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**MIKE SMALLRIDGE UTILITY CONSULTANT
1645 W. MAIN ST.
INVERNESS, FL. 34450
352-302-7406**

RECEIVED-FPSC

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COMMISSION
CLERK

Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Blvd.
Tallahassee, FL. 32399-0850

RE: SARC for Fairmount Utilities, 2nd Inc.

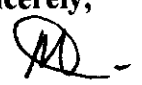
Dear Commission Clerk:

On behalf of my client, please find a completed application for a staff assisted rate case for Fairmount Utilities, the 2nd Inc. in Highlands County.

We will ask the commission to consider additional items in this rate case such as but not limited to, lift station repairs, upgrades to the sewer plant, increasing security protection at the plant site and replacement of major plant components.

Please contact me directly on my cell phone at 352-302-7406. I look forward to hearing from you soon.

Sincerely,



Mike Smallridge
Mike Smallridge Utility Consultant & Management Services.

DOCUMENT NUMBER-DATE

10529 NOV 12 08

FPSC-COMMISSION CLERK

FLORIDA PUBLIC SERVICE COMMISSION

APPLICATION FOR A
STAFF ASSISTED RATE CASE

I. General Data

A. Name of utility Fairmount Utilities, The 2nd Inc.
B. Address P.O. Box 488 Avon Park, FL. 33826-0488
1. Telephone Nos. 863 314-9402
2. County Highlands Nearest City Avon Park
3. General area served Fairmount mobile Estates

C. Authority:

1. Water Certificate No. N/A Date Received N/A
2. Wastewater Certificate No. 357 S Date Received ?
3. Date utility started operations: Water N/A Wastewater 1991

D. How system was acquired Purchased
If utility was purchased, give date 1991 Amount Paid _____

1. Name of Seller _____
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. <u>Karen Berry</u>	<u>manager</u>	<u>79%</u>
2. <u>Roger Miller</u>	<u>PRESIDENT</u>	<u>10%</u>
3. _____	_____	_____
4. _____	_____	_____

G. List of Associated Companies and Addresses:

- 1. N/A
- 2. N/A
- 3. N/A

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):

mike Smallridge
MIKE Smallridge Utility Consultant
1645 W. Main ST
Everness, FL. 34450 352-302-7406.

II. Accounting Data

A. Outside Accountant

- 1. Name SEE "H"
- 2. Firm _____
- 3. Address _____
- 4. Telephone () _____

B. Individual to contact on accounting matters:

- 1. Name SEE "H"
- 2. Telephone () _____

C. Location of books and records Office + Accountant

D. Have you filed an Annual Report with the Commission? YES
Date Last Filed 2007

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)

	20__	20__
1. Water		
Cost of Plant In Service:	\$ <u>N/A</u>	\$ <u>N/A</u>
Less Accumulated Depreciation:	<u>↓</u>	<u>↓</u>
Less Contributed Plant:	<u>↓</u>	<u>↓</u>
Net Owner's Investment:	\$ _____	\$ _____

2. Wastewater	20 ⁰⁶	20 ⁰⁷
Cost of Plant In Service:	\$ <u>217,604</u>	\$ <u>217,604</u>
Less Accumulated Depreciation:	<u>180,177</u>	<u>185,460</u>
Less Contributed Plant:	<u> </u>	<u> </u>
New Owner's Investment:	\$ <u>32,144</u>	\$ <u>54,824</u>

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

1. Water	20__	20__
Revenues (By Class):		
a. _____	\$ <u>N/A</u>	\$ <u>N/A</u>
b. _____	_____	_____
c. _____	_____	_____
Total Operating Revenues:	\$ _____	\$ _____
Less Expenses:		
a. Salaries & Wages - Employees	_____	_____
b. Salaries & Wages - Officers, Directors, & Majority Stockholders	_____	_____
c. Employee Pensions & Benefits	_____	_____
d. Purchased Water	_____	_____
e. Purchased Power	_____	_____
f. Fuel for Power Production	_____	_____
g. Chemicals	_____	_____
h. Materials & Supplies	_____	_____
i. Contractual Services	_____	_____
j. Rents	_____	_____
k. Transportation Expenses	_____	_____
l. Insurance Expense	_____	_____
m. Regulatory Commission Expense	_____	_____
n. Bad Debt Expense	_____	_____
o. Miscellaneous Expense	_____	_____
p. Depreciation Expense	_____	_____
q. Property Taxes	_____	_____
r. Other Taxes	_____	_____
s. Income Taxes	_____	_____
Operating Income (Loss)	\$ _____	\$ _____

2. Wastewater	2007	2006
Revenues (By Class):		
a. <u>Residential</u>	<u>106,757</u>	<u>110,047</u>
b. <u>Commercial</u>	<u>7204</u>	<u> </u>
c. <u> </u>	<u> </u>	<u> </u>
Total Operating Revenues:	\$ <u>112,961</u>	\$ <u>110,047</u>
Less Expenses:		
a. Salaries & Wages - Employees	\$ <u>20,692</u>	\$ <u>22,283</u>
b. Salaries & Wages - Officers, Directors, & Majority Stockholders	<u>18,321</u>	<u>22,315</u>
c. Employee Pensions & Benefits	<u> </u>	<u> </u>
d. Purchased Wastewater Treatment	<u> </u>	<u> </u>
e. Sludge Removal Expense	<u>3850</u>	<u>3850</u>
f. Purchased Power	<u>6690</u>	<u>7303</u>
g. Fuel for Power Production	<u> </u>	<u> </u>
h. Chemicals	<u>15081</u>	<u>11215</u>
i. Materials & Supplies	<u>14,419</u>	<u> </u>
j. Contractual Services	<u>17,786</u>	<u>17417</u>
k. Rents	<u> </u>	<u>2782</u>
l. Transportation Expenses	<u> </u>	<u>1079</u>
m. Insurance Expense	<u> </u>	<u>886</u>
n. Regulatory Commission Expense	<u>10,015</u>	<u>4926</u>
o. Bad Debt Expense	<u> </u>	<u> </u>
p. Miscellaneous Expense	<u>4660</u>	<u>6472</u>
q. Depreciation Expense	<u>5283</u>	<u>5267</u>
r. Property Taxes	<u>2304</u>	<u>2589</u>
s. Other Taxes	<u>3138</u>	<u>2813</u>
t. Income Taxes	<u> </u>	<u> </u>
Operating Income (Loss)	\$ <u>(8178)</u>	\$ <u>(1150)</u>

H. Outstanding Debt:

	Date Borrowed	Balance Due	Interest Rate	Expiration Date
1. <u>Heartland National</u>	<u>4/23/03</u>	<u>\$38,236</u>	<u>7.25%</u>	<u>4/24/2013</u>
2. <u>Roger Miller</u>	<u>June 7, 2001</u>	<u>\$169,263</u>	<u>10%</u>	<u>when paid in full.</u>
3. <u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
4. <u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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 SEE "H"
2. Firm _____
3. Address _____
4. Telephone () _____

B. Individual to contact on engineering matters:

1. Name SEE "H"
2. Telephone () _____

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.

NONE

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

Pugh Utilities C-6184

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

If yes, explain _____

G. Wastewater:

1. Gallons per day capacity of treatment facilities existing 40,000
under construction _____ proposed _____

2. Type and make of present treatment facilities Extended Aeration

3. Approximate average daily flow of treatment plant effluent 17,577

4. Approximate length of wastewater mains:

Size (diameter)	<u>4"</u>	<u>6"</u>	<u>8"</u>	_____
Linear feet	<u>1200</u>	<u>3200</u>	<u>610</u>	_____

5. Number of manholes 46

6. Number of liftstations 1

7. How do you measure treatment plant effluent? At Lift Station.

8. Is the treatment plant effluent chlorinated? YES If yes, what is the normal dosage rate? 1 G.P.P.
9. Tap in fees - Wastewater \$ _____
10. Service availability fees - Wastewater \$ _____
11. Note DEP Treatment Plant Certificate Number and date of expiration: Number F1-014387
Expiration Date 8/1/2011
12. Total gallons treated during most recent twelve months 6,420,000
13. Wastewater treatment purchased during most recent twelve months N/A.

H. Water N/A

1. Gallons per day capacity of treatment facilities existing 0 under construction 0 proposed 0
2. Type of treatment 0
3. Approximate average daily flow of treated water 0
4. Source of water supply 0
5. Types of chemicals used and their normal dosage rates 0
6. Number of wells in service 0 Total capacity in gallons per minute (gpm) _____
- | | | | |
|---------------------|------------|------------|------------|
| Diameter/Depth | <u>0/0</u> | <u>0/0</u> | <u>0/0</u> |
| Motor horsepower | _____ | _____ | _____ |
| Pump capacity (gpm) | _____ | _____ | _____ |
7. Reservoirs and/or hydropneumatic tanks:
- | | | | |
|-------------|----------|----------|----------|
| Description | <u>0</u> | <u>0</u> | <u>0</u> |
| Capacity | <u>0</u> | <u>0</u> | <u>0</u> |
8. High service pumping:
- | | | | | |
|---------------------|----------|----------|----------|----------|
| Motor horsepower | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Pump capacity (gpm) | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
9. How do you measure treatment plant production? 0
10. Approximate feet of water mains:
- | | | | | |
|-----------------|----------|----------|----------|----------|
| Size (diameter) | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Linear feet | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
11. Note any fire flow requirements and imposing government agency _____
12. Number of fire hydrants in service 0

3. Wastewater

- a. Residential
- b. General Service
- c. Special Contract
- d. Other - Specify *Commercial*

2007

427

15

2006

428

V. Affirmation

Karen M. Barry 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 Karen M. Barry

Title VP/Asst. Bookkeeper

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.