

DAMON UTILITIES, INC.
47 LAKE DAMON DRIVE
AVON PARK, FL 33825

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FLORIDA PUBLIC
SERVICE COMMISSION
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September 19, 1998

Director of Records and Reporting
Florida Public Service Commission
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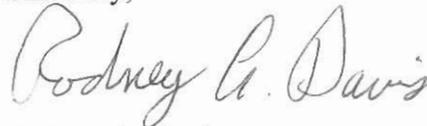
981198-415

Re: Staff Assisted Rate Case Application

Dear Mr. Hill:

Enclosed is the original and five (5) copies of the Staff Assisted Rate Case (SARC) application for Damon Utilities, Inc. If you need additional information or if you have any questions, you may contact me at (941) 453-0773.

Sincerely,



Rodney A. Davis
Secretary/Treasurer
Damon Utilities, Inc.

DOCUMENT NUMBER-DATE

10480 SEP 22 88

FPSC-RECORDS/REPORTING

FLORIDA PUBLIC SERVICE COMMISSION

APPLICATION FOR A
STAFF ASSISTED RATE CASE

I. General Data

- A. Name of utility Damon Utilities, Inc.
- B. Address 47 Lake Damon Drive
Avon Park, FL 33825
1. Telephone Nos. (941) 453-0773
2. County Highlands Nearest city Avon Park
3. General area served River Greens Subdivision, Village
Green and Casa Del Lago Condominium Developments
- C. Authority:
1. Water Certificate No. 499-W Date received 7/11/88
2. Sewer Certificate No. 433-S Date received 7/11/88
3. Date utility started operations: Water 1/23/86 Sewer 1/23/86
- D. How system was acquired Constructed By Owner
- If utility was purchased, give date N/A Amount Paid N/A
1. Name of Seller N/A
2. Was seller affiliated with present owners? N/A
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:
- | | <u>Name</u> | <u>Title</u> | <u>Percent
Ownership</u> |
|----|----------------------|-------------------------|------------------------------|
| 1. | <u>Jeff Harstine</u> | <u>President</u> | <u>33 1/3%</u> |
| 2. | <u>George Davis</u> | <u>Vice President</u> | <u>33 1/3%</u> |
| 3. | <u>Rodney Davis</u> | <u>Secretary/Treas.</u> | <u>33 1/3%</u> |
| 4. | <u></u> | <u></u> | <u></u> |

PSC/WAS 2 (Rev. 11/86)

G. List of Associated Companies and Addresses:

1. DDH Partnership, Inc., 47 Lake Damon Dr. Avon Park, FL 33825
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):

DOCUMENT NUMBER-DATE

10480 SEP 22 88

N/A

II. Accounting Data

A. Outside Accountant

1. Name Roger Ingley
2. Firm Bunting, Tripp & Ingley
3. Address P. O. Box 990, Lake Wales, FL 33859
4. Telephone (941) 676-7981

B. Individual to contact on accounting matters:

1. Name Judy Fusani
2. Telephone (941) 453-0773

C. Location of books and records 47 Lake Damon Dr., Avon Park, FL 33825

D. Have you filed an Annual Report with the Commission? Yes
Date last filed 1997- 3/6/98

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	1997	1996
Cost of Plant In Service:	\$ <u>132,301</u>	\$ <u>129,506</u>
Less Accumulated Depreciation:	<u>43,915</u>	<u>38,159</u>
Less Contributed Plant:	<u>-----</u>	<u>-----</u>
Net Owner's Investment:	\$ <u>88,386</u>	\$ <u>91,347</u>

2. Sewer	19 <u>97</u>	19 <u>96</u>
Cost of Plant In Service:	\$ <u>206,142</u>	\$ <u>206,142</u>
Less Accumulated Depreciation:	<u>105,619</u>	<u>96,044</u>
Less Contributed Plant:	<u>0</u>	<u>0</u>
Net Owner's Investment:	\$ <u>100,523</u>	\$ <u>110,098</u>

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

1. Water	19 <u>97</u>	19 <u>96</u>
Revenues (By Class):		
a. _____	\$ <u>38,174</u>	\$ <u>34,345</u>
b. _____	_____	_____
c. _____	_____	_____
Total Operating Revenues:	\$ <u>38,174</u>	\$ <u>34,345</u>
Less Expenses:		
a. Salaries & Wages - Employees	\$ _____	\$ _____
b. Salaries & Wages - Officers, Directors, & Majority Stockholders	_____	_____
c. Employee Pensions & Benefits	_____	_____
d. Purchased Water	_____	_____
e. Purchased Power	<u>4,281</u>	<u>4,167</u>
f. Fuel for Power Production	_____	_____
g. Chemicals	_____	_____
h. Materials & Supplies	<u>1,078</u>	<u>6,772</u>
i. Contractual Services	<u>2,215</u>	_____
j. Rents	_____	_____
k. Transportation Expenses	_____	_____
l. Insurance Expense	<u>1,377</u>	<u>1,034</u>
m. Regulatory Commission Expense	_____	<u>6,772</u>
n. Bad Debt Expense	_____	_____
o. Miscellaneous Expense	<u>13,226</u>	<u>10,953</u>
p. Depreciation Expense	<u>5,756</u>	<u>5,711</u>
q. Property Taxes	_____	_____
r. Other Taxes	<u>1,046</u>	<u>905</u>
s. Income Taxes	_____	_____
t. CIAC Amortization Expense	<u>1,088</u>	<u>9,909</u>
Operating Income (Loss)	\$ <u>8,107</u>	\$ <u>(7,109)</u>

2. Sewer	19 <u>97</u>	19 <u>96</u>
Revenues (By Class):		
a. <u>Residential</u>	\$ <u>18,826</u>	\$ <u>18,367</u>
b. _____	_____	_____
c. _____	_____	_____
Total Operating Revenues:	\$ <u>18,826</u>	\$ <u>18,367</u>
Less Expenses:		
a. Salaries & Wages - Employees	\$ _____	\$ _____
b. Salaries & Wages - Officers, Directors, & Majority Stockholders	_____	_____
c. Employee Pensions & Benefits	_____	_____
d. Purchased Sewage Treatment	_____	_____
e. Sludge Removal Expense	_____	_____
f. Purchased Power	_____ <u>476</u>	_____ <u>463</u>
g. Fuel for Power Production	_____	_____
h. Chemicals	_____	_____
i. Materials & Supplies	_____ <u>120</u>	_____ <u>5,725</u>
j. Contractual Services	_____ <u>2,214</u>	_____
k. Rents	_____	_____
l. Transportation Expenses	_____	_____
m. Insurance Expense	_____ <u>153</u>	_____ <u>115</u>
n. Regulatory Commission Expense	_____	_____ <u>223</u>
o. Bad Debt Expense	_____	_____
p. Miscellaneous Expense	_____ <u>1,452</u>	_____ <u>1,217</u>
q. Depreciation Expense	_____ <u>9,575</u>	_____ <u>9,274</u>
r. Property Taxes	_____	_____
s. Other Taxes	_____ <u>556</u>	_____ <u>539</u>
t. Income Taxes	_____	_____
u. CIAC Amortization Expense	_____ <u>773</u>	_____ <u>3,065</u>
Operating Income (Loss)	\$ <u>3,507</u>	\$ <u>2,254</u>

H. Outstanding Debt:

	<u>Date</u>	<u>Balance</u>	<u>Interest</u>	<u>Expiration</u>
<u>Creditor</u>	<u>Borrowed</u>	<u>Due</u>	<u>Rate</u>	<u>Date</u>
1. <u>Barnett Bank</u>	<u>11/29/96</u>	<u>78,585.65</u>	<u>Variable</u>	<u>10/29/01</u>
2. <u>DDH Partnership</u>	<u>Lease</u>	<u>10,415.20</u>	<u>6%</u>	<u>N/A</u>
3. <u>River Greens Golf</u>	<u>Lease</u>	<u>11,688.00</u>	<u>6%</u>	<u>N/A</u>
4. <u>Jeff Harstine</u>	<u>1/29/97</u>	<u>1,500.00</u>	<u>-</u>	<u>ASAP</u>
<u>Rodney Davis</u>	<u>1/29/97</u>	<u>1,500.00</u>	<u>- - -</u>	<u>ASAP</u>

I. Indicate Type of Tax Return Filed:

_____	Form 1120 - Corporation
<u>XXX</u>	Form 1120S - Subchapter S Corporation
_____	Form 1065 - Partnership
_____	Form 1040 - Schedule C - Individual (Proprietorship)

III. Engineering Data

A. Outside Engineering Consultant:

1. Name George J. McDonald
2. Firm McDonald Group International, Inc.
3. Address 9030 S. Brittany Path, Inverness, FL 34452
4. Telephone (888) 593-2364 352-637-1652

B. Individual to contact on engineering matters:

1. Name George J. McDonald
2. Telephone (888) 593-2364 352-637-1652

C. Is the utility under citation by the Department of Environmental Regulation (DER) or county health department? If yes, explain. No

D. List any known service deficiencies and steps taken to remedy problems. None At This Time

E. Name of plant operator(s) and DER operator certificate number(s) held. Water-David W. Faircloth - C8189
Waste Water - Wendell L. Faircloth - C9088

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 None proposed None
2. Type and make of present treatment facilities Davco Defiance (Concrete)
3. Approximate average daily flow of treatment plant effluent 7,391 Gallons
4. Approximate length of sewer mains:

	<u>Collecting Mains</u>			<u>Force Mains</u>	
Size (diameter)	<u>8"</u>	<u>4"</u>	<u>6"</u>	<u>4"</u>	<u>3"</u>
Linear feet	<u>3,914</u>	<u>30</u>	<u>900</u>	<u>1,600</u>	<u>3,450</u>
5. Number of manholes 14
6. Number of liftstations 3
7. How do you measure treatment plant effluent? Lift Station Clocks
8. Is the treatment plant effluent chlorinated? Yes If yes, what is the normal dosage rate? 8 ppm

9. Tap in fees - Sewer \$ 465.00
10. Service availability fees - Sewer \$ 0
11. Note DER Treatment Plant Certificate Number and date of expiration: Number D028-252254 Expiration Date 12/22/98
12. Total gallons treated during most recent twelve months 2,697,610
13. Sewage treatment purchased during most recent twelve months None

H. Water

1. Gallons per day capacity of treatment facilities existing 130,000 under construction None proposed None
2. Type of treatment Chlorination
3. Approximate average daily flow of treated water 14,560
4. Source of water supply Wells
5. Types of chemicals used and their normal dosage rates Chlorine 5ppm
6. Number of wells in service 2 Total capacity in gallons per minute (gpm) 90/100 gpm Each
- | | | | | | |
|---------------------|------------------|-------------|------------|--------------|--------------|
| Diameter/Depth | <u>4" / 500'</u> | <u>Each</u> | <u>One</u> | <u>_____</u> | <u>_____</u> |
| Motor horsepower | <u>5 HP</u> | <u>"</u> | <u>"</u> | <u>_____</u> | <u>_____</u> |
| Pump capacity (gpm) | <u>100</u> | <u>"</u> | <u>"</u> | <u>_____</u> | <u>_____</u> |
7. Reservoirs and/or hydropneumatic tanks:
- | | | | |
|-------------|--------------|--------------|--------------|
| Description | <u>Steel</u> | <u>Steel</u> | <u>_____</u> |
| Capacity | <u>2,000</u> | <u>2,000</u> | <u>_____</u> |
8. High service pumping:
- | | | | | |
|---------------------|-------------|------------|--------------|--------------|
| Motor horsepower | <u>5 HP</u> | <u>5HP</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>6"</u> | <u>4"</u> | <u>2"</u> | <u>1"</u> | <u>_____</u> |
| Linear feet | <u>825</u> | <u>7,782</u> | <u>3,410</u> | <u>160</u> | <u>_____</u> |

11. Note any fire flow requirements and imposing government agency
None
12. Number of fire hydrants in service None
13. Do you have a meter change out program? No
14. Meter installation or tap in fees - Water \$ 650.00
15. Service availability fees - Water \$ 15.00
16. Has the existing treatment facility been approved by DER?
Yes
17. Total gallons pumped during most recent twelve months 10,031.28
18. Total gallons sold during most recent twelve months 9,771.29
19. Gallons unaccounted for during most recent twelve months 60
20. Gallons purchased during most recent twelve months None

IV. Rate Data

A. Individual to contact on tariff matters:

1. Name Rodney A. Davis
2. Telephone Number (941) 453-0773

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

1. Water:

- | | | |
|----------------------|----------------------------|------------------|
| a. Residential Water | \$8.01 Base Facility Chrg- | \$1.37 Per 1,000 |
| b. General Service | | <u>Gallons</u> |
| c. Special Contract | | |
| d. Other | | |

2. Sewer:

- | | | |
|----------------------|-----------------------------|------------------|
| a. Residential Sewer | \$14.89 Base Facility Chrg- | \$2.81 Per 1,000 |
| b. General Service | | <u>Gallons</u> |
| c. Special Contract | | |
| d. Other | | |

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

	19 <u>97</u>	19 <u>96</u>
1. Water Metered	221	208
a. Residential	_____	_____
b. General Service	_____	_____
c. Special Contract	_____	_____
d. Other - specify	_____	_____
2. Water Unmetered	N/A	N/A
a. Residential	_____	_____
b. General Service	_____	_____
c. Special Contract	_____	_____
d. Other - specify	_____	_____
3. Sewer	77	74
a. Residential	_____	_____
b. General Service	_____	_____
c. Special Contract	_____	_____
d. Other - specify	_____	_____

V Affirmation

I, Rodney A. 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 A. Davis

Title Secretary/Treasurer

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.