



# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

**DATE:** December 22, 2008

**TO:** Joseph W. Rohrbacher, Regulatory Analyst Supervisor, Division of Regulatory Compliance

**FROM:** Denise N. Vandiver, Chief of Auditing, Division of Regulatory Compliance *DNV for DV*

**RE:** Docket No: 080709-WS; Utility Name: Damon Utilities, Inc.;  
Audit Request: Determine Eligibility for Staff Assistance;  
Audit Control No: 08-357-2-1;

Complete the attached form for determining eligibility for staff assistance (Audit Control No. 08-357-2-1) and mail under a transmittal letter to Cheryl Bulecza-Banks, Division of Economic Regulation, with a copy to me no later than January 6, 2009.

By copy of this memorandum, I request that Joe Rohrbacher be added to the CASR distribution list.

DNV/tbm  
Attachment

CC: Office of Public Counsel  
Office of Commission Clerk  
Division of Economic Regulation (Bulecza-Banks)

RECEIVED-FPSC  
08 DEC 23 PM 4: 59  
COMMISSION  
CLERK

COM \_\_\_\_\_  
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 ADM \_\_\_\_\_  
 CLK Grant

DOCUMENT NUMBER-DATE  
11869 DEC 23 08  
FPSC-COMMISSION CLERK

SHORT FORM RATE CASE (Applicable to WAW Only)

PRELIMINARY AUDIT SCOPE

	<u>YES</u>	<u>NO</u>
(1) Does the utility have annual revenues of \$250,000 or less for each service provided or \$500,000 or less where the services are combined?	_____	_____
(2) Were the applicant's books and records organized consistent with Rule 25-30.455, Florida Administrative Code, so as to allow Commission personnel to verify cost and other relevant factors within the 30-day time frame set out in the rule?	_____	_____
(3) Is the utility current in its filing of annual reports? Date last report filed: _____	_____	_____
(4) Is the utility current in its payment of applicable gross receipt tax or assessment fees? Date of last payment? _____ Amount? _____	_____	_____
(5) Is the utility a subsidiary to a larger corporation? If yes - Name immediate parent. _____	_____	_____
(6) Is the utility included in a consolidated Federal Income Tax return? If yes - name immediate parent. _____	_____	_____
(7) Comments or other financial and accounting matters which came to the attention of the auditor during the review.	_____	_____

Water Filing

080709-WS

CHK# 1583

\$ 1500.00

RECEIVED-FPSC

883 DEC 16 2003

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FLORIDA PUBLIC SERVICE COMMISSION

08 DEC 15 AM 10:45

FLORIDA PUBLIC SERVICE COMMISSION

08 DEC 15 AM 9:27

COMMISSION CLERK

APPLICATION FOR A STAFF ASSISTED RATE CASE

DIVISION OF ECONOMIC REGULATION

I. General Data

- A. Name of utility Damon Utilities, Inc.
- B. Address 47 Lake Damon Dr.  
Avon Park FL 33825
- 1. Telephone Nos. 823, 453-0773
- 2. County Highlands Nearest City Avon Park
- 3. General area served River Access Steel Course  
including Village Green & Emerald Lago
- C. Authority:
  - 1. Water Certificate No. 499-W Date Received 7/11/1988
  - 2. Wastewater Certificate No. 453-S Date Received 7/11/1988
  - 3. Date utility started operations: Water 11/1/1988 Wastewater 11/1/1988
- D. How system was acquired Built
- If utility was purchased, give date n/a Amount Paid n/a
- 1. Name of Seller \_\_\_\_\_
- 2. Was seller affiliated with present owners? \_\_\_\_\_
- 3. Did you purchase: Stock n/a or assets only n/a
- E. Type of legal entity: Corporation, Partnership or Sole Proprietorship Corporation
- F. Ownership & Officers:

Name	Title	Percent Ownership
1. <u>JA Harstine</u>	<u>Pres.</u>	<u>33 1/3</u>
2. <u>George Davis</u>	<u>VP</u>	<u>33 1/3</u>
3. <u>Rodney Davis</u>	<u>Sec/Treas</u>	<u>33 1/3</u>
4. _____	_____	_____

PSC/ECR 2 (Rev. 3/02)

1

DOCUMENT NUMBER-DATE

11528 DEC 15 8

FPSC-COMMISSION CLERK

G. List of Associated Companies and Addresses:

1. n/a
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 Roger Ingley
2. Firm Buntine, Tripp & Zink
3. Address 230 E. Tillman Ave, Lake Wales, FL 33859
4. Telephone (863) 676-7981

B. Individual to contact on accounting matters:

1. Name Rodney Davis
2. Telephone (863) 453-0773

C. Location of books and records 47 Lake Damon Drive

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

Date Last Filed 12/31/07

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)

	2007	Estimated 2008
1. Water		
Cost of Plant in Service:	\$ <u>142,261</u>	\$ <u>142,261</u>
Less Accumulated Depreciation:	<u>85,496.</u>	<u>83,496</u>
Less Contributed Plant:	<u>(27,809.7)</u>	<u>(27,809.7)</u>
Net Owner's Investment:	\$ <u>30,956.</u>	\$ <u>30,956.</u>

	2007	2008
2. Wastewater		
Cost of Plant In Service:	\$ <u>232,739.</u>	\$ <u>232,739</u>
Less Accumulated Depreciation:	<u>160,270</u>	<u>160,270</u>
Less Contributed Plant:	<u>31,929.</u>	<u>31,929</u>
New Owner's Investment:	\$ <u>40,540</u>	\$ <u>40,540</u>

Estimated

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

	2007	2008
1. Water		
Revenues (By Class)		
a. <u>Residential</u>	\$ <u>46,517.66</u>	\$ <u>49,000.00</u>
b. <u>Commercial</u>	<u>500.12</u>	<u>590.00</u>
c. <u>Water Treatment</u>	<u>795.50</u>	<u>800.00</u>
Total Operating Revenues:	\$ <u>47,813.28</u>	\$ <u>50,390.00</u>
Less Expenses:		
a. Salaries & Wages - Employees	<u>17,820.</u>	<u>24,174</u>
b. Salaries & Wages - Officers, Directors, & Majority Stockholders	<u>4,650.</u>	<u>6,900.00</u>
c. Employee Pensions & Benefits	<u>4,494.</u>	<u>6,615</u>
d. Purchased Water	<u>2,547.</u>	<u>3,241.</u>
e. Purchased Power	<u>2,981.</u>	<u>4,450</u>
f. Fuel for Power Production	<u>2,139.</u>	<u>2,500</u>
g. Chemicals	<u>14,522.</u>	<u>16,000</u>
h. Materials & Supplies	<u>2,900.</u>	<u>2,000</u>
i. Contractual Services	<u>405.</u>	<u>2,135</u>
j. Rents	<u>2,230.</u>	<u>1,173</u>
k. Transportation Expenses	<u>2,155.</u>	<u>2,520</u>
l. Insurance Expense	<u>404</u>	<u>125</u>
m. Regulatory Commission Expense	<u>259.5</u>	<u>2,595</u>
n. Bad Debt Expense	<u>7,304</u>	<u>1,204</u>
o. Miscellaneous Expense	<u>442</u>	<u>245</u>
p. Depreciation Expense	<u>14,774.</u>	<u>26,890.</u>
q. Property Taxes		
r. Other Taxes		
s. Income Taxes		
Operating Income (Loss)	\$ <u>14,774.</u>	\$ <u>26,890.</u>

2. Wastewater

2007

Estimated  
2008

Revenues (By Class):

a. Residential	36000.53	37,000.00
b. Admin	1921.50	1430.00
c. Late Fees	85.50	90.00
Total Operating Revenues:	\$ 48007.53	\$ 59020.00

Less Expenses:

a. Salaries & Wages - Employees	\$ 5940.	\$ 7362
b. Salaries & Wages - Officers, Directors, & Majority Stockholders	4650.	7400
c. Employee Pensions & Benefits	2118.	2872
d. Purchased Wastewater Treatment		
e. Sludge Removal Expense	2042.	2030.
f. Purchased Power	3203.	3203
g. Fuel for Power Production		
h. Chemicals	3038.	1150
i. Materials & Supplies	983.	1100
j. Contractual Services	4376.	8500
k. Rents	2100.	2000
l. Transportation Expenses	703.	710.00
m. Insurance Expense	600.	500.
n. Regulatory Commission Expense	1711.	1711
o. Bad Debt Expense		
p. Miscellaneous Expense	557.	100
q. Depreciation Expense	1393.	1293
r. Property Taxes	145.	145
s. Other Taxes	55.	50
t. Income Taxes		

Operating Income (Loss)

\$ (1438)      \$ (3881)

35 139

H. Outstanding Debt:

Creditor	Date Borrowed	Balance Due	Interest Rate	Expiration Date
1. <u>Wastewater</u>	<u>5/15/03</u>	<u>16795.99</u>	<u>7.75%</u>	<u>11/15/2005</u>
2. _____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____
4. _____	_____	_____	_____	_____

I. Indicate Type of Tax Return Filed:

- \_\_\_\_\_ Form 1120 - Corporation
- Form 1120S - Subchapter S Corporation
- \_\_\_\_\_ Form 1065 - Partnership
- \_\_\_\_\_ Form 1040 - Schedule C - Individual (Proprietorship)

III. Engineering Data

A. Outside Engineering Consultant:

1. Name George McDonald
2. Firm McDonald Group International
3. Address 9030 S. Brittany Path, Inverness, FL 34452
4. Telephone 352 637-1652

B. Individual to contact on engineering matters:

1. Name Same as above
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.

N/A

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

Short Utility - Water C 8196 Wastewater C 9088

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 50,000  
under construction N/A proposed N/A
2. Type and make of present treatment facilities Daveco Defiance W31.73  
Concrete
3. Approximate average daily flow of treatment plant effluent 5,000 gal  
per day
4. Approximate length of wastewater mains:  
Size (diameter) 8" 4"  
Linear feet 3914 30
5. Number of manholes 14
6. Number of liftstations 3
7. How do you measure treatment plant effluent? Pump hours at final  
lift station.

8. Is the treatment plant effluent chlorinated? Yes If yes, what is the normal dosage rate? 2.0 mg/l
9. Tap in fees - Wastewater \$
10. Service availability fees - Wastewater \$ Main Ext \$ 138.00
11. Note DEP Treatment Plant Certificate Number and date of expiration: Number FLA 014334-  
Expiration Date 12/7/09 004-DW3P
12. Total gallons treated during most recent twelve months 10,000
13. Wastewater treatment purchased during most recent twelve months None

H. Water

1. Gallons per day capacity of treatment facilities existing 130,000 under construction N/A proposed N/A
2. Type of treatment primary chlorination
3. Approximate average daily flow of treated water 29,000 gpd
4. Source of water supply ground - 2 wells
5. Types of chemicals used and their normal dosage rates liquid chlorine 2 gal a day
6. Number of wells in service 2 Total capacity in gallons per minute (gpm) 180
- |                     |                  |                  |                   |
|---------------------|------------------|------------------|-------------------|
| Diameter/Depth      | <u>4" / 500'</u> | <u>4" / 500'</u> | <u>1"</u>         |
| Motor horsepower    | <u>5</u>         | <u>5</u>         | <u>          </u> |
| Pump capacity (gpm) | <u>100</u>       | <u>100</u>       | <u>          </u> |
7. Reservoirs and/or hydropneumatic tanks:
- |             |                       |                   |                   |
|-------------|-----------------------|-------------------|-------------------|
| Description | <u>ground - steel</u> | <u>          </u> | <u>          </u> |
| Capacity    | <u>2000</u>           | <u>          </u> | <u>          </u> |
8. High service pumping:
- |                     |            |            |                   |                   |
|---------------------|------------|------------|-------------------|-------------------|
| Motor horsepower    | <u>5</u>   | <u>5</u>   | <u>          </u> | <u>          </u> |
| Pump capacity (gpm) | <u>100</u> | <u>100</u> | <u>          </u> | <u>          </u> |
9. How do you measure treatment plant production? flow meters
10. Approximate feet of water mains:
- |                 |             |              |              |             |
|-----------------|-------------|--------------|--------------|-------------|
| Size (diameter) | <u>16"</u>  | <u>4"</u>    | <u>2"</u>    | <u>1"</u>   |
| Linear feet     | <u>525'</u> | <u>7182'</u> | <u>3000'</u> | <u>100'</u> |
11. Note any fire flow requirements and imposing government agency N/A
12. Number of fire hydrants in service N/A



13. Do you have a meter change out program? yes, recently
14. Meter installation or tap in fees - Water \$ \$155.<sup>00</sup>
15. Service availability fees - Water \$ Main Ext<sup>00</sup> 228<sup>00</sup> Plant Capacity \$ 74<sup>00</sup>
16. Has the existing treatment facility been approved by DEP? Yes
17. Total gallons pumped during most recent twelve months 12,010,000
18. Total gallons sold during most recent twelve months 11,041,000
19. Gallons unaccounted for during most recent twelve months 969,000
20. Gallons purchased during most recent twelve months N/A

IV. Rate Data

A. Individual to contact on tariff matters:

1. Name LISA DAVIS
2. Telephone Number (863) 453-0773

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

1. Water:

- a. Residential Water See attached tariff sheets
- b. General Service See attached
- c. Special Contract N/A
- d. Other N/A

2. Wastewater:

- a. Residential Wastewater See attached
- b. General Service See attached
- c. Special Contract
- d. Other

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

- |                     |              |              |
|---------------------|--------------|--------------|
| 1. Water Metered    | 20 <u>07</u> | 20 <u>08</u> |
| a. Residential      | <u>276</u>   | <u>277</u>   |
| b. General Service  | <u>0</u>     | <u>0</u>     |
| c. Special Contract | <u></u>      | <u></u>      |
| d. Other - Specify  | <u></u>      | <u></u>      |
| 2. Water Unmetered  | 20 <u>  </u> | 20 <u>  </u> |
| a. Residential      | <u></u>      | <u></u>      |
| b. General Service  | <u></u>      | <u></u>      |
| c. Special Contract | <u></u>      | <u></u>      |
| d. Other - Specify  | <u></u>      | <u></u>      |

NAME OF COMPANY      DAMON UTILITIES, INCORPORATEDWATER TARIFFRESIDENTIAL SERVICERATE 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 - Monthly
- |             |   |                                     |                             |
|-------------|---|-------------------------------------|-----------------------------|
| <u>RATE</u> | - | <u>METER SIZE</u>                   | <u>BASE FACILITY CHARGE</u> |
|             |   | 5/8" x 3/4"                         | 8.83                        |
|             |   | 3/4"                                | 13.24                       |
|             |   | 1"                                  | 22.09                       |
|             |   | 1 - 1/2"                            | 44.15                       |
|             |   | 2"                                  | 70.84                       |
|             |   | 3"                                  | 141.31                      |
|             |   | 4"                                  | 220.78                      |
|             |   | 6"                                  | 441.55                      |
|             |   | Gallage Charge<br>Per 1,000 Gallons | \$1.82                      |
- MINIMUM CHARGE - Applicable Base Facility Charge
- TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, F.A.C. and become delinquent if not paid within twenty one (21) days. After five working days' written notice is mailed to the customer separate and apart from any other bill, service may then be disconnected.
- EFFECTIVE DATE - February 1, 2008
- TYPE OF FILING - 2007 Price Index

J. A. Harstine  
ISSUING OFFICER

President  
TITLE

NAME OF COMPANYDAMON UTILITIES, INCORPORATEDWATER TARIFFGENERAL SERVICERATE 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 - Monthly
- RATE -
- | METER SIZE                            | BASE FACILITY CHARGE |
|---------------------------------------|----------------------|
| 5/8" x 3/4"                           | 8.83                 |
| 3/4"                                  | 13.24                |
| 1"                                    | 22.09                |
| 1 - 1/2"                              | 44.15                |
| 2"                                    | 70.84                |
| 3"                                    | 141.31               |
| 4"                                    | 220.78               |
| 6"                                    | 441.55               |
| Galtonage Charge<br>Per 1,000 Gallons | \$1.82               |
- MINIMUM CHARGE - Applicable Base Facility Charge
- TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, F.A.C. and become delinquent if not paid within twenty one (21) days. After five working days' written notice is mailed to the customer separate and apart from any other bill, service may then be disconnected.
- EFFECTIVE DATE - February 1, 2008
- TYPE OF FILING - 2007 Price Index

J. A. Harstine  
ISSUING OFFICER

President  
TITLE

NAME OF COMPANY DAMON UTILITIES, INCORPORATEDWASTEWATER TARIFFRESIDENTIAL SERVICERATE SCHEDULE RS

AVAILABILITY - Available throughout the area served by the company.

APPLICABILITY - For wastewater 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 - Monthly

<u>RATE</u>	<u>METER SIZE</u>	<u>BASE FACILITY CHARGE</u>
	All meter sizes	\$16.59
	Gallage Charge (Per 1,000 Gallons; Maximum 10,000 Gallons)	6.77

MINIMUM CHARGE - Base Facility Charge

TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, F.A.C. and become delinquent if not paid within twenty one (21) days. After five working days' written notice is mailed to the customer separate and apart from any other bill, service may then be disconnected.

EFFECTIVE DATE - February 1, 2008

TYPE OF FILING - 2007 Price Index

J. A. Harstine  
ISSUING OFFICER

President  
TITLE

NAME OF COMPANY      DAMON UTILITIES, INCORPORATEDWASTEWATER TARIFFGENERAL SERVICERATE SCHEDULE GS

AVAILABILITY - Available throughout the area served by the company.

APPLICABILITY - For wastewater 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 - Monthly

<u>RATE</u>	<u>METER SIZE</u>	<u>BASE FACILITY CHARGE</u>
	5/8" x 3/4"	\$ 16.59
	3/4"	\$ 24.89
	1"	\$ 41.48
	1 - 1/2"	\$ 82.97
	2"	\$ 132.73
	3"	\$ 265.50
	4"	\$ 414.84
	6"	\$ 829.67
	Gallage Charge Per 1,000 Gallons	\$ 8.11

MINIMUM CHARGE - Applicable Base Facility Charge

TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, F.A.C. and become delinquent if not paid within twenty one (21) days. After five working days' written notice is mailed to the customer separate and apart from any other bill, service may then be disconnected.

EFFECTIVE DATE - February 1, 2008

TYPE OF FILING - 2007 Price Index

J. A. Harstine  
ISSUING OFFICER

President  
TITLE

3. Wastewater

2007

2008

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

47  
2  
—  
—

99  
2  
—  
—

V. Affirmation

I, Rodney Davis 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 Rodney G Davis  
Title owner

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.