

SUNDSTROM,
FRIEDMAN & FUMERO, LLP

Attorneys | Counselors



FILED AUG 05, 2013

DOCUMENT NO. 04527-13

FPSC - COMMISSION CLERK

766 NORTH SUN DRIVE

SUITE 4030

LAKE MARY, FLORIDA 32746

DOCKET NO. 130210-WS

PHONE (407) 830-6331

FAX (407) 830-8522

www.sfflaw.com

August 2, 2013

VIA OVERNIGHT DELIVERY

Ann Cole, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RECEIVED - FPSC
13 AUG - 5 AM 9:00
COMMISSION
CLERK

RE: Docket No.: 130210-WS; CHC VII, Ltd.'s Application for Staff Assisted Rate Case
Our File No.: 42035.02

Dear Ms. Cole:

Enclosed is the Application of CHC VII, Ltd., for a Staff Assisted Rate Case for its utility system in Polk County, Florida.

Very truly yours,

MARTIN S. FRIEDMAN

For the firm

MSF/
Enclosure

cc: Brian Altman (via email, w/enclosure)

FLORIDA PUBLIC SERVICE COMMISSION

APPLICATION FOR A
STAFF ASSISTED RATE CASE

I. GENERAL DATA

A. Name of Utility: **CHC VII, Ltd.**

B. Address: **500 South Florida Ave., Ste 700
Lakeland, FL 33801**

1. Telephone Nos.: **(863) 6471581**

2. County: **Polk**

Nearest City:

3. General Area Served: **Swiss Golf & Tennis Club MHP, and Hidden Golf Club MHP**

C. Authority:

1. Water Certificate No. **609-W** Date Received: **6/22/99**

2. Wastewater Certificate No. **5251-S** Date Received: **6/22/99**

3. Date Utility Started Operations: Water: **1986** Wastewater: **1986**

D. How System Was Acquired: **Built**

If utility was purchased, give date

Amount Paid \$

1. Name of Seller:

2. Was seller affiliated with present owners? Yes No

3. Did you purchase: Stock or assets only

E. Type of Legal Entity:

Corporation Limited Partnership Sole Proprietorship

F. Ownership & Officers:

	Name	Title	Percent Ownership
1.	<u>Brian Altman</u>	<u>Vice-Pres. of General Partner</u>	<u>0</u>
2.	<u>Central Realty Funds, Inc.</u>	<u>General Partner</u>	<u>10</u>
3.	<u>T & A Investments</u>	<u>Limited Partner</u>	<u>45</u>
4.	<u>T & A Family Partnership</u>	<u>Limited Partner</u>	<u>45</u>

G. List of Associated Companies and Addresses:

Four Lakes Golf Club, Ltd, Hidden Cove, Ltd., S.V. Utilities, Ltd. & Anglers Cove West, Ltd.

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):

Name:

Martin S. Friedman, Sundstrom, Friedman & Fumero, LLP

Address:

**766. N. Sun Drive, Ste 4030
Lake Mary, FL 32746**

II. ACCOUNTING DATA

A. Outside Accountant

- 1. Name:
- 2. Firm:
- 3. Address:
- 4. Telephone: ()

B. Individual To Contact On Accounting Matters:

- 1. Name: **Kim S. Kelley**
- 2. Telephone: **(863) 647 1581**

C. Location of Books and Records: **Company Office**

D. Have you filed an Annual Report with the Commission? Yes No

Date Last Filed: **4/26/13**

E. Has your latest Regulatory Assessment Fee Payment been made?

(January 30 or July 30 whichever is applicable) Jan 30 July 30

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

1. Water:

	2012	2011
Cost of Plant In Service	\$ <u>557,675</u>	\$ <u>557,675</u>
Less Accumulated Depreciation	<u>390,100</u>	<u>377,841</u>
Less Contributed Plant	<u> </u>	<u> </u>
Net Owner's Investment	\$ 167,575	\$ 179,834

2. Wastewater:

2012 2011

Cost of Plant In Service	\$ 1,544,271	\$ 1,537,008
Less Accumulated Depreciation	1,362,949	1,347,298
Less Contributed Plant		
Net Owner's Investment	\$ 191,322	\$ 189,710

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

1. Water:

	2012	2011
Revenues (By Class)		
a. Residential	\$ 91,159	\$ 90,076
b. General Service	3,064	3,319
c.		
Total Operating Revenues:	\$ 94,223	\$ 93,395
Less Expenses: **SEE NOTE ATTACHED**		
a. Salaries & Wages - Employees	8,459	8,113
b. Salaries & Wages - Officers, Directors, & Majority Stockholders		
c. Employee Pensions & Benefits		
d. Purchased Water		
e. Purchased Power	16,140	15,545
f. Fuel for Power Production		
g. Chemicals	9,554	13,698
h. Materials & Supplies	11,282	16,455
i. Contractual Services	25,453	24,013
j. Rents		
k. Transportation Expenses	3,120	3,590
l. Insurance Expense	6,060	4,736
m. Regulatory Commission Expense	4,240	4,203
n. Bad Debt Expense		
o. Miscellaneous Expense	1,318	1,470
p. Depreciation Expense	12,259	12,357
q. Property Taxes	1,051	875
r. Other Taxes		
s. Income Taxes		
Operating Income (Loss)	\$ (5,764)	\$ (11,660)

2. Wastewater

	2012	2011
Revenues (By Class):	\$ _____	\$ _____
a. Residential	<u>91,150</u>	<u>90,076</u>
b. General Service	<u>94</u>	<u>71</u>
c.		
Total Operating Revenues:	<u><u>\$ 91,244</u></u>	<u><u>\$ 90,174</u></u>
Less Expenses:		
a. Salaries & Wages - Employees	<u>49,999</u>	<u>46,778</u>
b. Salaries & Wages - Officers, Directors, & Majority Stockholders		
c. Employee Pensions & Benefits		
d. Purchased Wastewater Treatment		
e. Sludge Removal Expense	<u>21,935</u>	<u>21,195</u>
f. Purchased Power	<u>19,006</u>	<u>16,532</u>
g. Fuel for Power Production		
h. Chemicals	<u>9,666</u>	<u>5,988</u>
i. Materials & Supplies	<u>15,418</u>	<u>7,977</u>
j. Contractual Services	<u>15,294</u>	<u>17,528</u>
k. Rents		
l. Transportation Expenses	<u>6,115</u>	<u>8,288</u>
m. Insurance Expense	<u>10,820</u>	<u>7,392</u>
n. Regulatory Commission Expense	<u>4,106</u>	<u>4,056</u>
o. Bad Debt Expense		
p. Miscellaneous Expense	<u>1,318</u>	<u>1,398</u>
q. Depreciation Expense	<u>15,651</u>	<u>15,353</u>
r. Property Taxes	<u>1,689</u>	<u>1,405</u>
s. Other Taxes		
t. Income Taxes		
Operating Income (Loss)	<u><u>\$ (79,773)</u></u>	<u><u>\$ (63,716)</u></u>

H. Outstanding Debt:

	Creditor	Date Borrowed	Balance Due	Interest Rate	Expiration Date
1.	Walker & Dunlap	_____	46,845,270	4.18	_____
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:
- 2. Firm:
- 3. Address:
- 4. Telephone: ()

B. Individual to contact on engineering matters:

- 1. Name:
- 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: **Consta-Flow, Inc. for water plant: Jason Wright #0013909 for wastewater plant**

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:
 - a. Existing: **176,000**
 - b. Under Construction:
 - c. Proposed:
- 2. Type and make of present treatment facilities: **Extended Air- Concrete Construction**
- 3. Approximate average daily flow of treatment plant effluent: **102,855**

4. Approximate length of wastewater mains:

Size (diameter):	8"				
Linear feet:	28,105				

- 5. Number of manholes: **84**
- 6. Number of lift stations: **7**
- 7. How do you measure treatment plant effluent? **Flow Meter**
- 8. Is the treatment plant effluent chlorinated? Yes No

If yes, what is the normal dosage rate? **12 gal/day**

- 9. Tap in fees – Wastewater: \$ **0**
- 10. Service availability fees – Wastewater: \$ **0**
- 11. Note DEP Treatment Plant Certificate Number and date of expiration: **FLA013103**
Number Expiration Date: **April 27, 2015**
- 12. Total gallons treated during most recent twelve months: **37,542,000**
- 13. Wastewater treatment purchased during most recent twelve months: **0**

H. Water:

- 1. Gallons per day capacity of treatment facilities:
 - a. Existing: **1,589,760**
 - b. Under Construction :
 - c. Proposed:
- 2. Type of treatment: **Chlorination**
- 3. Approximate average daily flow of treated water: **234,332**
- 4. Source of water supply: Groundwater
- 5. Types of chemicals used and their normal dosage rates: **Liquid Chlorine**
90- gal/day
- 6. Number of wells in service: **1**
Total capacity in gallons per minute (gpm): **600 gpm**

Diameter/Depth:	12"	546		
Motor horsepower:				
Pump capacity (gpm):				

- 7. Reservoirs and/or hydropneumatic tanks:

Description:	Steel-ground		
Capacity:	20,000		

- 8. High service pumping: N/A

Motor horsepower:				
Pump capacity (gpm):				

- 9. How do you measure treatment plant production?
- 10. Approximate feet of water mains:

Size (diameter):	2"	4"	6"	
Linear feet:	8,760	1,740	9,060	

- 11. Note any fire flow requirements and imposing government agency:

- 12. Number of fire hydrants in service: **40**

13. Do you have a meter change out program? No Yes
14. Meter installation or tap in fees - Water \$ 0
15. Service availability fees - Water \$ 0
16. Has the existing treatment facility been approved by DEP? No Yes
17. Total gallons pumped during most recent twelve months: 85,531,000
18. Total gallons sold during most recent twelve months: 54,354,000
19. Gallons unaccounted for during most recent twelve months: 30,942
20. Gallons purchased during most recent twelve months: 0

IV. RATE DATA

A. Individual to contact on tariff matters:

1. Name:
2. Telephone Number: ()

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

1. Water:

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

2. Wastewater:


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

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

1. Water Metered	2012	2011
a. Residential	<u>873</u>	<u>873</u>
b. General Service	<u>15</u>	<u>15</u>
c. Special Contract	_____	_____
d. Other - Specify	_____	_____
2. Water Unmetered	2012	2011
a. Residential	_____	_____
b. General Service	_____	_____
c. Special Contract	_____	_____
d. Other - Specify	_____	_____
3. Wastewater	2012	2011
a. Residential	<u>873</u>	<u>873</u>
b. General Service	<u>14</u>	<u>14</u>
c. Special Contract	_____	_____
d. Other - Specify	_____	_____

V. AFFIRMATION

I, **Brian Altman** 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 Vice President of General Partner _____

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.

Cost of Plant In Service	\$ 1,544,271	\$ 1,537,008
Less Accumulated Depreciation	1,362,949	1,347,298
Less Contributed Plant		
Net Owner's Investment	\$ 191,322	\$ 189,710

G. Basic Income Statement: (Most recent two years) ****SEE NOTE ATTACHED****

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r. Other Taxes		
s. Income Taxes		
Operating Income (Loss)	\$ (5,764)	\$ (11,660)

WASTEWATER TARIFF

GENERAL SERVICE

RATE SCHEDULE GS

- AVAILABILITY - Available throughout the area serviced 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- N/A
- RATE - N/A

MINIMUM BILL - N/A

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days' written notice is mailed to the customer separate and apart from any other bill, service may then be discontinued.

EFFECTIVE DATE - August 13, 1999

TYPE OF FILING - Grandfather Certificate

Ray Moats
President of General Partner

FLORIDA PUBLIC SERVICE COMMISSION


APPROVED

AUTHORITY NO. WS-98-0210

DOCKET NO. 981341-WS

ORDER NO. PSC-99-1235-PAA-WS

EFFECTIVE DATE August 13, 1999



DIRECTOR
DIVISION OF WATER AND WASTEWATER

WASTEWATER TARIFF

RESIDENTIAL SERVICE

RATE SCHEDULE RS

- AVAILABILITY - Available throughout the area served by the Company.
- APPLICABILITY - For water and 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 - Base Charge: Monthly in advance
Excess Consumption Charge: Quarterly in arrears
- RATE - Water and Wastewater for 5/8x3/4" Meters:

Up to 8,000 gallons	\$15.71
per 1,000 gal. over 8,000 up to 10,000	\$ 1.31
per 1,000 gal. over 10,000	\$ 2.09
- MINIMUM BILL - \$15.71
- TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days' written notice is mailed to the customer separate and apart from any other bill, service may then be discontinued.
- EFFECTIVE DATE - August 13, 1999
- TYPE OF FILING - Grandfather Certificate

Ray Moats
President of General Partner

FLORIDA PUBLIC SERVICE COMMISSION

APPROVED

AUTHORITY NO. WS-98-0210

DOCKET NO. 981341-WS

ORDER NO. PSC-99-1235-PAA-WS

EFFECTIVE DATE August 13, 1999



DIRECTOR
DIVISION OF WATER AND WASTEWATER

WASTEWATER TARIFF

MULTI-RESIDENTIAL SERVICE

RATE SCHEDULE MS

- AVAILABILITY - Available throughout the Sumter County systems.
- APPLICABILITY - For wastewater service to all master-metered residential customers including, but not limited to, Condominiums, Apartments, and Mobile Home Parks.
- LIMITATIONS - Subject to all of the Rules and Regulations of this tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD - Monthly
- RATE - Per Unit

Base Facilities Charge

All meter sizes N/A

Gallonge Charge per
1,000 gallons N/A

BASE FACILITY CHARGE - N/A

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days' written notice is mailed to the customer separate and apart from any other bill, service may then be discontinued.

EFFECTIVE DATE - August 13, 1999

TYPE OF FILING - Grandfather Certificate

Ray Moats
President of General Partner

FLORIDA PUBLIC SERVICE COMMISSION

APPROVED

AUTHORITY NO. WS-98-0210

DOCKET NO. 981341-WS

ORDER NO. PSC-99-1235-PAA-WS

EFFECTIVE DATE August 13, 1999



DIRECTOR
DIVISION OF WATER AND WASTEWATER

CHC VII, LTD.

ORIGINAL SHEET NO. 17.0

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- N/A
- RATE - N/A

MINIMUM BILL - N/A

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days' written notice is mailed or presented to the customer separate and apart from any other bill, service may then be discontinued.

EFFECTIVE DATE - August 13, 1999

TYPE OF FILING - Grandfather Certificate

Ray Moats
President of General Partner

FLORIDA PUBLIC SERVICE COMMISSION


APPROVED

AUTHORITY NO. WS-98-0210

DOCKET NO. 981341-WS

ORDER NO. PSC-99-1235-PAA-WS

EFFECTIVE DATE August 13, 1999



DIRECTOR
DIVISION OF WATER AND WASTEWATER

WATER TARIFF

RESIDENTIAL SERVICE

RATE SCHEDULE RS

- AVAILABILITY - Available throughout the area served by the Company.
- APPLICABILITY - For water and 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- Base Charge: Monthly in advance
Excess Consumption Charge: Quarterly in Arrears
- RATE - Water and Wastewater for 5/8x3/4" Meters:
- | | |
|--|---------|
| Up to 8,000 gallons | \$15.71 |
| per 1,000 gal. over 8,000 up to 10,000 | \$ 1.31 |
| per 1,000 gal. over 10,000 | \$ 2.09 |
- MINIMUM CHARGE - \$15.71
- TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days' written notice is mailed or presented to the customer separate and apart from any other bill, service may then be discontinued.
- EFFECTIVE DATE - November 30, 1998
- TYPE OF FILING - 1998 Pass-through

Ray Moats
President of General Partner

WATER TARIFF

IRRIGATION SERVICERATE SCHEDULE IS

- AVAILABILITY - Available throughout the area served by the Company.
- APPLICABILITY - For water service to the golf course for irrigation.
- LIMITATIONS - Subject to all of the Rules and Regulations of this tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD- Base Charge: Monthly in advance
Excess Consumption Charge: Quarterly in arrears
- RATE - Minimum Charge \$ 7.86
Up to 8,000 gallons \$ 7.86
per 1,000 gal. over 8,000 gallons \$.65

BASE FACILITY CHARGE - \$ 7.86

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) days' written notice is mailed to the customer separate and apart from any other bill, service may then be discontinued.

EFFECTIVE DATE - August 13, 1999

TYPE OF FILING- Grandfather Certificate

Ray Moats
President of General Partner

FLORIDA PUBLIC SERVICE COMMISSION

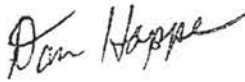
APPROVED

AUTHORITY NO. WS-98-0210

DOCKET NO. 981341-WS

ORDER NO. PSC-99-1235-PAA-WS

EFFECTIVE DATE August 13, 1999



DIRECTOR
DIVISION OF WATER AND WASTEWATER

NOTE TO SARC APPLICATION

The expenses reflected on the Annual Reports from which the expenses on this form were derived do not include the reasonable and necessary allocations of personnel and rent expenses. Attached hereto is a redacted allocation schedule. An unredacted copy will be provided along with a request for confidential classification when the SARC Application has been accepted.

Payroll Allocation - Pro Forma

Park Managers

Name	Park/Utility	Annual Salary	%	Total	Water	Sewer
Russ Lattin	SV Utilities			\$4,990	\$2,495	\$2,495
Roy King	CHC VII, Ltd.			\$2,000	\$1,000	\$1,000
Sharon King	CHC VII, Ltd.			\$2,000	\$1,000	\$1,000
Jim Burns	Four Lakes			\$2,600	\$1,300	\$1,300
Linda Burns	Four Lakes			\$1,350	\$675	\$675

Utilities Employees

Property	%	Spaces	Jerry Coryelle	Steve Marquart	Ivan King	TOTAL
						\$119,698
Anglers Cove West	6%	340				\$7,829
Anglers Cove West	6%					\$7,829
Four Lakes	14%	814				\$16,079
Four Lakes	14%					\$16,079
Hidden Cove	2%	122				\$2,572
Hidden Cove	2%					\$2,572
Hidden/Swiss Golf	15.5%	875				\$20,577
Hidden/Swiss Golf	15.5%					\$20,577
SV Utilities	12.5%	707				\$12,791
SV Utilities	12.5%					\$12,791
TOTAL	100%	2858				\$119,698

Jason Wright (Wastewater Operator)

Property	%	Spaces
Anglers Cove West	12%	340
Four Lakes	28%	814
Hidden Cove	4%	122
Hidden/Swiss Golf	31%	875
SV Utilities	25%	707
TOTAL	100%	2858

Corporate / Admin.

Name	Annual Salary	%	Total
Jessica Culbreth			\$20,280
Sharon Cribbs			\$3,016
Kim Kelley			\$15,313
Brian Altman			\$28,050
			<u>\$66,659</u>

<u>Property</u>	<u>%</u>	<u>Spaces</u>	<u>\$66,659</u>
Anglers Cove West	6%	340	\$4,000
Anglers Cove West	6%		\$4,000
Four Lakes	14%	814	\$9,332
Four Lakes	14%		\$9,332
Hidden Cove	2%	122	\$1,333
Hidden Cove	2%		\$1,333
Hidden/Swiss Golf	15.5%	875	\$10,332
Hidden/Swiss Golf	15.5%		\$10,332
SV Utilities	12.5%	707	\$8,332
SV Utilities	12.5%		\$8,332
TOTAL	100%	2858	<u>\$66,659</u>

Rent Expense

<u>Property</u>	<u>%</u>	<u>Spaces</u>	<u>\$12,495</u>
Anglers Cove West	6%	340	\$750
Anglers Cove West	6%		\$750
Four Lakes	14%	814	\$1,749
Four Lakes	14%		\$1,749
Hidden Cove	2%	122	\$250
Hidden Cove	2%		\$250
Hidden/Swiss Golf	15.5%	875	\$1,937
Hidden/Swiss Golf	15.5%		\$1,937
SV Utilities	12.5%	707	\$1,562
SV Utilities	12.5%		\$1,562
TOTAL	100%	2858	<u>\$12,495</u>