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March 13, 2003

Blanca S. Bayo, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Sun Communities Acquisitions, LLC d/b/a Buttonwood Bay Utilities
PSC Docket No. 020892-WS; Application for Transfer of Certificates
Our File No. 36097.01

Dear Ms. Bayo:

As a follow up of my letter sent to you last week in order to update the original cost schedules in the above case, a minor error was discovered on Tuesday of this week and it is corrected in the attached schedules. Apparently, the meter installed to serve the RV park is a 3" meter, not a 2" as originally assumed in the version of the Original Cost Study sent to you last week. Therefore, we have revised the Original Cost Study to recognize the additional imputed CIAC for a 3" versus a 2" meter.

Please keep in mind that this will assist in determining the original cost of the system as of the end of 2002. However, installation of the meter, backflow prevention device, and substantial repiping were necessary in order to ensure separately metered service for the RV park customer. Because that construction was not completed until just recently, these costs are not included in the Original Cost Study. Instead, they will be appropriately booked as plant additions during the calendar year 2003.

I trust that with the attached final revised version of the Original Cost Study, we can bring this matter to a quick conclusion. If you have any other comments or questions whatsoever, please do not hesitate to contact me.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP



F. Marshall Deterding
For The Firm

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Original Cost Study - Wastewater System Plant In Service

Florida Public Service Commission

Buttonwood Bay Utilities

Schedule 2 Revised 3/12/03

Docket No.

Page 1 of 1

Estimated Original Cost at January 1, 2002

Preparer: J. Coto/G. Morse

Line No.	NARUC Account	Description	Year Installed (2)	Age (Yrs.)	FPSC (3) Depreciation Rate (%)	Costing Method		Index Values (1)		Todays Replacement Cost (5)	Estimated Original Cost	Accumulated Depreciation	Original Cost Less Accum. Depreciation
						Actual Invoice (4)	Trended	Test Yr	Yr. Installed				
1	353	Land and Land Rights	1984	17.5		Estimated				31,000	\$ 31,000	\$ -	\$ 31,000
2	354	Structures and Improvements	1984	17.5	3.70%	Trended	313.00	191.00		21,600	13,181	8,535	4,646
3	360	Collection Sewers - Force	1984	17.5	3.70%	Trended	215.00	138.00		48,000	30,809	19,949	10,860
4	361	Collection Sewers - Gravity	1984	17.5	2.50%	Trended	215.00	138.00		398,741	255,936	111,972	143,964
5	361	Collection Sewers - Manholes	1984	17.5	3.70%	Trended	215.00	138.00		151,450	97,210	62,943	34,266
6	363	Services to Customers	1984	17.5	2.86%	Trended	275.00	193.00		288,300	202,334	101,268	101,066
7	371	Pumping Equipment	1984	17.5	6.67%	Trended	531.00	245.00		220,000	101,507	101,507	-
8	380	Treatment and Disposal Equipment	1984	17.5	6.67%	Trended	385.00	232.00		412,873	248,796	248,796	-
9		Total Net Original Cost Plant In Service								<u>\$ 1,571,964</u>	<u>\$ 980,773</u>	<u>\$ 654,970</u>	<u>\$ 325,803</u>

Footnotes:

(1) Based on Handy Whitman Indices at mid year for the test year and estimated year of installation.

(2) As indicated in latest FPSC Annual Reports.

(3) Depreciation rates based on FPSC Order No. 13060 dated March 7, 1984.

(4) Sun Communities Acquisitions, LLC d/b/a Buttonwood Bay Utilities, was not able to obtain any actual invoices or support for the original plant investment. Therefore, the Company has prepared an original cost study to support the original plant investment.

(5) Represents the estimated cost today for similar facilities as prepared by Excel Engineering Consultants per the attached replacement cost analysis.

Buttonwood Bay Utilities

Impact From Imputation of CIAC By FPSC

Line No.	Year	Reported (1) Connections	0.57 Additions(3)	System Capacity/ Meter Fee	Annual CIAC Additions	Amortization Rate(4)	Age (Yrs.)	Accumulated Amortization (Plant)	Accumulated Amortization (Meters)	Net CIAC
1	1984	6	18.00	\$ 670	\$ 11,220	3.51%	17.5	\$ 6,634	\$ 258	\$ 4,328
2	1985	24	14.00	670	10,080	3.51%	16.5	4,865	973	4,242
3	1986	0	0.00	670	-	3.51%	15.5	-	-	-
4	1987 (2)	50	29.00	670	20,900	3.51%	14.5	8,856	1,781	10,263
5	1988 (2)	50	29.00	670	20,900	3.51%	13.5	8,245	1,658	10,997
6	1989	21	12.00	670	8,670	3.51%	12.5	3,159	645	4,866
7	1990	42	24.00	670	17,340	3.51%	11.5	5,813	1,187	10,341
8	1991	60	34.00	670	24,600	3.51%	10.5	7,518	1,548	15,534
9	1992	175	100.00	670	72,250	3.51%	9.5	20,007	4,085	48,158
10	1993	0	0.00	670	-	3.51%	8.5	-	-	-
11	1994	0	0.00	670	-	3.51%	7.5	-	-	-
12	1995	0	0.00	670	-	3.51%	6.5	-	-	-
13	1996	0	0.00	670	-	3.51%	5.5	-	-	-
14	1997	0	0.00	670	-	3.51%	4.5	-	-	-
15	1998	0	0.00	670	-	3.51%	3.5	-	-	-
16	1999	0	0.00	670	-	3.51%	2.5	-	-	-
17	2000	0	0.00	670	-	3.51%	1.5	-	-	-
18	2001	0	0.00	670	-	3.51%	0.5	-	-	-
19		<u>428</u>	<u>260</u>		<u>185,960</u>			<u>65,096</u>	<u>12,135</u>	<u>108,728</u>
20										
21	Water Lines Per Order 13672				30,000	2.50%	17.5	13,125	-	16,875
22										
23	Total Water CIAC				<u>\$ 215,960</u>			<u>\$ 78,221</u>	<u>\$ 12,135</u>	<u>\$ 125,603</u>

Line No.	Year	Reported (1) Connections	0.57 Additions(3)	System Capacity/ Fee	Annual CIAC Additions	Amortization Rate(4)	Age (Yrs.)	Accumulated Amortization	Net CIAC
24	1984	6	18.00	\$ 875	\$ 15,750	4.29%	17.5	\$ 11,824	\$ 3,926
25	1985	24	14.00	875	12,250	4.29%	16.5	8,671	3,579
26	1986	0	0.00	875	-	4.29%	15.5	-	-
27	1987 (2)	50	29.00	875	25,375	4.29%	14.5	15,785	9,590
28	1988 (2)	50	29.00	875	25,375	4.29%	13.5	14,696	10,679
29	1989	21	12.00	875	10,500	4.29%	12.5	5,631	4,869
30	1990	42	24.00	875	21,000	4.29%	11.5	10,360	10,640
31	1991	60	34.00	875	29,750	4.29%	10.5	13,401	16,349
32	1992	175	100.00	875	87,500	4.29%	9.5	35,661	51,839
33	1993	0	0.00	875	-	4.29%	8.5	-	-
34	1994	0	0.00	875	-	4.29%	7.5	-	-
35	1995	0	0.00	875	-	4.29%	6.5	-	-
36	1996	0	0.00	875	-	4.29%	5.5	-	-
37	1997	0	0.00	875	-	4.29%	4.5	-	-
38	1998	0	0.00	875	-	4.29%	3.5	-	-
39	1999	0	0.00	875	-	4.29%	2.5	-	-
40	2000	0	0.00	875	-	4.29%	1.5	-	-
41	2001	0	0.00	875	-	4.29%	0.5	-	-
42	Total Sewer CIAC	<u>428</u>	<u>260</u>		<u>\$ 227,500</u>			<u>\$ 116,028</u>	<u>\$ 111,472</u>

Footnotes:

- (1) As reported in the FPSC Annual Reports adjusted in 1984 to include one addl ERC for commercial account and 15 ERCs for RV park based upon 3 inch service.
- (2) No data available for 1987 or 1988. However, based on year end number of connections for 1986 of 28 and beginning year connections of 128 for 1989, it is therefore evident that 100 connections were added during the two year period. It was assumed that 50 connections were added in 1987 and 50 added in 1988. It was assumed that every new water connection is also a sewer connection.
- (3) In the FPSC Staff Recommendation in Original Certificate Application in Docket No. 840177-W5, the staff recognized that service availability charges should be based on an "ERC" concept with mobile homes equating to 0.57 of an ERC. It is noted that the one commercial account (Short Utilities) was recognized as 1 ERC and the RV park was recognized as 15 ERCs based upon 3 inch service.
- (4) Represents the composite rate for the system computed from the data contained in the Original Cost Study for the respective systems.

Line No.	Description	Unit	Quantity	Unit Price	Total Cost
1	Potable Water Transmission/Distribution System				
2	Pipe Installation				
3	1" PVC	LF	250	\$ 5.00	\$ 1,250
4	1-1/2" PVC	LF	200	5.25	1,050
5	2" PVC	LF	23,710	5.50	130,405
6	3" PVC	LF	6,040	5.50	33,220
7	4" PVC	LF	2,550	8.00	20,400
8	6" PVC	LF	1,750	12.00	21,000
9	8" PVC	LF	1,270	18.00	22,860
10	Total Transmission and Distribution				230,185
11	Valves, Backflow Preventers, and Fire Hydrants				
12	2" Gate Valve	Each	50	475.00	23,750
13	3" Gate Valve	Each	8	525.00	4,200
14	4" Gate Valve	Each	3	585.00	1,755
15	6" Gate Valve	Each	4	715.00	2,860
16	8" Gate Valve	Each	2	825.00	1,650
17	Total T&D Valves				34,215
18					
19	1" RPZ Backflow Preventor	Each	6	865.00	5,190
20	2" Blow-off Valve	Each	8	200.00	1,600
21	Fire Hydrant (@ Clubhouse)	Each	1	2,600.00	2,600
22					
23	Service Laterals				
24	1" Service Lateral (15')	Each	427	150.00	64,050
25	1" Service Lateral (10')	Each	534	150.00	80,100
26	Total Services		961		144,150
27					
28	5/8" Water Meter	Each	427	70.00	29,890
29					
30	Total Water Transmission/Distribution System				447,830
31					
32					
33	Potable Water Treatment Facilities				
34	6" Well #1	LF	1,100	20.00	22,000
35	6" Well #2	LF	1,100	20.00	22,000
	Peerless Vertical Turbine Pump (450				
37	gpm, 30 HP motor)	Each	2	25,000.00	50,000
38	8" Water Meter	Each	1	10,000.00	10,000
39	8" Gate Valve	Each	9	825.00	7,425
40	8" Swing Check Valve	Each	2	1,100.00	2,200
41	8" DIP	LF	337	22.50	7,583
42	Operation Building	SF	320	20.00	6,400
43	6' Chain-link Fence	LF	246	10.00	2,460
44	Emergency Generator (100 kW)	kW	100	400.00	40,000
45	Dual Cylinder Chlorination System	Each	1	15,000.00	15,000
46	Coleman Air Compressor (5 HP)	Each	1	1,000.00	1,000
47	Electrical	Each	1	75,000.00	75,000
48					
49	Total Water Treatment Facilities				311,068
50					
51	Estimated Land Value				4,600
52					
53	Total Estimated Replacement Cost				\$763,498

Note: WTF area as delineated in 1984 PSC Order of 0.92 ac.
Estimated value per acre is \$5,000.

Replacement Cost For Wastewater System

Florida Public Service Commission

Buttonwood Bay Utilities
Docket No.

Support Schedule 2-Revised 3/12/03
Page 1 of 1
Preparer: J. Coto/G. Morse

Line No.	Description	Unit	Quantity	Unit Price	Total Cost
1	Sanitary Sewer Collection System				
2	Pipe Installation				
3	4" PVC (0'-6')	LF	285	\$ 8.00	\$ 2,280
6					
7	6" PVC (0'-6')	LF	7,081	10.00	70,810
8	6" PVC (6'-8')	LF	680	10.00	6,800
10					
11	8" PVC (0'-6')	LF	17,025	12.05	205,151
12	8" PVC (6'-8')	LF	4,020	15.00	60,300
13	8" PVC (8'-10')	LF	2,670	20.00	53,400
14					
15	Manholes				
16	Sanitary MH (0'-6')	Each	75	1,350.00	101,250
17	Sanitary MH (6'-8')	Each	18	1,650.00	29,700
18	Sanitary MH (8'-10')	Each	10	2,050.00	20,500
19					
20	Service Laterals				
21	4" Service Lateral (15')	Each	427	300.00	128,100
22	4" Service Lateral (10')	Each	534	300.00	160,200
23					
24	Lift Stations				
25	LS #1 (14' depth, 4' diameter)	Each	1	55,000.00	55,000
26	LS #2 (9' depth, 4' diameter)	Each	1	50,000.00	50,000
27	LS #3 (13' depth, 4' diameter)	Each	1	55,000.00	55,000
28	LS #4 (18' depth, 4' diameter)	Each	1	60,000.00	60,000
29					
30	Force Main				
31	4" PVC Force Main	LF	4,800	10.00	48,000
32					
33	Total Wastewater Collection System				<u>1,106,491</u>
34					
35	Wastewater Treatment Facility				
36	98,000 GPD Extended Aeration W	Gallons	98,000	4.05	396,900
37	Percolation Ponds	CY	7,570	2.11	15,973
38	Fencing (6' Chain-link)	LF	2,160	10.00	21,600
39					
40	Total Wastewater Treatment Facility				<u>434,473</u>
41					
42	Estimated Land Value				31,000
43					
44	Total Estimated Replacement Cost				<u><u>\$1,571,964</u></u>

Note: WWTF area of 6.2 acres based on 1984 PSC Order and estimated land value of \$5,000 per acre.