s. Income Taxes		
Operating Income (Loss)	$ 6,794-	$ (34,778-)

2. Wastewater	2004	2003
Revenues (By Class):		
a. _____	N/A	N/A
b. _____		
c. _____		
Total Operating Revenues:	$	$
Less Expenses:		
a. Salaries & Wages - Employees	$	$
b. Salaries & Wages - Officers, Directors, & Majority Stockholders		
c. Employee Pensions & Benefits		
d. Purchased Wastewater Treatment		
e. Sludge Removal Expense		
f. Purchased Power		
g. Fuel for Power Production		
h. Chemicals		
i. Materials & Supplies		
j. Contractual Services		
k. Rents		
l. Transportation Expenses		
m. Insurance Expense		
n. Regulatory Commission Expense		
o. Bad Debt Expense		
p. Miscellaneous Expense		
q. Depreciation Expense		
r. Property Taxes		
s. Other Taxes		
t. Income Taxes		
Operating Income (Loss)	$ N/A	$ N/A

H. Outstanding Debt:

	Creditor	Date Borrowed	Balance Due	Interest Rate	Expiration Date
1.	Floralino	1/31/04	173.558.	7%	1/1/2009
2.	U.S. Water Services		152,000	N/A	Service Agt.
3.					
4.					

I. Indicate Type of Tax Return Filed:

_____ Form 1120 - Corporation

__X__ Form 1120S - Subchapter S Corporation

_____ Form 1065 - Partnership

_____ Form 1040 - Schedule C - Individual (Proprietorship)

III. Engineering Data

A. Outside Engineering Consultant:

1. Name Mo Kader, P.E.
2. Firm U.S. Water Services Corp.
3. Address 4939 Cross Bayou Blvd. New Port Richey, FL
4. Telephone (727) 848-8292

B. Individual to contact on engineering matters:

1. Name Mo Kader, P.E.
2. Telephone (727) 848-8292

C. Is the utility under citation by the Department of Environmental Protection (DEP) or county health department? If yes, explain.

No

D. List any known service deficiencies and steps taken to remedy problems.

See Attached Capital Improvement Plan

E. Name of plant operator (s) and DEP operator certificate number (s) held.

U.S. Water Services Corporation - Contract Operators Provided.

F. Is the utility serving customers outside of its certificated area? No

If yes, explain

G. Wastewater: N/A

1. Gallons per day capacity of treatment facilities existing _____ under construction _____ proposed _____
2. Type and make of present treatment facilities _____
3. Approximate average daily flow of treatment plant effluent _____
4. Approximate length of wastewater mains:

   Size (diameter) _____ _____ _____ _____ _____
   Linear feet _____ _____ _____ _____ _____
5. Number of manholes _____
6. Number of liftstations _____
7. How do you measure treatment plant effluent? _____

8. Is the treatment plant effluent chlorinated? _____ If yes, what is the normal dosage rate? _____

9. Tap in fees - Wastewater $ _____

10. Service availability fees - Wastewater $ _____

11. Note DEP Treatment Plant Certificate Number and date of expiration: Number _____ Expiration Date _____

12. Total gallons treated during most recent twelve months _____

13. Wastewater treatment purchased during most recent twelve months _____

H. Water

1. Gallons per day capacity of treatment facilities existing 296,000 gpd currently under construction _____ proposed _____

2. Type of treatment Chemical Feed

3. Approximate average daily flow of treated water 121,523 gpd 1/1-12/31/04

4. Source of water supply 5 Wells

5. Types of chemicals used and their normal dosage rates Chlorine Chemical

6. Number of wells in service 4 Total capacity in gallons per minute (gpm) _____

	#1	#2	#3	#4	#5	
Diameter/Depth	120' /	120' /	120' /	120' /	120' /	
Motor horsepower	300	300	350	300	250	
Pump capacity (gpm)						

7. Reservoirs and/or hydropneumatic tanks:

	#1	#2	#3	#4	#5
Description	Elevated Steel	EL. Steel	EL. Steel	EL. Steel	EL. Steel
Capacity	5,000	3,000	3,000	3,000	5,000

8. High service pumping: NONE

Motor horsepower				
Pump capacity (gpm)				

9. How do you measure treatment plant production? Wells are metered prior to hydrotank.

10. Approximate feet of water mains:

Size (diameter)	2", 4", 6" - multiple sizes.			
Linear feet				

11. Note any fire flow requirements and imposing government agency Pasco County Fire Flow Requirements

12. Number of fire hydrants in service One

13. Do you have a meter change out program? Yes See Attached

14. Meter installation or tap in fees - Water $ built out

15. Service availability fees - Water $ built out

16. Has the existing treatment facility been approved by DEP? Yes

17. Total gallons pumped during most recent twelve months 44,355,760 1/1-12/1/04

18. Total gallons sold during most recent twelve months 40,554,000 1/1-12/1/04

19. Gallons unaccounted for during most recent twelve months 3,801,760 1/1-12/1/04

20. Gallons purchased during most recent twelve months Ø Stand by County Interconnect - None used

IV. Rate Data

A. Individual to contact on tariff matters:

1. Name Joe Gabay

2. Telephone Number (727) 848-8292

B. Schedule of present rates (Attach additional sheets if more space is needed):

1. Water:

a. Residential Water 5/8" - Base 8.02 + 2.12 per 1000 gallons / 2.65 over 10K
b. General Service 5/8" Base 8.02 + 2.19 per 1000 gallons
c. Special Contract 1" - Base 20.06 1 1/2" - Base 40.11
d. Other

2. Wastewater:

a. Residential Wastewater N/A
b. General Service
c. Special Contract
d. Other

C. Number of Customers (Most recent two years):

1. Water Metered	2004	2003
a. Residential	696	701
b. General Service	14	8
c. Special Contract		
d. Other - Specify		

2. Water Unmetered	2004	2003
a. Residential	N/A	
b. General Service		
c. Special Contract		
d. Other - Specify		

3. Wastewater	2004	2003
a. Residential	N/A	N/A
b. General Service		
c. Special Contract		
d. Other - Specify		

V. Affirmation

I, Gary Deremer the undersigned owner, officer, or partner of the above named public utility, doing business in the State of Florida and subject to the control and jurisdiction of the Florida Public Service Commission, certify that the statements set forth herein are true and correct to the best of my information, knowledge and belief.

Signed _____

Title President

Notice: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.

Capital Improvement Plan for the Colonial Manor Utility System

August 2004
Revised
February 2005

February 14, 2005

Summary of Projects:

I. Install fencing at all five well site locations:

Project Description:

The new fencing will consist of six foot chain link galvanized steel fencing with a double access gate for each water treatment plant site. The fence will enclose the well house, hydropneumatic tank and all above ground piping. Each well site will require between 150 to 200 LF of fencing materials.

Project Justification:

Well sites need to be more secure to protect the water supply. Additionally, the well buildings have experienced vandalism resulting from poor access control to the interior of the well houses. The situation is generating unnecessary liability exposure for the Utility. Adequate water treatment plant security is required by FDEP rules and regulations.

Estimated Cost:

$8950.00

Project Status:

Two bids received – work awarded to CFK Fencing, Inc. - $8,950.00. Work scheduled to start in December 2004 and to be completed in January 2005. The Utility will seek recovery in rates for this improvement project.

II. Replace hydropneumatic tanks at Well numbers 2, 3 & 4.

Project Description:

The project consists of installing (3) new 3000 gallon hydropneumatic tanks and new steel saddles. Each tank will have an engineering certification of 100 psi working pressure. The tank will be coated with a Tnemec potable water epoxy coating on the interior and a five year paint coating for the exterior. The new system will be equipped with a pressure relief valve, all new piping and valves and a sight glass water level indicator.

Project Justification:

Engineering Analysis has determined by way of metal thickness testing that the hydropneumatic tanks are in need of replacement. Tanks have been patched a number of times

and will likely develop new leaks. Metal loss and fatigue can cause a dangerous situation to exist, resulting in possible explosion and catastrophic rupture of the tanks.

Estimate Cost:

$46,000.00

Project Status:

Tank design is complete and tanks have been ordered from the manufacture. Work is expected to be completed in early 2005. This work has already been approved in current rates.

III. Install auxiliary power generation at Well numbers 2 & 4.

Project Description:

The generators will be size to provide adequate power supply to operate the well pumps and all other appurtenances necessary for operating the water facility at full rated capacity. The generators will be housed in the existing well building and will be installed with an automatic transfer switch to provide uninterrupted power supply. The generators will utilize diesel fuel and be equipped with a secondary fuel containment vessel.

Project Justification:

System loss of power during recent hurricane events of 2004 caused a major disruption of potable water service. The Utility System has an interconnection with Pasco County; however the Pasco system also experienced interruptions of its service. Additionally, due to the county conversion to chloramines as a disinfectant, the interconnection will not be able to be utilized in the future, unless the Colonial Manor system converts to chloramine disinfection. The Colonial Manor water supply system has performed testing in accordance with the new disinfection by-product rules and it was determined that the system was compliant with the new requirements. Therefore, the system will continue to utilize free chlorine as a disinfectant. A cost comparison was also performed to determine if the Colonial Manor system should convert to chloramine disinfection solely as a means of cost saving thus avoiding the additional cost of auxiliary power construction. When the comparison was made between the cost of adding two generators to the cost of design and constructing a completely new disinfection system for all five wells, including all the necessary sophisticated controls and system analyzers, it was clear that the cost of the installation of auxiliary power generators would be a more useful and a prudent in investment for the Utility. Also, the added benefit of the generators in the time of an emergency event would provide for more system reliability and improved customer service.

Estimated Cost:

$75,000.00 – assuming the generators can be installed in the existing well houses at well numbers 2 & 4.

Project Status:

Project is currently in the design and permitting stage, and scheduled for the construction in the middle of 2005 pending FPSC approval to recover the project cost in rates.

IV. Miscellaneous building repairs at all five well houses.

Project Description:

Repairs will include replacement of roofs, aluminum soffit and fascia, replacement of broken doors and windows, repair of concrete and building painting.

Project Justification:

Most buildings are twenty five to thirty years old and are in need of repair. Leaking roofs and windows have caused electrical control and equipment damage. The wells are located in existing residential communities and it is important to the Utility that the well houses general appearances are in accordance with the communities, deed restrictions and Pasco County standards. It is equally important to the Utility to provide good public perception and customer relations, and that the building repairs are prudent and warranted.

Project Cost:

$22,500.00 - $26,000.00

Project Status:

Some estimates have been received by the Utility for roof and window repairs. Project is underway and should be completed in early 2005. The Utility will seek recovery in rates for these repairs.

V. Engineering study to evaluate Nitrate Exceedance

Project Description:

The study will determine the most likely cause of the nitrate exceedance in Well # 1. The study will provide an outline of treatment alternatives and develop cost estimates for implementation. Additionally, the study will perform preliminary investigations into abandonment of Well # 1 and to obtain replacement of water capacity elsewhere.

Project Justification:

During the 3rd & 4th quarter of 2004 Well number 1 has exceeded the maximum contamination level (MCL) for Nitrate, a preliminary standard. The project will evaluate and study treatment and source water alternatives and is necessary to ensure adequate water supply is available for the customers of the Utility.

Project Cost:

$7,500.00

Project Status:

Project is underway and should be completed in mid 2005. Recommendations could include the construction of a treatment system or addition of added source water through other means. The Utility will seek recovery of all these cost in future rates.

VI. Water main valves and fire hydrant replacements

Project Description:

The Utility has undergone a valve location and exercising program. It has been determined that approximately fifty-five valves and thirteen fire hydrants are in need of replacement. The valves range in size for 2" to 6" diameter and many are located in the rear easement. This rear easement restricts access for excavation equipment and requires all excavation to be preformed by hand digging. All the new valves will meet AWWA requirements and be of the resilient wedge variety. Each valve will have a cast iron valve box and be located on the AutoCAD mapping. The fire hydrants will also meet AWWA standards for wet barrel hydrants and be installed in the original design locations.

Project Justification:

Most of this infrastructure is in excess of thirty-five years old and no longer operable. This improvement is necessary to return the system operation to its original design and to provide for a more efficient functioning water distribution system. This improvement will also increase the level of customer service by allowing the Utility to isolate smaller areas in the event of system repairs. Additionally, the Utility has entered all the information on the distribution system in AutoCAD format for future reference. The Utility believes this improvement is necessary and a prudent investment for the customers. The utility will seek recovery of these expenses in rates.

Project Cost:

$60,000.00 - $75,000.00

Project Status:

Project is underway and expected to be completed in late 2005.

VII. Initiate operator of Well number 5.

Project Description:

The project consists of installing new well controls, valving, metering, hydropneumatic tank and piping to facilitate the operation of the well. The well will be tested for all FDEP requirements including a 20 day micro-bacteriological testing.

Project Justification:

The addition of Well number 5 would provide improved fire flow for the community and will add to the overall system reliability. This would also improve the water pressure in the southeast portion of the distribution system. As previously discussed in project number V, above, Well # 1 may need to be modified or abandoned which would further necessitate the need for Well # 5 to be online. The Utility believes this project to be prudent and to be in the best interest of the customers. The Utility will be seeking recovery of these costs in rates.

Project Cost:

$26,000.00

Project Status:

Project is underway and scheduled for completion in the late of 2005.

VIII. Perform system wide hydraulic analysis of distribution system.

Project Description:

The project consists of performing various field work and computer modeling to determine the existing hydraulic carrying capacity of the deteriorated water mains identified during the valve replacement project. The study will also provide an engineers cost estimate, including various construction alternatives for the required work.

Project Justification:

The project involves the Engineering analysis to identify system deference's with respect to flow and pressure. During installation of numerous new 2" water main valves, as previously outlined in Number VI, it was determined that many of the galvanized steel water mains contained heavy tuberculation. This tuberculation is causing significant flow restrictions in certain areas of the distribution system. We estimate that some of the water mains are flowing at less than fifty percent of their original hydraulic capacity. The project is intended to fully identify the deteriorated areas and to provide a planned and phased replacement of the affected water mains. This project is necessary to provide continuous service to the customers in the affected areas. Failure to move forward with the replacement of the water mains will eventually result in catastrophic system failure and the Utilities inability to provide potable water to the systems customers. The utility believes this project to be necessary and a prudent investment for the customers.

Estimated Cost:

Engineering Component $ 14,500.00

Project Status:

Engineering study is underway and should be completed in late 2005 in conjunction with the valve and fire hydrant renovation project.

Project Number	Project Description	Project Cost
Number I	Six foot chain link galvanized steel fencing, double access gate, enclosure of well house, hydropneumatic tank & above ground piping, and 150 - 200 LF of fencing for each site.	$8,950.00
Number II	Engineering certification of 100 psi working pressure, Tnemec potable water epoxy coating on the interior and a five year paint coating on the exterior for the 3 new 300 gallon hydropneumatic tanks and new steel saddles. New system will be equipped with a pressure relief valve, new piping and valves and a sight glass water level indicator.	$46,000.00
Number III	Generators will be sized for power supply and operation at full rate. Generators will be housed in existing building, have automatic transfer switch for power supply installed, use diesel fuel and a secondary fuel vessel.	$75,000.00
Number IV	Repairs to roof, aluminum soffit and fascia, building paint and concrete. Replacement of broken doors and windows.	$22,500.00 - $26,000.00
Number V	Study will determine cause of Nitrate exceedance in Well number 1 and will provide treatment options and cost estimates. Study will also provide preliminary investigation of abandonment and obtain replacement capacity elsewhere.	$7,500.00
Number VI	Forty valves and three fire hydrants need to be replaced. Valves ranging in size of 2" - 6" in diameter, most located in rear easement with restricted access. All valves and fire hydrants meet AWWA requirements. Valves will be the resilient wedge variety and the fire hydrants will be wet barrel. They are to be installed in original design locations.	$60,000.00 - $75,000.00
Number VII	Installation of new well controls, valving, metering hydropneumatic tanks and piping. Well will be tested for FDEP and a twenty day micro bacteriological test.	$26,000.00
Number VIII	Performing various field work and computer modeling to determine hydraulic capacity of deteriorated water mains during valve replacement.	$14,500.00
	TOTAL	$278,950.00