

FLORIDA PUBLIC SERVICE COMMISSION

APPLICATION FOR A
STAFF ASSISTED RATE CASE

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COMMISSION
CLERK

I. General Data

A. Name of utility Damon Utilities, Inc.

B. Address 47 Lake Damon Dr
Avon Park, FL 33825

1. Telephone Nos. (863) 453-0773

2. County Highlands Nearest City Avon Park

3. General area served River Greens neighborhood, including
Village Green and Casa del Lago

C. Authority:

1. Water Certificate No. 499-W Date Received 7/11/1988

2. Wastewater Certificate No. 433-S Date Received 7/11/1988

3. Date utility started operations: Water 11/1/1988 Wastewater 11/1/1988

D. How system was acquired We had it built

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>J. A. 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/Treasurer</u>	<u>33 1/3</u>
4. _____	_____	_____

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):

NO

II. Accounting Data

A. Outside Accountant

1. Name Roger Ingley
2. Firm Bunting, Tripp & Ingley
3. Address 230 E. Tillman Ave., Lake Wales, FL 33859
4. Telephone (863) 676-7981

B. Individual to contact on accounting matters:

1. Name Ginny Cox
2. Telephone (863) 453-0773

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

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

Date Last Filed 12/31/2001

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	20 <u>0</u> 1	20 <u>0</u> 0
Cost of Plant In Service:	\$ <u>126,257</u>	\$ <u>126,257</u>
Less Accumulated Depreciation:	<u>58,204</u>	<u>52,966</u>
Less Contributed Plant:	<u>30,305</u>	<u>31,003</u>
Net Owner's Investment:	\$ <u>37,748</u>	\$ <u>42,288</u>

2. Wastewater	20 <u>0</u> 1	20 <u>0</u> 0
Cost of Plant In Service:	\$ <u>223,171</u>	\$ <u>216,289</u>
Less Accumulated Depreciation:	<u>133,835</u>	<u>126,033</u>
Less Contributed Plant:	<u>43,174</u>	<u>43,959</u>
New Owner's Investment:	\$ <u>46,162</u>	\$ <u>46,297</u>

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

1. Water	20 <u>0</u> 1	20 <u>0</u> 0
Revenues (By Class):		
a. <u>Residential</u>	\$ <u>40,950</u>	\$ <u>39,984</u>
b. <u>Commercial</u>	<u>523</u>	<u>612</u>
c. <u>Reconnect Fees</u>	<u>263</u>	<u>278</u>
Total Operating Revenues:	\$ <u>41,736</u>	\$ <u>40,874</u>
Less Expenses:		
a. Salaries & Wages - Employees	<u>9,816</u>	<u>9,816</u>
b. Salaries & Wages - Officers, Directors, & Majority Stockholders	<u>Ø</u>	<u>Ø</u>
c. Employee Pensions & Benefits	<u>Ø</u>	<u>Ø</u>
d. Purchased Water	<u>Ø</u>	<u>Ø</u>
e. Purchased Power	<u>2,176</u>	<u>2,043</u>
f. Fuel for Power Production	<u>35</u>	<u>19</u>
g. Chemicals	<u>514</u>	<u>514</u>
h. Materials & Supplies	<u>2,367</u>	<u>2,862</u>
i. Contractual Services	<u>6,885</u>	<u>7,433</u>
j. Rents	<u>2,496</u>	<u>3,841</u>
k. Transportation Expenses	<u>905</u>	<u>905</u>
l. Insurance Expense	<u>440</u>	<u>592</u>
m. Regulatory Commission Expense	<u>296</u>	<u>296</u>
n. Bad Debt Expense	<u>Ø</u>	<u>Ø</u>
o. Miscellaneous Expense	<u>2,223</u>	<u>1,896</u>
p. Depreciation Expense	<u>7,486</u>	<u>3,002</u>
q. Property Taxes	<u>Ø</u>	<u>Ø</u>
r. Other Taxes	<u>1,878</u>	<u>1,839</u>
s. Income Taxes	<u>Ø</u>	<u>Ø</u>
Operating Income (Loss)	\$ <u>4,219</u>	\$ <u>5,816</u>

2.	Wastewater	20 <u>01</u>	20 <u>00</u>
	Revenues (By Class):		
a.	<u>Residential</u>	<u>27,366</u>	<u>27,651</u>
b.	<u>Commercial</u>	<u>1,745</u>	<u>2,040</u>
c.	<u>Reconnect Fees</u>	<u>38</u>	<u>38</u>
	Total Operating Revenues:	\$ <u>29,149</u>	\$ <u>29,729</u>
	Less Expenses:		
a.	Salaries & Wages - Employees	\$ <u>4,207</u>	\$ <u>4,207</u>
b.	Salaries & Wages - Officers, Directors, & Majority Stockholders	<u>Ø</u>	<u>Ø</u>
c.	Employee Pensions & Benefits	<u>Ø</u>	<u>Ø</u>
d.	Purchased Wastewater Treatment	<u>Ø</u>	<u>Ø</u>
e.	Sludge Removal Expense	<u>2,490</u>	<u>2,905</u>
f.	Purchased Power	<u>2,546</u>	<u>2,558</u>
g.	Fuel for Power Production	<u>Ø</u>	<u>Ø</u>
h.	Chemicals	<u>2,650</u>	<u>1,994</u>
i.	Materials & Supplies	<u>930</u>	<u>855</u>
j.	Contractual Services	<u>4,838</u>	<u>4,700</u>
k.	Rents	<u>1,644</u>	<u>1,793</u>
l.	Transportation Expenses	<u>603</u>	<u>603</u>
m.	Insurance Expense	<u>171</u>	<u>230</u>
n.	Regulatory Commission Expense	<u>296</u>	<u>296</u>
o.	Bad Debt Expense	<u>Ø</u>	<u>Ø</u>
p.	Miscellaneous Expense	<u>214</u>	<u>211</u>
q.	Depreciation Expense	<u>9,982</u>	<u>5,373</u>
r.	Property Taxes	<u>Ø</u>	<u>Ø</u>
s.	Other Taxes	<u>1,312</u>	<u>1,338</u>
t.	Income Taxes	<u>Ø</u>	<u>Ø</u>
	Operating Income (Loss)	\$ <u>(2,734)</u>	\$ <u>2,666</u>

H. Outstanding Debt:

	<u>Creditor</u>	<u>Date Borrowed</u>	<u>Balance Due</u>	<u>Interest Rate</u>	<u>Expiration Date</u>
1.	Highlands Indep. Bank	<u>2/14/2000</u>	<u>\$74,000</u>	<u>9.75%</u>	<u>2/14/2010</u>
2.	_____	_____	_____	_____	_____
3.	_____	_____	_____	_____	_____
4.	_____	_____	_____	_____	_____

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 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 Service, Water--C8196, Wastewater--C9088

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

If yes, explain N/A

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 Dayco Defiance 6131.73
Concrete

3. Approximate average daily flow of treatment plant effluent 7,285 gal.

4. Approximate length of wastewater mains:

Size (diameter)	<u>8"</u>	<u>4"</u>	<u> </u>	<u> </u>	<u> </u>
Linear feet	<u>3,914</u>	<u>30</u>	<u> </u>	<u> </u>	<u> </u>

5. Number of manholes 14

6. Number of liftstations 3

7. How do you measure treatment plant effluent? Hours on pumps at final lift station

8. Is the treatment plant effluent chlorinated? YES If yes, what is the normal dosage rate? 7-1/2 gallons per 24 hours
9. Tap in fees - Wastewater \$ 0
10. Service availability fees - Wastewater \$ 465
11. Note DEP Treatment Plant Certificate Number and date of expiration: Number FLA014334-004-DW3P
Expiration Date 2/24/04
12. Total gallons treated during most recent twelve months 2,658,890
13. Wastewater treatment purchased during most recent twelve months N/A

H. Water

1. Gallons per day capacity of treatment facilities existing 130,000 under construction N/A proposed N/A
2. Type of treatment liquid chlorination
3. Approximate average daily flow of treated water 35,000 gal
4. Source of water supply 2 deep wells
5. Types of chemicals used and their normal dosage rates liquid chlorine
5 gallons per 24 hours
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> / </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>ground-steel</u> | <u> </u> |
| Capacity | <u>2,000</u> | <u>2,000</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>6"</u> | <u>4"</u> | <u>2"</u> | <u>1"</u> |
| Linear feet | <u>825</u> | <u>7,782</u> | <u>3,410</u> | <u>160</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? As needed
14. Meter installation or tap in fees - Water \$ 155
15. Service availability fees - Water \$ ∅
16. Has the existing treatment facility been approved by DEP? YES
17. Total gallons pumped during most recent twelve months 13,000,000
18. Total gallons sold during most recent twelve months 11,547,000
19. Gallons unaccounted for during most recent twelve months ∅
20. Gallons purchased during most recent twelve months ∅

IV. Rate Data

A. Individual to contact on tariff matters:

1. Name Ginny Cox
2. Telephone Number (863) 453-0773

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

1. Water:

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

2. Wastewater:

- | | |
|---------------------------|-----------------------------------|
| a. Residential Wastewater | <u>See attached tariff sheets</u> |
| b. General Service | <u>See attached tariff sheets</u> |
| c. Special Contract | <u>N/A</u> |
| d. Other | <u>N/A</u> |

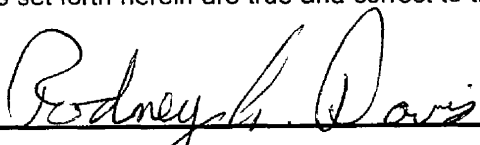
C. Number of Customers (Most recent two years):

1. Water Metered	20_01	2000
a. Residential	<u>246</u>	<u>236</u>
b. General Service	<u>2</u>	<u>2</u>
c. Special Contract	<u>∅</u>	<u>∅</u>
d. Other - Specify	<u>∅</u>	<u>∅</u>
2. Water Unmetered	20_01	20_00
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>

3. Wastewater	20 <u>0</u> 1	20 <u>0</u> 0
a. Residential	<u>83</u>	<u>80</u>
b. General Service	<u>2</u>	<u>2</u>
c. Special Contract	<u>0</u>	<u>0</u>
d. Other - Specify	<u>0</u>	<u>0</u>

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 
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.

NAME OF COMPANY: DAMON UTILITIES, INC.

WATER TARIFF

RESIDENTIAL SERVICE
RATE SCHEDULE RS

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"	\$	8.58
3/4"	\$	12.86
1"	\$	21.45
1 1/2"	\$	42.89
2"	\$	68.61
3"	\$	137.25
4"	\$	214.45
6"	\$	428.88

Gallonage Charge

Per 1,000 Gallons

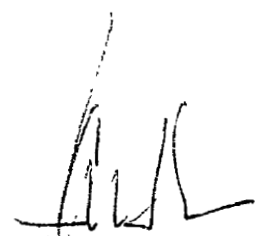
\$ 1.50

MINIMUM BILL - Base Facility Charge

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 - September 26, 2001

TYPE OF FILING - 2001 Price Index Rate Adjustment

J. A. Harstine 
ISSUING OFFICER

President
TITLE

NAME OF COMPANY: DAMON UTILITIES, INC.

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 - Monthly

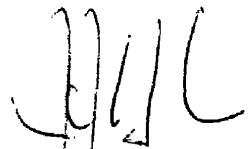
<u>RATE</u> -	<u>Meter Size:</u>	<u>Base Facility Charge:</u>
	5/8" x 3/4"	\$ 8.58
	3/4"	\$ 12.86
	1"	\$ 21.45
	1 1/2"	\$ 42.89
	2"	\$ 68.61
	3"	\$ 137.25
	4"	\$ 214.45
	6"	\$ 428.88
	<u>Gallage Charge</u>	
	Per 1,000 Gallons	\$ 1.50

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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 - September 26, 2001

TYPE OF FILING - 2001 Price Index Rate Adjustment



 J. A. Harstine
 ISSUING OFFICER

 President

 TITLE

NAME OF COMPANY: DAMON UTILITIES, INC.


WASTEWATER TARIFF

RESIDENTIAL SERVICE
RATE SCHEDULE RS

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

<u>RATE</u> -	<u>Meter Size:</u>	<u>Base Facility Charge:</u>
	5/8" x 3/4"	\$ 16.23
	3/4"	\$ 24.34
	1"	\$ 40.57
	1 1/2"	\$ 81.16
	2"	\$ 129.83
	3"	\$ 259.69
	4"	\$ 405.76
	6"	\$ 811.51
	<u>Gallonge Charge Per 1,000 gallons</u> (Maximum 8,000 Gallons)	\$ 5.05

MINIMUM BILL - Base Facility Charge
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.
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J. A. Harstine
ISSUING OFFICER

President
TITLE

EIGHTH REVISED SHEET NO. 17.0
Cancels Seventh Revised Sheet No. 17.0

NAME OF COMPANY: DAMON UTILITIES, INC.

WASTEWATER TARIFF

GENERAL SERVICE
RATE SCHEDULE GS

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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"	\$	16.23
3/4"	\$	24.34
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3"	\$	259.69
4"	\$	405.76
6"	\$	811.51

Gallage Charge

Per 1,000 Gallons

\$ 6.05

MINIMUM BILL - Base Facility Charge

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.

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J. A. Harstine
ISSUING OFFICER

President
TITLE