

LAW OFFICES
ROSE, SUNDSTROM & BENTLEY, LLP
2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

(850) 877-6555

CHRIS H. BENTLEY, P.A.
F MARSHALL DEIERDING
MARTIN S. FRIEDMAN, P.A.
JOHN R. JENKINS, P.A.
STEVEN T. MINDLIN, P.A.
JOSEPH P. PATTON
DAREN L. SHIPPY, LL.M. TAX
WILLIAM E. SUNDSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON

MAILING ADDRESS
POST OFFICE BOX 1567
TALLAHASSEE, FLORIDA 32302-1567

TELECOPIER (850) 656-4029

October 25, 2001

ROBERT M. C. ROSE
OF COUNSEL

VIA HAND DELIVERY

**Ms. Blanca Bayo, Director
Division of Commission Clerk & Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850**

**RE: North Sumter Utility Company, LLC; Docket No. 010859-WS
Our File No. 34078.01**

Dear Ms. Bayo:

This letter is in response to the Commission Staff's October 1, 2001 letter requesting additional information in connection with the above-referenced docket. The responses are as follows:

DEFICIENCIES:

- 1. Attached is a Memorandum which lists all of the ownership interests in North Sumter Utility, LLC.**
- 2. Attached are copies of two Warranty Deeds, which together convey to North Sumter Utility Company, LLC the facilities upon which the water and wastewater treatment plant facilities are to be located.**

ADDITIONAL INFORMATION:

- 1-5. Please see the Memorandum of Robert C. Nixon, attached hereto.**
- 6. Enclosed is a copy of a letter from Jackson E. Sullivan updating the current status of the County's Comprehensive Plan Amendment.**

DOCUMENT NUMBER PAGE

13540 OCT 25 01

FPSC-COMMISSION CLERK

Ms. Blanca Bayo, Director
October 25, 2001
Page 2

7. Corrected Exhibits B and C are attached. Please note that North Sumter Utility Company, LLC is forecasting 125 gpd as a water ERC and 116 gpd as a wastewater ERC for both Phases I and II.

8. The Villages Water Conservation Authority, LLC ("VWCA") will supply irrigation water within the service territory of North Sumter Utility Company, LLC ("NSU"). VWCA will construct and own an entirely separate non-potable water system within the service area of NSU. Thus, NSU will size its water lines accordingly. VWCA will provide only non-potable water for irrigation purposes and is thus exempt from PSC regulation pursuant to Section 367.022(11), Florida Statutes.

9. Not applicable.

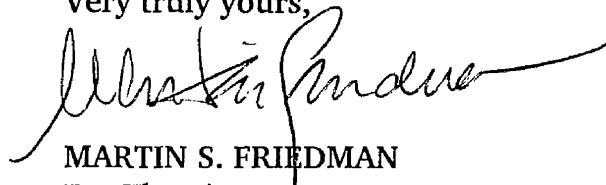
10. As indicated in Item 7 above, corrected Exhibits B and C are attached. Note that the Phase II flows represent the totals at build out and not the amount for Phase II alone. The following table is clarification of the AADF and MMADF for the Phases of wastewater treatment plant:

	<u>AADF (mgd)</u>	<u>MMADF (mgd)</u>
Phase I	0.502	0.628
Phase II (Total)	1.772	2.215

MMADF = AADF x 1.25

Should the Staff have any additional questions, please do not hesitate to contact me.

Very truly yours,



MARTIN S. FRIEDMAN
For The Firm

MSF/brm
Enclosure

cc: Mr. John Parker
Mr. John Wise
Robert C. Nixon, CPA



The Villages™

DATE: October 11, 2001
TO: Marty Friedman
FROM: John Wise *J.W.*
SUBJECT: North Sumter Utility Company, LLC. – Ownership

You have requested to know the ownership of North Sumter Utility Company, LLC. The ownership is as follows:

H. Gary Morse	12.75%
Mark G. Morse Irrevocable Trust	12.75%
Tracy Mathews Irrevocable Trust	12.75%
Jennifer Parr Irrevocable Trust	<u>12.75%</u>
	<u>51.00%</u>
R. Dewey Burnsed	3.00%
John Parker	3.00%
John Wise	3.00%
Steve Roy	<u>3.00%</u>
	<u>12.00%</u>
Rick Murray	2.00%
Steve Drake	2.00%
Phil Markward	2.00%
Dale Borrowman	2.00%
Gary Lester	2.00%
Gary Mark	2.00%
Pete Wahl	2.00%
Jeff Miller	<u>2.00%</u>
	<u>16.00%</u>

Paul McDowell	1%
Ron Grant	1%
Ron Hess	1%
George McCabe	1%
Mike West	1%
Tom McDonough	1%
Irme Resmondo	1%
Jim Cichielo	1%
Terry Upton	1%
Dean Carter	1%
Dodd McDowell	1%
Joyce Hughes	1%
Mary Dzuro	1%
Sam Wartinbee	1%
Bob Hoopfer Sr.	<u>1%</u>
	<u>15%</u>
Justin Carroll	.5%
Lori Resmondo	.5%
Ken Creeley	.5%
Trey Arnett	.5%
Bob Hoopfer Jr.	.5%
Stephanie Vaughn	.5%
Randy Thompson	.5%
Carl Andersen	.5%
Monica Andersen	.5%
Dave Meadows	.5%
John Rohan	.5%
Tom Books	<u>.5%</u>
	<u>6.0%</u>
	<u>100.%</u>

All of the above individuals are either directly employed by The Villages of Lake-Sumter, Inc. or a related entity.

JFW/lct
L0288

THIS INSTRUMENT PREPARED BY/RETURN TO:
Steven M. Roy/fahs
McLin, Burnsed, Morrison, Johnson,
Newman & Roy, P.A.
Post Office Box 1299
Leesburg, Florida 32158-1299

Parcel Identification No.

WARRANTY DEED

THIS INDENTURE made this ____ day of October, 2001, between PM3, Ltd. a Florida limited partnership, whose address is 1100 Main Street, The Villages, Florida 32159, Grantor, and North Sumter Utility Company, L.L.C., whose address is 1100 Main Street, The Villages, Florida 32159, Grantee,

WITNESSETH, that said Grantor, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10 00), and other good and valuable considerations to said Grantor in hand paid by Grantee, the receipt whereof is hereby acknowledged, has granted, bargained and sold to the said Grantee, and Grantee's heirs and assigns forever, the following described land, situate and being in Sumter County, Florida, to-wit:

See attached Exhibit A

Subject to restrictions, reservations, easements and limitations of record, if any, provided that this shall not serve to reimpose same, zoning ordinances, and taxes for the current year and subsequent years. Said Grantor does hereby fully warrant the title to said land, and will defend that same against the lawful claims of all persons whomsoever.

"Grantor" and "Grantee" are used for singular or plural, as context requires.

IN WITNESS WHEREOF, the Grantor has hereunto set Grantor's hand and seal the day and year first above written.

Signed, sealed and delivered
in our presence:

Printed Name

Printed Name

STATE OF FLORIDA
COUNTY OF LAKE

The foregoing instrument was acknowledged before me this ____ day of October, 2001, by _____, the Vice President of PM3, Inc., a Florida corporation, on behalf of PM3, Ltd. a Florida limited partnership, its General Partner

PM3, Ltd., a Florida limited partnership,
By: PM3, Inc, a Florida corporation, its General Partner

By: _____
John Parker, Vice President

(Notary Seal)

NOTARY PUBLIC - STATE OF FLORIDA
(Signature of Notary Public)

(Print Name of Notary Public)

My Commission Expires: _____

SKETCH FOR DESCRIPTION (NOT A FIELD SURVEY)

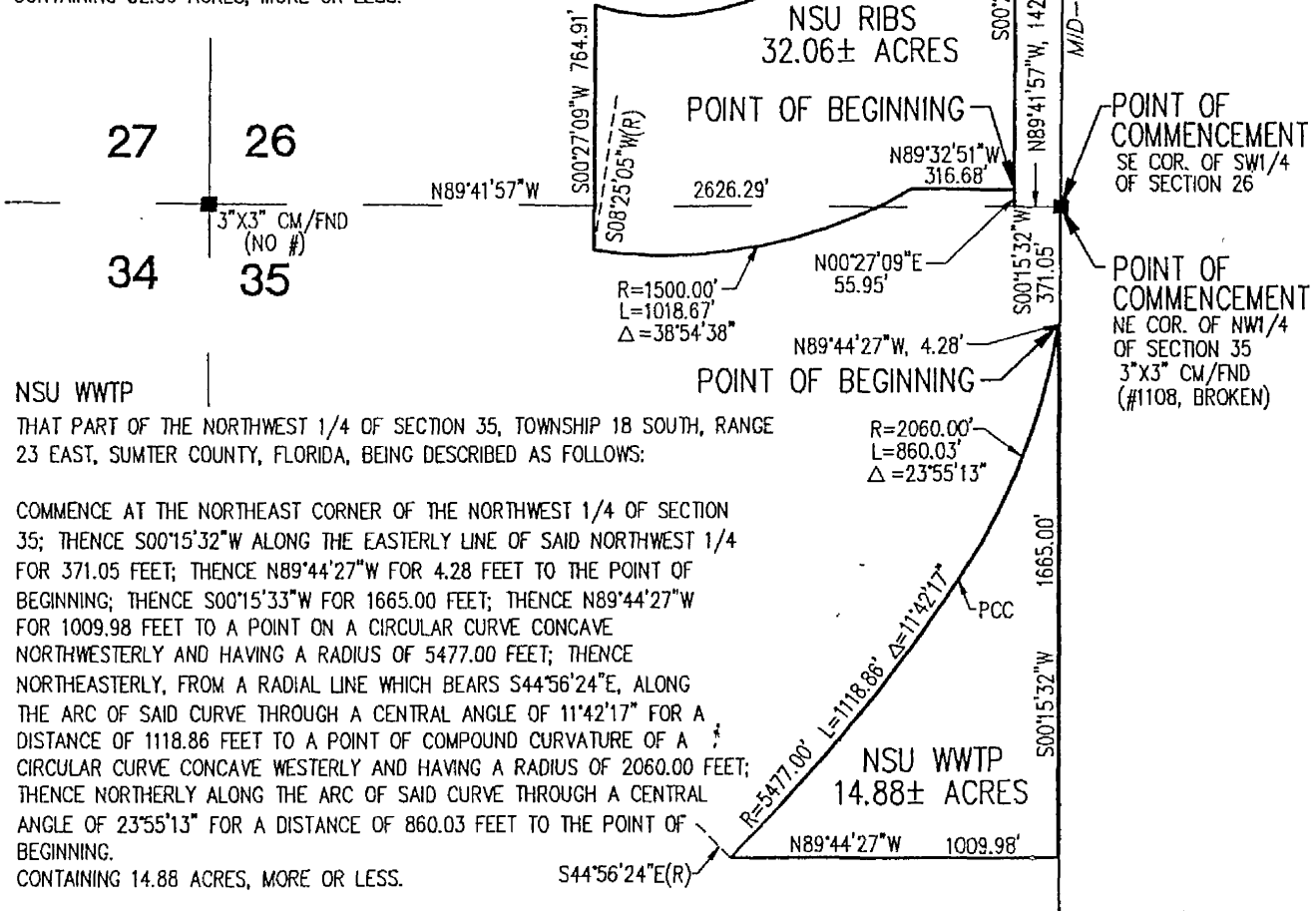
NSU RIBS

THAT PART OF THE SOUTHWEST 1/4 OF SECTION 26 AND THAT PART OF THE NORTHWEST 1/4 OF SECTION 35, ALL IN TOWNSHIP 18 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA, BEING DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF THE SOUTHWEST 1/4 OF SECTION 26; THENCE N89°41'57"W ALONG THE SOUTHERLY LINE OF SAID SOUTHWEST 1/4 FOR 142.76 FEET; THENCE N00°27'09"E FOR 55.95 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE N00°27'09"E FOR 1729.26 FEET; THENCE N89°32'51"W FOR 482.64 FEET TO A POINT ON A CIRCULAR CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 750.00 FEET; THENCE SOUTHERLY, SOUTHWESTERLY AND WESTERLY, FROM A RADIAL LINE WHICH BEARS N54°16'13"E, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 142°16'23" FOR A DISTANCE OF 1862.35 FEET; THENCE S00°27'09"W FOR 764.91 FEET TO A POINT ON A CIRCULAR CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 1500.00 FEET; THENCE EASTERLY, FROM A RADIAL LINE WHICH BEARS S08°25'05"W, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 38°54'38" FOR A DISTANCE OF 1018.67 FEET; THENCE S89°32'51"E FOR 316.68 FEET TO THE POINT OF BEGINNING. CONTAINING 32.06 ACRES, MORE OR LESS.

LEGEND

PCC - POINT OF COMPOUND CURVE
NSU - NORTH SUMTER UTILITIES, INC.
WWTP - WASTE WATER TREATMENT PLANT
RIBS - RAPID INFILTRATION BASINS



NSU WWTP

THAT PART OF THE NORTHWEST 1/4 OF SECTION 35, TOWNSHIP 18 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA, BEING DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHEAST CORNER OF THE NORTHWEST 1/4 OF SECTION 35; THENCE S00°15'32"W ALONG THE EASTERLY LINE OF SAID NORTHWEST 1/4 FOR 371.05 FEET; THENCE N89°44'27"W FOR 4.28 FEET TO THE POINT OF BEGINNING; THENCE S00°15'33"W FOR 1665.00 FEET; THENCE N89°44'27"W FOR 1009.98 FEET TO A POINT ON A CIRCULAR CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 5477.00 FEET; THENCE NORTHEASTERLY, FROM A RADIAL LINE WHICH BEARS S44°56'24"E, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 11°42'17" FOR A DISTANCE OF 1118.86 FEET TO A POINT OF COMPOUND CURVATURE OF A CIRCULAR CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 2060.00 FEET; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 23°55'13" FOR A DISTANCE OF 860.03 FEET TO THE POINT OF BEGINNING. CONTAINING 14.88 ACRES, MORE OR LESS.

10/12/01
DATE

William S. Barley
WILLIAM S. BARLEY, PROFESSIONAL SURVEYOR & MAPPER
FLORIDA REGISTRATION NO. 3815

GENERAL NOTES

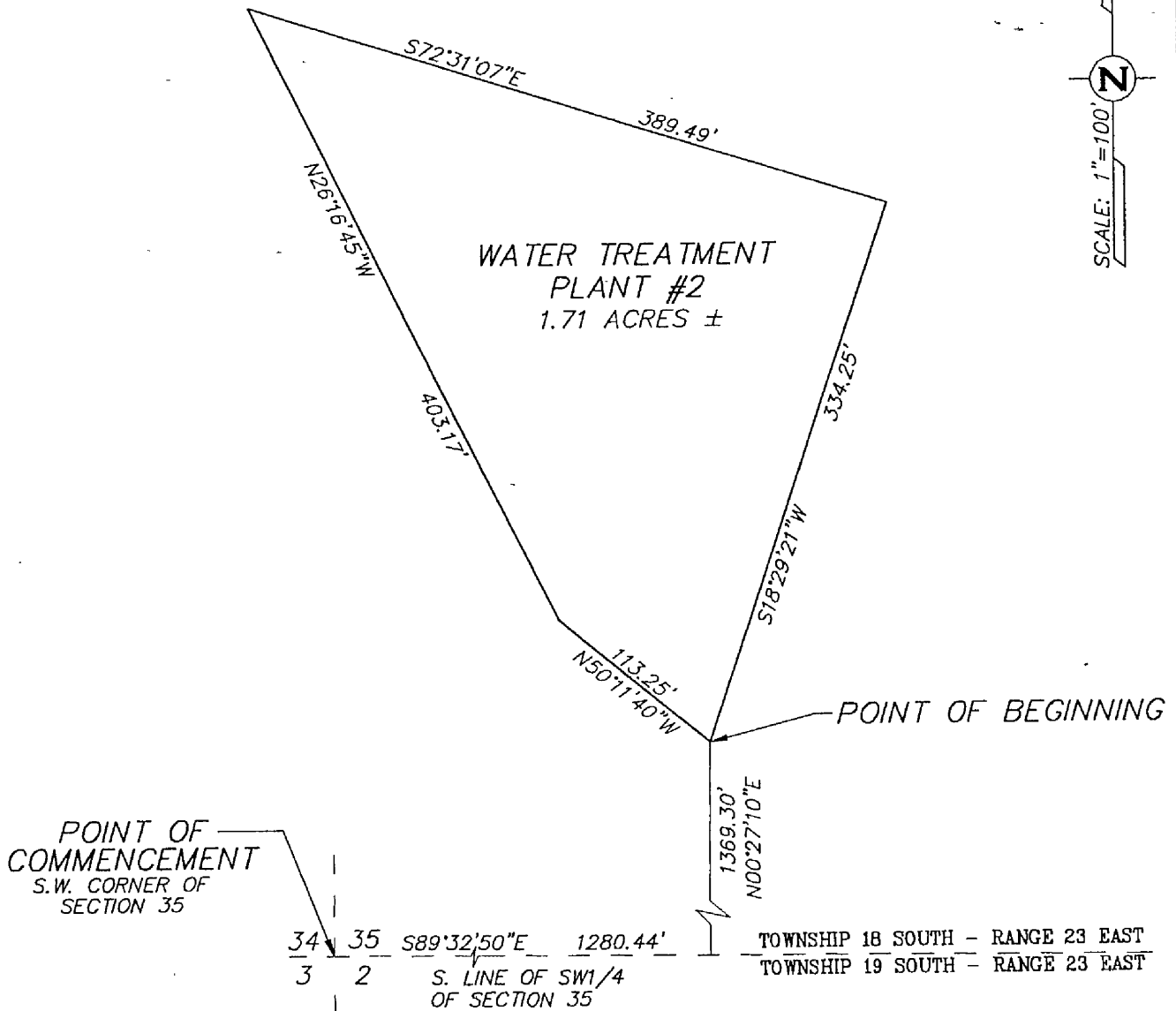
1. REPRODUCTIONS OF THIS SKETCH ARE NOT VALID WITHOUT THE SIGNATURE AND ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER.
2. THIS SKETCH PREPARED FOR DESCRIPTION PURPOSES ONLY AND DOES NOT REPRESENT A FIELD SURVEY.
3. LANDS SHOWN HEREON WERE NOT ABSTRACTED FOR OWNERSHIP. DESCRIPTION IS BASED UPON INFORMATION SHOWN ON TAX PARCEL CARD.

**FARNER
BARLEY
AND ASSOCIATES, INC.**

350 NORTH SHGLAR AVENUE • TAVARES, FL. 32776 • (352) 343-8481

- ▲ ENGINEERS
- ▲ SURVEYORS
- ▲ PLANNERS
- LB 4709

SKETCH FOR DESCRIPTION (NOT A FIELD SURVEY)



NORTH SUMTER UTILITY CO.
WATER TREATMENT PLANT NO. 2

A PARCEL OF LAND LYING WITHIN SECTION 35, TOWNSHIP 18 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:
 COMMENCE AT THE SOUTHWEST CORNER OF SECTION 35; THENCE ALONG THE SOUTH LINE OF THE SW1/4 OF SECTION 35 RUN S89°32'50"E, 1280.44 FEET; THENCE N00°27'10"E, 1369.30 FEET TO THE POINT OF BEGINNING; THENCE N50°11'40"W, 113.25 FEET; THENCE N26°16'45"W, 403.17 FEET; THENCE S72°31'07"E, 389.49 FEET; THENCE S18°29'21"W, 334.25 FEET TO THE POINT OF BEGINNING.
 (CONTAINING 1.71 ACRES, MORE OR LESS)

10/12/01
DATE

William S. Barley
 WILLIAM S. BARLEY, PROFESSIONAL SURVEYOR & MAPPER
 FLORIDA REGISTRATION NO. 3815

GENERAL NOTES

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350 NORTH SINGLAR AVENUE • TAVARES, FL 32778 • (352) 343-8481

- ▲ ENGINEERS
- ▲ SURVEYORS
- ▲ PLANNERS
- LB 4709

A-2

THIS INSTRUMENT PREPARED BY/RETURN TO:
Steven M. Roy/ahs
McLin, Burnsed, Morrison, Johnson,
Newman & Roy, P.A.
Post Office Box 1299
Leesburg, Florida 32158-1299

Parcel Identification No.

WARRANTY DEED

THIS INDENTURE made this ____ day of October, 2001, between H. Gary Morse and R. Dewey Burnsed as Trustees of the Jennifer Boone Irrevocable Trust, under Agreement dated the 12th day of December, 1986, a one-third undivided interest; H. Gary Morse and R. Dewey Burnsed as Trustees of the Mark G. Morse Irrevocable Trust, under Agreement dated the 12th day of December, 1986, a one-third undivided interest, and H. Gary Morse and R. Dewey Burnsed, as Trustee of the Tracy Mathews Irrevocable Trust, under Agreement dated the 12th day of December, 1986, a one-third undivided interest, as tenants in common, whose address is 1100 Main Street, The Villages, Florida 32159, and The Villages of Lake-Sumter, Inc; whose address is 1100 Main Street, The Villages, Florida 32159 Grantors, and North Sumter Utility Company, L.L.C., whose address is 1100 Main Street, The Villages, Florida 32159, Grantee,

WITNESSETH, that said Grantor, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10 00), and other good and valuable considerations to said Grantor in hand paid by Grantee, the receipt whereof is hereby acknowledged, has granted, bargained and sold to the said Grantee, and Grantee's heirs and assigns forever, the following described land, situate and being in Sumter County, Florida, to-wit:

See attached Exhibit A

Subject to restrictions, reservations, easements and limitations of record, if any, provided that this shall not serve to reimpose same, zoning ordinances, and taxes for the current year and subsequent years. Said Grantor does hereby fully warrant the title to said land, and will defend that same against the lawful claims of all persons whomsoever.

"Grantor" and "Grantee" are used for singular or plural, as context requires.

IN WITNESS WHEREOF, the Grantor has hereunto set Grantor's hand and seal the day and year first above written.

WITNESSES TO ALL.

Printed Name

H.Gary Morse and R. Dewey Burnsed as Trustees of the Jennifer Boone Irrevocable Trust, under Agreement dated the 12th day of December, 1986; and as Trustees of the Mark G. Morse Irrevocable Trust, under Agreement dated the 12th day of December, 1986, and as Trustees of the Tracy Mathews Irrevocable Trust, under Agreement dated the 12th day of December, 1986

Printed Name

THE VILLAGES OF LAKE-SUMTER, INC.

By: _____
John Parker, Vice President

STATE OF FLORIDA
COUNTY OF LAKE

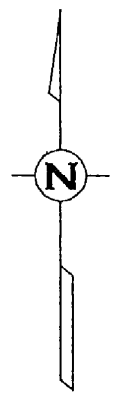
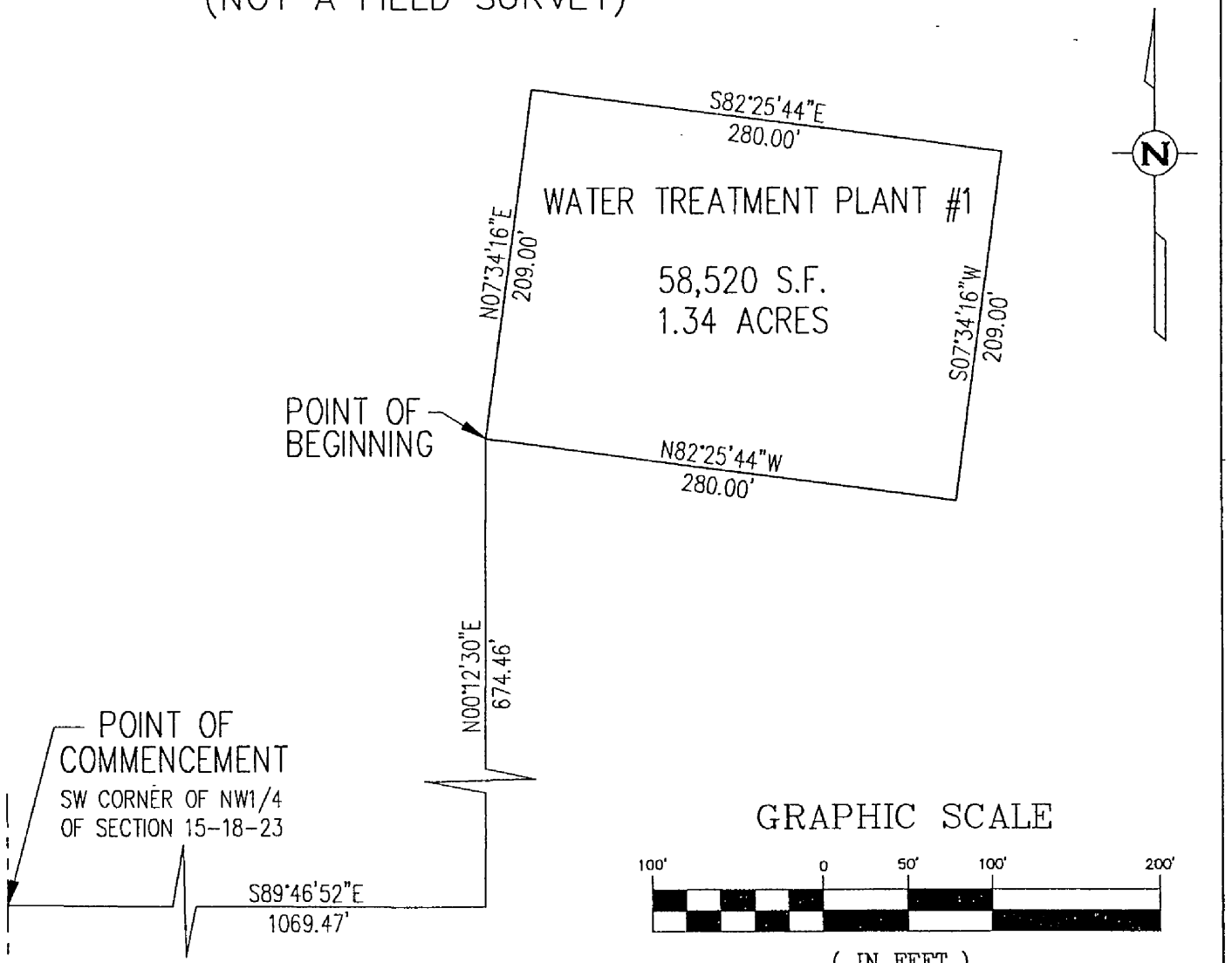
The foregoing instrument was acknowledged before me this ____ day of October, 2001, by John Parker, the Vice President of and on behalf of The Villages of Lake-Sumter, Inc.; and by H. Gary Morse and R. Dewey Burnsed as Trustees of the Jennifer Boone Irrevocable Trust, under Agreement dated the 12th day of December, 1986; and as Trustees of the Mark G. Morse Irrevocable Trust, under Agreement dated the 12th day of December, 1986, and as Trustees of the Tracy Mathews Irrevocable Trust, under Agreement dated the 12th day of December, 1986.

NOTARY PUBLIC - STATE OF FLORIDA
(Signature of Notary Public)

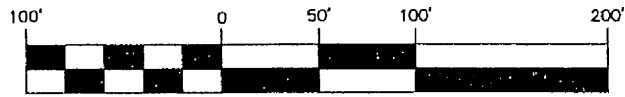
(Print Name of Notary Public)

(Notary Seal)

SKETCH FOR DESCRIPTION (NOT A FIELD SURVEY)



GRAPHIC SCALE



(IN FEET)
1 inch = 100 ft.

LEGAL DESCRIPTION

NORTH SUMTER UTILITIES
WATER TREATMENT PLANT #1

THAT PORTION OF THE NORTHWEST 1/4 OF SECTION 15, TOWNSHIP 18 SOUTH, RANGE 23 EAST, DESCRIBED AS FOLLOWS:

FROM THE SOUTHWEST CORNER OF THE SAID NORTHWEST 1/4; RUN S89°46'52"E ALONG THE SOUTH LINE THEREOF A DISTANCE OF 1069.47 FEET; THENCE N00°12'30"E, 674.46 FEET TO THE POINT OF BEGINNING; THENCE N07°34'16"E, 209.00 FEET; THENCE S82°25'44"E, 280.00 FEET; THENCE S07°34'16"W, 209.00 FEET; THENCE N82°25'44"W, 280.00 FEET TO THE POINT OF BEGINNING.


CONTAINING 1.34 ACRES, MORE OR LESS.

GENERAL NOTES

1. REPRODUCTIONS OF THIS SKETCH ARE NOT VALID WITHOUT THE SIGNATURE AND ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER.
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10/12/01
DATE

William S. Barley
WILLIAM S. BARLEY, PROFESSIONAL SURVEYOR & MAPPER
FLORIDA REGISTRATION NO. 3815



**FARNER
BARLEY
AND ASSOCIATES, INC.**

350 NORTH SINCLAIR AVENUE • TAVARES, FL. 32778 • (352) 343-8481

▲ ENGINEERS
▲ SURVEYORS
▲ PLANNERS
LB 4709

**NORTH SUMTER UTILITY COMPANY
ORIGINAL CERTIFICATE APPLICATION
DOCKET NO. 010859-WS
RESPONSE TO STAFF QUESTIONS DATED OCTOBER 1, 2001**

1. Schedule No. 2 of Exhibit G states that the company expects to begin providing service in 2004, and reach 80% of design capacity in 2011. This is 8 years from the date the Company expects to begin providing service.

However, as indicated on Schedule No. 4 (Page 2 of 3) phase one plant will be completed in 2003, the year before the Company expects to begin providing service. Under generally accepted accounting principles, as well as Commission policy and practice, assets are depreciated beginning at the time assets are ready for their intended use. As a result, the factor of 8.5 years from 2003 to 2011 is correct, taking one-half year's depreciation in year 2003. Therefore, Schedule No. 4 is correct and no correction of that information is necessary.

2. The 8,500 gallon block was set at 125% above the average residential usage of 3,800 gallons per month (3,800 gallons X 125% = 8,550). This amount was then rounded down to an even 8,500 gallons. Because there is no billing history, a factor based on 125% of average annual monthly use seems reasonable in light of the maximum daily demand factor of 2.5 used in designing the water system.
3. See attached sheets. Please note that in providing a response to this request, we discovered a formula error in the computation of the wastewater base facility charge. In calculation of the requested base facility charges, the commercial ERCs were not picked up in the denominator used to calculate the base facility charge. The correct base facility charge should be \$10.59. The attached schedules also include a computation of rates and factored ERCs for both water and wastewater.
4. See Tables K and L of the preliminary engineer's report filed in this case. The information in Item 1 of those schedules was determined by Operations Management International, Inc. (OMI). This company operates Little Sumter Utility Company on a contract basis and will be employed to operate the water and wastewater facilities of North Sumter Utility Company. OMI is a third party.

For each water and wastewater division, the Company has requested \$46,100 of management fees and \$50,400 for billing, collection, maintenance of general ledger and all general and administrative functions. At the 80% level of operation, the Company will serve 168,036 annual water ERCs and 146,652 annual sewer ERCs. This amounts to a charge of \$.57 per water ERC and \$.66 per sewer ERC for these services. The Company believes that these amounts are very reasonable. In fact, they are lower than the charges approved for similar services in the Little Sumter Utility Company original certificate case. In that case, the average charge for each water and sewer ERC was \$1.07.

The amounts requested for physical damage and general liability insurance are \$4,000 each for water and wastewater. Again, these amounts are less than the \$6,000 each approved in the original certificate proceeding for Little Sumter Utility Company and are reasonable.

The amounts requested for outside accounting expense include the cost of an annual audit, preparation and review of the PSC Annual Report, preparation of the Company's income tax returns, and the filing of annual index and pass-through adjustments. In light of these tasks, the amounts requested are reasonable.

The amounts requested for routine and recurring legal expense are fairly minor and reasonable on their face.

5. The cost of debt was based on a prime rate of 8.5% plus 1%. The 8.5% prime rate was the rate in effect at the time this case was filed.

NORTH SUMTER UTILITY COMPANY
 ORIGINAL CERTIFICATE APPLICATION
 PROOF OF REVENUE - WATER

	NO. OF BILLS	GALLONS SOLD (000)	PROPOSED RATES	PROPOSED REVENUE	ANNUAL METERS	NO. OF METERS	ERC FACTOR	FACTORED ERC'S	ANNUAL ERC'S
<u>RESIDENTIAL - ALL METER SIZES</u>									
NO. OF BILLS	121,920		\$7.18	\$875,386					
GALLONS SOLD		463,696	1.64	760,461					
TOTAL RESIDENTIAL				1,635,847					
<u>GENERAL SERVICE</u>									
BASE FACILITY CHARGES:									
5/8 X 3/4"	19,980		7.18	143,456	19,980	1,665	1.0	1,665	19,980
1"	2,100		17.95	37,695	2,100	175	2.5	438	5,256
1-1/2"	600		35.90	21,540	600	50	5.0	250	3,000
2"	600		57.44	34,464	600	50	8.0	400	4,800
3"	480		114.88	55,142	480	40	16.0	640	7,680
4"	216		179.50	38,772	216	18	25.0	450	5,400
	<u>23,976</u>			<u>331,070</u>	<u>23,976</u>	<u>1,998</u>		<u>3,843</u>	<u>46,116</u>
GALLONS SOLD		175,200	1.64	287,328					TOTAL ANNUAL RESIDENTIAL ERC'S 121,920
TOTAL GENERAL SERVICE				618,398					TOTAL ANNUAL COMMERCIAL ERC'S 46,116
TOTAL WATER REVENUE	<u>145,896</u>	<u>638,896</u>		2,254,245					TOTAL ANNUAL ERC'S <u>168,036</u>
TOTAL REVENUE REQUESTED				(2,257,359)					
DIFFERENCE				<u>(\$3,114)</u>					

NORTH SUMTER UTILITY COMPANY
ORIGINAL CERTIFICATE APPLICATION
WORKPAPER CALCULATIONS

	TOTAL	PERCENT BASE FACILITY	PERCENT GALLONAGE	BASE FACILITY	GALLONAGE
(D) RATE CALCULATIONS	REVENUE	CHARGE	CHARGE	CHARGE	CHARGE
(1) WATER					
LABOR & BENEFITS	696,840	70%	30%	487,788	209,052
CHEMICALS	32,460		100%		32,460
ELECTRIC POWER	105,480		100%		105,480
REPAIRS & MAINTENANCE	48,360	50%	50%	24,180	24,180
LABORATORY TESTING	54,840	50%	50%	27,420	27,420
TRANSPORTATION EXPENSE	58,080	50%	50%	29,040	29,040
MATERIALS & SUPPLIES	59,340	50%	50%	29,670	29,670
MISCELLANEOUS	127,680	50%	50%	63,840	63,840
CONTRACTUAL SERVICES - ACCOUNTING	11,400	50%	50%	5,700	5,700
CONTRACTUAL SERVICES - LEGAL	2,700	50%	50%	1,350	1,350
CONTRACTUAL SERVICES - MANAGEMENT	46,100	50%	50%	23,050	23,050
CONTRACTUAL SERVICES - BILLING, COLLECTIONS, REGULATORY REPORTING, CUSTOMER SERVICE	50,400	50%	50%	25,200	25,200
INSURANCE	4,000	100%		4,000	
TOTAL O&M	<u>1,297,680</u>			<u>721,238</u>	<u>576,442</u>
DEPRECIATION	<u>164,316</u>	100%		<u>164,316</u>	
TAXES OTHER THAN INCOME	<u>428,432</u>	75%	25%	<u>321,324</u>	<u>107,108</u>
OPERATING INCOME	<u>366,930</u>		100%		<u>366,930</u>
TOTAL REVENUE	<u>\$2,257,359</u>			<u>\$1,206,879</u>	<u>\$1,050,480</u>
NO OF FACTORED ERC'S				<u>168,038</u>	
PROJECTED GALLONS SOLD (000) (1)					<u>638,896</u>
BASE FACILITY CHARGE				<u>\$7.18</u>	
GALLONAGE CHARGE PER 1,000 GALLONS FOR FIRST 10,000 GALLONS					<u>\$1.64</u>
GALLONAGE CHARGE PER 1,000 GALLONS IN EXCESS OF 8,500 GALLONS (BASED ON 100% OF FIRST TIER RATE)					<u>\$3.29</u>
NOTES (1) PROJECTED GALLONS SOLD AS FOLLOWS.					
TOTAL AVERAGE DAILY FLOW AT BUILDOUT (2014) PER ENGINEERING REPORT (TABLE B)					2,188,000
FACTOR FOR 80% LEVEL OF OPERATION					<u>80%</u>
AVERAGE DAILY FLOW AT 80% LEVEL OF OPERATION					1,750,400
NO.OF DAYS					<u>365</u>
AVERAGE ANNUAL FLOW AT 80% LEVEL OF OPERATION (000)					<u>638,896</u>
(2) PROJECTED ERC'S DETERMINED AS FOLLOWS					
TOTAL ERC'S AT BUILDOUT (2014) (2,188,000/125)					17,504
MONTHS IN YEAR					<u>12</u>
TOTAL BILLABLE ERC'S AT BUILDOUT (2014)					210,048
FACTOR FOR 80% LEVEL OF OPERATION					<u>80%</u>
ANNUAL BILLED ERC'S @ 80% LEVEL OF OPERATION					<u>168,038</u>
(3) AVERAGE MONTHLY USAGE					
AVERAGE ANNUAL FLOW @ 80% LEVEL OF OPERATION					<u>638,896</u>
ANNUAL BILLED ERC'S					<u>168,038</u>
AVERAGE MONTHLY USE PER ERC					<u>3.802</u>

NORTH SUMTER UTILITY COMPANY
ORIGINAL CERTIFICATE APPLICATION
PROOF OF REVENUE - SEWER

	NO. OF BILLS	GALLONS SOLD (000)	PROPOSED RATES	PROPOSED REVENUE					
<u>RESIDENTIAL - ALL METER SIZES</u>									
NO. OF BILLS	121,920		\$10.59	\$1,291,133					
GALLONS SOLD		463,296	4.01	<u>1,857,817</u>					
TOTAL RESIDENTIAL				<u>3,148,950</u>					
<u>GENERAL SERVICE</u>									
BASE FACILITY CHARGES:					ANNUAL METERS	NO. OF METERS	ERC FACTOR	FACTORED ERC'S	ANNUAL ERC'S
5/8 X 3/4"	912		10.59	9,658	912	76	1.0	76	912
1"	1,800		26.48	47,664	1,800	150	2.5	375	4,500
1-1/2"	480		52.95	25,416	480	40	5.0	200	2,400
2"	480		84.72	40,666	480	40	8.0	320	3,840
3"	480		169.44	81,331	480	40	16.0	640	7,680
4"	216		264.75	57,186	216	18	25.0	450	5,400
	<u>4,368</u>			<u>261,921</u>	<u>4,368</u>	<u>364</u>		<u>2,061</u>	<u>24,732</u>
GALLONS SOLD		175,200	4.71	<u>825,192</u>	TOTAL ANNUAL RESIDENTIAL ERC'S				121,920
TOTAL GENERAL SERVICE	<u>126,288</u>			<u>1,087,113</u>	TOTAL ANNUAL COMMERCIAL ERC'S				<u>24,732</u>
					TOTAL ANNUAL ERC'S				<u>146,652</u>
TOTAL SEWER REVENUE				4,236,063					
TOTAL REVENUE REQUESTED				<u>(4,237,507)</u>					
DIFFERENCE				<u>(\$1,444)</u>					

NORTH SUMTER UTILITY COMPANY
ORIGINAL CERTIFICATE APPLICATION
WORKPAPER CALCULATIONS

(D) RATE CALCULATIONS	TOTAL	PERCENT BASE FACILITY	PERCENT GALLONAGE	BASE FACILITY	GALLONAGE
(2) SEWER	REVENUE	CHARGE	CHARGE	CHARGE	CHARGE
LABOR & BENEFITS	\$931,980	50%	50%	465,990	465,990
CHEMICALS	93,480		100%		93,480
ELECTRIC POWER	412,740		100%		412,740
REPAIRS & MAINTENANCE	112,920		100%	0	112,920
LABORATORY TESTING	66,120	50%	50%	33,060	33,060
TRANSPORTATION EXPENSE	106,440	50%	50%	53,220	53,220
MATERIALS & SUPPLIES	120,660	50%	50%	60,330	60,330
MISCELLANEOUS	119,880	50%	50%	59,940	59,940
SLUDGE REMOVAL	218,040		100%		218,040
CONTRACTUAL SERVICES - ACCOUNTING	11,400	50%	50%	5,700	5,700
CONTRACTUAL SERVICES - LEGAL	2,700	50%	50%	1,350	1,350
CONTRACTUAL SERVICES - MANAGEMENT	46,100	50%	50%	23,050	23,050
CONTRACTUAL SERVICES - BILLING, COLLECTIONS, REGULATORY REPORTING, CUSTOMER SERVICE	50,400	50%	50%	25,200	25,200
INSURANCE	4,000	50%	50%	2,000	2,000
TOTAL O&M	<u>2,296,860</u>			<u>729,840</u>	<u>1,567,020</u>
DEPRECIATION	528,142	100%		528,142	
TAXES OTHER THAN INCOME	684,621	43%	57%	294,387	390,234
OPERATING INCOME	727,884		100%		727,884
TOTAL REVENUE	<u>\$4,237,507</u>			<u>1,552,369</u>	<u>2,685,138</u>
TOTAL FACTORED ERC'S				<u>146,652</u>	
BASE FACILITY CHARGE				<u>\$10.59</u>	
TOTAL NO. OF RESIDENTIAL GALLONS (000) SOLD (1)	463,296				
FACTOR FOR RESIDENTIAL DIFFERENTIAL	80%				
FACTORED RESIDENTIAL GALLONS	<u>370,637</u>				
TOTAL NO. OF COMMERCIAL GALLONS SOLD (000)	175,200				
FACTOR FOR COMMERCIAL DIFFERENTIAL	94%				
FACTORED COMMERCIAL GALLONS	<u>164,688</u>				
TOTAL FACTORED GALLONS	<u>535,325</u>				<u>535,325</u>
TOTAL GALLONAGE CHARGE					<u>\$5.02</u>
RESIDENTIAL GALLONAGE CHARGE (80% OF TOTAL)					<u>\$4.01</u>
COMMERCIAL GALLONAGE CHARGE (94% OF TOTAL)					<u>\$4.71</u>
NOTES (1) SEWER BILLINGS ARE BASED ON WATER CONSUMPTION TO A MAXIMUM OF 10,000 GALLONS PER MONTH. AVERAGE WATER USE IS 3,800 GALLONS PER MONTH. THEREFORE, WE ASSUME THAT THE GALLONS SOLD FOR SEWER WILL BE BASED ON 3,800 GALLONS PER MONTH PER ERC AS FOLLOWS					ERC'S - ANNUAL
RESIDENTIAL ERC'S AT BUILDOUT (2014) PER ENGINEERING REPORT (TABLE C)				12,700	
FACTOR FOR 80% OPERATION				80%	
RESIDENTIAL ERC'S AT 80% OPERATION				<u>10,160</u>	
COMMERCIAL ERC'S AT BUILDOUT (2015) PER ENGINEERING REPORT (TABLE C)				2,576	
FACTOR FOR 80% OPERATION				80%	
COMMERCIAL ERC'S AT 80% OPERATION				<u>2,061</u>	24,732
TOTAL RESIDENTIAL ERC'S AT 80% LEVEL OF OPERATION				10,160	
NO. OF MONTHS				12	
TOTAL ANNUAL BILLS AT 80% LEVEL OF OPERATION				<u>121,920</u>	121,920
MONTHLY BILLED USAGE PER ERC (000)				3.8	
TOTAL RESIDENTIAL GALLONS SOLD AT 80% LEVEL OF OPERATION				<u>463,296</u>	<u>146,652</u>
RESIDENTIAL ERC'S @ 80% LEVEL OF OPERATION				10,160	
MONTHLY BILLED USE PER ERC (000)				3.8	
NO. OF MONTHS				<u>12</u>	
RESIDENTIAL GALLONS SOLD @ 80% LEVEL OF OPERATION				<u>463,296</u>	
COMMERCIAL WATER FLOW @ BUILDOUT (TABLE B) (GALLONS)				600,000	
FACTOR FOR 80% OPERATION				80%	
COMMERCIAL DAILY GALLONS SOLD @ 80% LEVEL OF OPERATION				480,000	
NO. OF DAYS				<u>365</u>	
TOTAL ANNUAL COMMERCIAL GALLONS SOLD (000)				<u>175,200</u>	
TOTAL GALLONS SOLD @ 80% LEVEL OF OPERATION				<u>638,496</u>	

NORTH SUMTER UTILITY COMPANY
ANALYSIS OF RESIDENTIAL & COMMERCIAL ERC'S
PER ENGINEERING REPORT USED TO DEVELOP REQUESTED RATES

	<u>WATER</u>	<u>SEWER</u>
<u>TOTAL ERC'S @ BUILDOUT</u>		
TOTAL AVERAGE DAILY FLOW PER TABLES B & C IN ENGINEERING REPORT @ BUILDOUT	<u>2,188,000</u>	<u>1,772,000</u>
DIVIDE BY DAILY DEMAND PER ERC	<u>125 GPD</u>	<u>116GPD</u>
TOTAL ERC'S @ BUILDOUT	<u>17,504</u>	<u>15,276</u>
RESIDENTIAL ERC'S PER TABLES B & C	12,700	12,700
BALANCE OF TOTAL =S COMMERCIAL	<u>4,804</u>	<u>2,576</u>
TOTAL ERC'S	<u>17,504</u>	<u>15,276</u>
<u>TOTAL ERC'S @ 80% LEVEL OF OPERATION</u>		
TOTAL ERC'S @ BUILDOUT PER ABOVE FACTOR FOR 80% OPERATING LEVEL	<u>17,504</u> 80%	<u>15,276</u> 80%
TOTAL ERC'S @ 80% LEVEL OF OPERATION	<u>14,003</u>	<u>12,221</u>
RESIDENTIAL @ 80% (12,700 X 80%)	10,160	10,160
COMMERCIAL @ 80% (4,804 X 80%; 2,576 X 80%)	<u>3,843</u>	<u>2,061</u>
TOTAL ERC'S @ 80% LEVEL OF OPERATION	<u>14,003</u>	<u>12,221</u>



CARLTON FIELDS

ATTORNEYS AT LAW

215 SOUTH MONROE STREET, SUITE 500
TALLAHASSEE, FLORIDA 32301-1866
TEL (850) 224-1585 FAX (850) 222-0398

October 11, 2001

MAILING ADDRESS:
POST OFFICE DRAWER 190
TALLAHASSEE, FL 32302-0190

F. Marshall Deterding
Rose, Sundstrom And Bentley
2548 Blairstone Pine Dr.
Tallahassee, FL 32301

Re: PSC Application - Update on Consistency with Sumter County Comprehensive Plan

Dear Mr. Deterding:

Pursuant to the request for additional information from the Public Service Commission, I am providing an update on the status of the administrative challenge to the comprehensive plan amendment supporting the Villages of Sumter DRI.

Subsequent to my letter of February 12, 2001, the Administrative Law Judge (ALJ) issued his Recommended Order on February 20, 2001. The ALJ upheld the County, DCA and Intervenor's (The Villages) arguments on all counts. On May 23, 2001 the Department of Community Affairs issued its Final Order which mirrored the Recommended Order. Since the Final Order upheld the County's approval of the plan amendment(s) and found the amendment(s) consistent with State statutes, the Development Order for the DRI, which was tied to this consistency determination, became effective immediately and continues in effect.

The Plaintiffs had 30 days to appeal the Final Order to the District Court of Appeal, which they did on June 22, 2001. Filing of the appeal has no bearing on the effectiveness of the Development Order; the Development Order continues to remain in effect. An initial brief was submitted to the Court by Appellants on September 20, 2001 along with a request for oral argument. Answer briefs will be filed by Sumter County and The Villages on October 15, 2001. The 1000 Friends of Florida filed a Motion to file an Amicus Curie brief in support of Appellants with regard to standing of the group referred to as SCAID (Sumter Citizens Against Irresponsible Development). This motion was denied by the Court on October 5, 2001. No oral argument date has yet been set.

If you need further information or clarification, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Jackson E. Sullivan".

Jackson E. Sullivan, AICP

cc: John Parker
John Wise

**WATER
EQUIVALENT RESIDENTIAL CONNECTIONS (ERC's)
BY METER SIZE**

PHASE I 2003-2007

RESIDENTIAL

METER SIZE	ERC's	CUMULATIVE ERC's
5/8"	4,074	4,074

COMMERCIAL

METER SIZE	ERC's	CUMULATIVE ERC's
5/8"	230	230
1"	59	289
1 1/2"	37	326
2"	53	379
3"	91	470
4"	64	534

PHASE II 2008-2014

RESIDENTIAL

METER SIZE	ERC's	CUMULATIVE ERC's
5/8"	8,626	12,700

COMMERCIAL

METER SIZE	ERC's	CUMULATIVE ERC's
5/8"	1,836	2,370
1"	470	2,840
1 1/2"	299	3,139
2"	427	3,566
3"	726	4,292
4"	512	4,804

LINES & TREATMENT FACILITIES CAPACITIES

PHASE I

WATER

The proposed Phase I capacity of the water treatment plant and associated distribution system will be designed and constructed to supply the maximum daily demand plus fire flows or peak hour flows whichever is greater. This will be adequate to supply the Phase I annual average daily flow of 0.576 mgd and the expected 4,608 equivalent residential connections.

WASTEWATER

The proposed Phase I capacity of the wastewater treatment plant and associated collection system will be designed and constructed to accept the maximum month average daily flow. This will be adequate to provide collection and treatment for the Phase I annual average daily flow of 0.502 mgd and the expected 4,328 equivalent residential connections.

PHASE II (TOTAL)

WATER

The proposed Phase II capacity of the water treatment plant and associated distribution system will be designed and constructed to supply the maximum daily demand plus fire flows or peak hour flows whichever is greater. This will be adequate to supply the total annual average daily flow of 2.188 mgd and the expected 17,504 equivalent residential connections.

WASTEWATER

The proposed Phase II capacity of the wastewater treatment plant and associated collection system will be designed and constructed to accept the maximum month average daily flow. This will be adequate to provide collection and treatment for the total annual average daily flow of 1.772 mgd and the expected 15,276 equivalent residential connections.