

ORIGINAL



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November 15, 2004

Blanca S. Bayo, Director
Division of Commission Clerk and
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Building, Room 110
Tallahassee, Florida 32399-0850

Via Hand Delivery

RECEIVED-FPSC
NOV 15 PM 1:42
COMMISSION
CLERK

Re: Docket No. 041141-WS
Application for Original Water and Wastewater Certificates of Authorization and
Initial Rates and Charges for Hidden Valley SPE LLC d/b/a Orange Lake, in Lake
County, Florida.

Dear Ms. Bayo:

Enclosed for filing on behalf of Hidden Valley SPE LLC d/b/a Orange Lake and as
requested by Staff, are an original and twelve copies of Application Schedules J, K, N and O,
Revised 11/15/04.

Please let me know if you have any questions.

Sincerely,

Kathryn G.W. Cowdery

- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- MMS _____
- RCA _____
- SCR _____
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FPSC-BUREAU OF RECORDS

TAL:50335:1

RUDEN, McCLOSKEY, SMITH, SCHUSTER & RUSSELL, P.A.

DOCUMENT NUMBER-DATE

12169 NOV 15 04

Original Cost Study - Water System Rate Base (8)

Florida Public Service Commission

Hidden Valley SPE, LLC d/b/a Orange Lake
 Docket No.
 Estimated Original Cost at December 31, 2002

Attachment J REVISED 11/15/04
 Page 1 of 2
 Preparer: J. Coto/G. Morse

Line No.	NARUC Account	Description	Year Installed (2)	Age (Yrs.)	FPSC (3) Depreciation Rate (%)	Costing Method		Index Values (1)		Replacement Cost (5)	Estimated Original Cost	Accumulated Depreciation	Original Cost Less Accum. Depreciation
						Actual Invoice (4)	Trended	Test Yr	Yr. Installed				
1	303	Land and Land Rights	1985	16.5		Estimated (7)				\$4,600	\$4,600	\$0	\$4,600
2	304	Structures and Improvements	1985	16.5	3.57%		Trended	313.00	214.00	7,120	3,145	1,853	1,292
3	307	Wells and Springs	1985	16.5	3.70%		Trended	291.00	220.00	100,000	75,601	46,155	29,447
4	307	Wells and Springs	2004	0.5	3.70%	Estimated (7)				140,000	140,000	0	140,000
5	309	Supply Mains	1985	16.5	3.13%		Trended	333.00	254.00	12,500	9,535	4,924	4,610
6	310	Power Generation Equipment	1985	16.5	5.88%		Trended	531.00	282.00	12,000	6,373	6,183	190
7	311	Pumping Equipment	1985	16.5	5.88%		Trended	531.00	282.00	29,490	15,661	15,194	467
8	320	Water Treatment Equipment	1985	16.5	5.88%		Trended	385.00	273.00	81,400	57,720	56,000	1,720
9	330	Distribution Reservoirs & Standpipes											
10		-Steel Tanks	1985	16.5	3.33%		Trended	270.00	181.00	139,600	93,584	51,420	42,164
11	331	Transmission and Distribution Lines	1985	16.5	2.50%		Trended	215.00	144.00	101,450	67,948	28,028	39,919
12	333	Services	1985	16.5	2.86%		Trended	275.00	206.00	36,600	27,417	12,938	14,479
13	334	Meters and Meter Installations	2000	1.5	5.88%	Actual (6)				17,080	17,080	1,506	15,574
14	335	Hydrants	1985	16.5	2.50%		Trended	505.00	281.00	13,000	7,234	2,984	4,250
15	336	Backflow Prevention Devices	1985	16.5	4.00%		Trended			5,190	5,190	3,425	1,765
16		Total Net Original Cost Plant In Service								<u>\$700,029</u>	<u>\$531,087</u>	<u>\$230,610</u>	<u>\$300,476</u>

Footnotes:

- (1) Based on Handy Whitman Indices at mid year for the test year and estimated year of installation.
- (2) As indicated in information provided by Chateau.
- (3) Depreciation rates based on FPSC Order No. 13060 dated March 7, 1984.
- (4) Hometown 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.
- (6) Represents the actual original cost of meters (including installation) based upon the documentation provided by the client.
- (7) From Replacement Cost Support Schedule 1.
- (8) Does not include Franchise/Organizational Costs - Accounts 301/302.

\$300,476

60,412 CIAC - Lines
\$240,064 Net Rate Base

DOCUMENT NUMBER-DATE
 12169 NOV 15 04
 FPSC-COMMISSION CLERK

Replacement Cost For Water System

Florida Public Service Commission

**Hidden Valley SPE, LLC d/b/a Orange Lake
Docket No.**

**Attachment J
Page 2 of 2
Preparer: J. Coto/G. Morse**

Line No.	Description	Unit	Quantity	Unit Price	Total Cost
1	Potable Water Transmission/Distribution System				
2	Pipe Installation				
3	1" PVC	LF	0	\$5.00	\$0
4	1-1/2" PVC	LF	0	\$5.25	0
5	2" PVC	LF	2,717	\$5.50	14,944
6	3" PVC	LF	0	\$5.50	0
7	4" PVC	LF	0	\$8.00	0
8	6" PVC	LF	5,448	\$12.00	65,376
9	8" PVC	LF	0	\$18.00	0
10	Total Transmission and Distribution				80,320
11	Valves, Backflow Preventers, and Fire Hydrants				
12	2" Gate Valve	Each	8	\$475.00	3,800
13	3" Gate Valve	Each	0	\$525.00	0
14	4" Gate Valve	Each	0	\$585.00	0
15	6" Gate Valve	Each	22	\$715.00	15,730
16	8" Gate Valve	Each	0	\$825.00	0
17	Total T&D Valves				19,530
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	Each	5	\$2,600.00	13,000
22					
23	Service Laterals				
24	1" Service Lateral (15')	Each	122	\$150.00	18,300
25	1" Service Lateral (10')	Each	122	\$150.00	18,300
26	Total Services		244		36,600
27					
28	5/8" Water Meter	Each	244	\$70.00	17,080
29					
30	Total Water Transmission/Distribution System				173,320
31					
32					
33	Potable Water Treatment Facilities				
34	6" Well #1 (1985)	LF	475	\$210.53	100,000
35	6" Well #2 (1986)	LF	245	\$0.00	0
36	New Well #3 to replace well #2 (on line 04) Peerless Vertical Turbine Pump				140,000
37	(650 gpm, 30 HP motor) Goulds Submersible Pump (200gpm, 15 HP motor)	Each	1	\$25,000.00	25,000
38		Each	1	\$4,489.50	4,490
39	Storage Tank (75,000 gal)	Each	1	\$115,000.00	115,000
40	Hydropneumatic Tank (7,500 gal)	Each	1	\$15,000.00	15,000
41	High Service Pumps	Each	2	\$4,800.00	9,600
42	6" Water Meter	Each	2	\$10,000.00	20,000
43	6" /4" Gate Valve	Each	4	\$1,000.00	4,000
44	6" /4" Swing Check Valve	Each	4	\$1,000.00	4,000
45	6" /4" DIP	LF	200	\$22.50	4,500
46	Operation Building	SF	220	\$20.00	4,400
47	6' Chain-link Fence	LF	272	\$10.00	2,720
48	Emergency Generator (30 kW)	kW	30	\$400.00	12,000
49	Dual Cylinder Chlorination System	Each	1	\$15,000.00	15,000
50	Coleman Air Compressor (5 HP)	Each	1	\$1,400.00	1,400
51	Control Panel	Each	2	\$7,500.00	15,000
52	Electrical			\$30,000.00	30,000
53					
54	Total Water Treatment Facilities				522,110
55					
56	Estimated Land Value				4,600
57					
58	Total Estimated Replacement Cost				\$700,029

Note: WTF area of 0.92 acres based on site plan.
Estimated value per acre is \$5,000.

Original Cost Study - Wastewater System Rate Base (6)

Florida Public Service Commission

Hidden Valley SPE, LLC d/b/a Orange Lake
 Docket No.
 Estimated Original Cost at December 31, 2002

Attachment K REVISED 11/15/04
 Page 1 of 2
 Preparer: J. Coto/G. Morse

Line No.	NARUC Account	Description	Year Installed (2)	Age (Yrs.)	FPSC (3) Depreciation Rate (%)	Costing Method		Index Values (1)		Today's 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	1985	16.5		Estimated				3,750	\$3,750	\$0	\$3,750
2	354	Structures and Improvements	1985	16.5	3.70%		Trended	313.00	214.00	2,680	1,832	1,119	714
3	360	Collection Sewers - Force	1985	16.5	3.70%		Trended	215.00	144.00	3,600	2,411	1,472	939
4	361	Collection Sewers - Gravity	1985	16.5	2.50%		Trended	215.00	144.00	124,790	83,580	34,477	49,103
5	361	Collection Sewers - Manholes	1985	16.5	3.70%		Trended	215.00	144.00	56,550	37,875	23,123	14,752
6	363	Services to Customers	1985	16.5	2.86%		Trended	275.00	206.00	73,200	54,833	25,876	28,958
7	371	Pumping Equipment	1985	16.5	6.67%		Trended	531.00	282.00	55,000	29,209	29,209	0
8	380	Treatment and Disposal Equipment	1985	16.5	6.67%		Trended	385.00	273.00	210,138	149,007	149,007	0
9		Total Net Original Cost Plant In Service								<u>\$529,708</u>	<u>\$362,499</u>	<u>\$264,282</u>	<u>\$98,216</u>

Footnotes:

- (1) Based on Handy Whitman Indices at mid year for the test year and estimated year of installation.
- (2) As indicated in information provided by Chateau.
- (3) Depreciation rates based on FPSC Order No. 13060 dated March 7, 1984.
- (4) Hometown 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.
- (6) Does not include Franchise/Organizational Costs - Accounts 351/352.

\$98,216

93,753 CIAC Lines
\$4,464 Net Rate Base

Replacement Cost For Wastewater System

Florida Public Service Commission

**Hidden Valley SPE, LLC d/b/a Orange Lake
Docket No.**

**Attachment K
Page 2 of 2
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	0	\$8.00	\$0
6					
7	6" PVC (0'-6')	LF	334	\$10.00	3,340
8	6" PVC (6'-8')	LF	0	\$10.00	0
10					
11	8" PVC (0'-4')	LF	300	\$12.05	3,615
12	8" PVC (4'-6')	LF	3,509	\$15.00	52,635
13	8" PVC (6'-8')	LF	3,260	\$20.00	65,200
14					
15	Manholes				
16	Sanitary MH (0'-4')	Each	9	\$1,350.00	12,150
17	Sanitary MH (4'-6')	Each	12	\$1,650.00	19,800
18	Sanitary MH (6'-8')	Each	12	\$2,050.00	24,600
19					
20	Service Laterals				
21	4" Service Lateral (15')	Each	122	\$300.00	36,600
22	4" Service Lateral (10')	Each	122	\$300.00	36,600
23					
24	Lift Stations				
25	LS #1 (12'depth, 4' diameter)	Each	1	\$55,000.00	55,000
26					
27	Force Main				
28	4" PVC Force Main	LF	360	\$10.00	3,600
29					
30	Total Wastewater Collection System				<u>313,140</u>
31					
32	Wastewater Treatment Facility				
33	50,000 GPD E/A WWTF	Gallons	50,000	\$4.05	202,500
34	Percolation Ponds	CY	3,620	\$2.11	7,638
35	Fencing (6' Chain-link)	LF	126	\$10.00	1,260
36	Fencing (Wood Fence)	LF	142	\$10.00	1,420
37	Total Wastewater Treatment Facility				<u>212,818</u>
38					
39	Estimated Land Value				3,750
40					
41	Total Estimated Replacement Cost				<u><u>\$529,708</u></u>

Note: WWTF area of 0.75 acres based on site plan.
of \$5,000 per acre.

Historical and Projected Revenue Requirement - Water

Florida Public Service Commission

**Hidden Valley SPE, LLC d/b/a Orange Lake
Docket No.**

**Attachment N REVISED 11/15/04
Page 1 of 2
Preparer: Gary Morse**

Line No.	NARUC Account No.	Account Description	Actual 2002	Estimated 2003	Projected 2004
1	601	Salaries and Wages - Employees (5)	\$ -	\$ 4,984	\$ 5,084
2	603	Salaries and Wages - Officers, Directors, and Majority Stockholder			
3	604	Employee Pensions and Benefits			
4	610	Purchased Water			
5	615	Purchased Power	3,588	3,660	3,733
6	616	Fuel for Power Production	-	-	-
7	618	Chemicals	586	616	647
8	620	Materials and Supplies (1)	-	250	250
	630	Contractual Services			
9		Meter Reading and Billing	2,874	2,931	2,990
10		Professional (Contract Ops & Engineering)	7,590	7,742	7,897
11		Lab Testing	1,315	1,342	1,369
12		Other (Repair and Maintenance)	482	1,000	1,500
		Accounting and Legal (Annual Report)		1,500	1,500
13	640	Rents			
14	650	Transportation Expense		-	-
15	655	Insurance Expense		-	-
16	665	Regulatory Commission Expense			
17	670	Bad Debt Expense (2)		228	293
18	675	Miscellaneous Expenses (1)		500	500
19		Total Operation and Maintenance Expenses	16,435	24,752	25,761
		Taxes Other Than Income Tax:			
20		Regulatory Assessment Fees	-	2,050	2,633
21		Payroll Tax	894	911	930
22		Property Tax	1,006	1,026	1,046
23		Total Taxes Other Than Income Tax	1,899	3,987	4,609
24		Income Taxes (3)	-	-	-
25		Depreciation/Amortization Expense			12,295
26		Total Revenue Requirement Before Return on Investment	18,335	28,739	42,664
27		Return on Net Investment @ 7.38% (4)	17,717	16,809	15,838
28		Total Revenue Requirement Including Return on Investment	\$ 36,051	\$ 45,549	\$ 58,502

Footnotes:

- (1) While the company did not book any expenditures for material and supplies, accounting(annual report), or miscellaneous expense, such costs are anticipated in the future. As such, reasonable estimates have been made for the projected test year as shown.
- (2) While the company did not book any expenditure for bad debt during the 2002 historical test period, such costs are anticipated in the future. As such, 1/2 of 1% of the revenue requirement has been recognized as shown above.
- (3) Orange Lake's parent company, Hidden Valley is a limited partnership. Therefore, pursuant to Rule 25-30.433(7), the utility operation does not incur an income tax liability.
- (4) Per capital structure for Hometown America at December 31, 2003.
- (5) Represents an allocated amount for Utilities Director, Park Manager, and on-site maintenance person.

Water Rate Design

Florida Public Service Commission

Hidden Valley SPE, LLC d/b/a Orange Lake
Docket No.

Attachment N REVISED 11/15/04
Page 2 of 2
Preparer: Gary Morse

Line No.	NARUC Account		Projected 2004	Allocation Basis		Amount Allocated To:	
	No.	Account Description		Base Facility	Gallage	Base Facility	Gallage
1	601	Salaries and Wages - Employees	\$ 5,084	50%	50%	\$ 2,542	\$ 2,542
2	603	Salaries and Wages - Officers, Directors, and Majority Stockholder		50%	50%	-	-
3	604	Employee Pensions and Benefits		50%	50%	-	-
4	610	Purchased Water		0%	100%		
5	615	Purchased Power	3,733	0%	100%	-	3,733
6	616	Fuel for Power Production	-	0%	100%	-	-
7	618	Chemicals	647	0%	100%	-	647
8	620	Materials and Supplies	250	50%	50%	125	125
	630	Contractual Services					
9		Meter Reading and Billing	2,990	50%	50%	1,495	1,495
10		Professional (Contract Ops & Engineering)	7,897	50%	50%	3,948	3,948
11		Lab Testing	1,369	50%	50%	684	684
12		Other (Repair and Maintenance)	1,500	0%	100%	-	1,500
		Accounting (Annual Report)	1,500	50%	50%	750	750
13	640	Rents		100%	0%		
14	650	Transportation Expense		50%	50%	-	-
15	655	Insurance Expense		50%	50%	-	-
16	665	Regulatory Commission Expenses		50%	50%		
17	670	Bad Debt Expense	293	50%	50%	146	146
18	675	Miscellaneous Expenses	500	50%	50%	250	250
19		Total Operation and Maintenance Expenses	25,761			9,941	15,820
		Taxes Other Than Income Tax:					
20		Regulatory Assessment Fees	2,633	44%	56%	1,162	1,471
21		Payroll Tax	930	50%	50%	465	465
22		Property Tax	1,046	100%	0%	1,046	-
23		Total Taxes Other Than Income Tax	4,609			2,673	1,936
24		Income Taxes	-			-	-
25		Depreciation/Amortization Expense	12,295	50%	50%	6,147	6,147
26		Total Revenue Requirement Before Return on Investment	42,664			18,761	23,903
27		Return on Net Investment @ 7.38%	15,838	50%	50%	7,919	7,919
28		Total Revenue Requirement Including Return on Investment	\$ 58,502			\$ 26,680	\$ 31,822
		Rate Design:					
29		Factored ERC's				248	
30		Revenue Gallons (000's)					23,889
31		Monthly Base Facility Charge				\$ 8.97	
32		Gallage Charge(\$/000)					\$ 1.33
33		Typical Bill @ 8,000 Gallons/Month					\$ 19.61

Historical and Projected Revenue Requirement - Sewer

Florida Public Service Commission

Hidden Valley SPE, LLC d/b/a Orange Lake
Docket No.

Attachment O REVISED 11/15/04
Page 1 of 2
Preparer: Gary Morse

NARUC		Actual	Estimated	Projected
Line No.	Account No. Account Description	2002	2003	2004
1	701 Salaries and Wages - Employees (5)	\$ -	\$ 4,679	\$ 4,773
2	703 Salaries and Wages - Officers, Directors, and Majority Stockholders	-	-	-
3	704 Employee Pensions and Benefits	-	-	-
4	710 Purchased Wastewater Treatment	-	-	-
5	711 Sludge Removal Expense	22,280	22,726	23,180
6	715 Purchased Power	6,400	6,528	6,658
7	716 Fuel for Power Production	-	-	-
8	718 Chemicals	3,711	3,896	4,091
	720 Materials and Supplies (1)	-	250	250
9	730 Contractual Services:			
10	Meter Reading and Billing	2,874	2,931	2,990
11	Professional (Contract Ops & Engineering)	5,220	5,324	5,431
12	Lab Testing	2,209	2,253	2,298
13	Other (Repair and Maintenance)	-	1,000	1,500
	Accounting and Legal (Annual Report) (1)	-	1,500	1,500
14	740 Rents	-	-	-
15	750 Transportation Expense	-	-	-
16	755 Insurance Expense	-	-	-
17	765 Regulatory Commission Expense	-	-	-
18	770 Bad Debt Expense	-	280	314
19	775 Miscellaneous Expenses (1)	350	500	500
20	Total Operation and Maintenance Expenses	43,044	51,868	53,486
	Taxes Other Than Income Tax:			
21	Regulatory Assessment Fees	-	2,524	2,829
22	Payroll Tax	876	894	912
23	Property Tax	835	852	869
24	Total Taxes Other Than Income Tax	1,711	4,269	4,610
25	Income Taxes (3)	-	-	-
26	Depreciation/Amortization Expense	-	-	5,216
27	Total Revenue Requirement	44,755	56,137	63,311
28	Return on Net Investment @ 7.38% (4)	329	(56)	(440)
29	Total Revenue Requirement Including Return on Investment	\$ 45,084	\$ 56,082	\$ 62,871

Footnotes:

- (1) While the company did not book any expenditures for material and supplies, accounting(annual report), or miscellaneous expense, such costs are anticipated in the future. As such, reasonable estimates have been made for the projected test year as shown.
- (2) While the company did not book any expenditure for bad debt during the 2002 historical test period, such costs are anticipated in the future. As such, 1/2 of 1% of the revenue requirement has been recognized as shown above.
- (3) Orange Lake's parent company, Hidden Valley, is a limited partnership. Therefore, pursuant to Rule 25-30.433(7), the utility operation does not incur an income tax liability.
- (4) Per capital structure for Hometown America at December 31, 2003.
- (5) Represents an allocated amount for Utilities Director, Park Manager, and on-site maintenance person.

Wastewater Rate Design

Florida Public Service Commission

Hidden Valley SPE, LLC d/b/a Orange Lake
Docket No.

Attachment O REVISED 11/15/04
Page 2 of 2
Preparer: Gary Morse

NARUC		Projected 2004	Allocation Basis		Amount Allocated To:	
Line No.	Account No. Account Description		Base Facility	Gallorage	Base Facility	Gallorage
1	701 Salaries and Wages - Employees	\$ 4,773	50%	50%	\$ 2,386	\$ 2,386
2	703 Salaries and Wages - Officers, Directors, and Majority Stockholders		50%	50%	-	-
3	704 Employee Pensions and Benefits	-	50%	50%	-	-
4	710 Purchased Wastewater Treatment		0%	100%		
5	711 Sludge Removal Expense	23,180	50%	50%	11,590	11,590
6	715 Purchased Power	6,658	0%	100%		6,658
7	716 Fuel for Power Production	-	0%	100%		-
8	718 Chemicals	4,091	0%	100%		4,091
	720 Materials and Supplies	250	50%	50%	125	125
9	730 Contractual Services:					
10	Meter Reading and Billing	2,990	50%	50%	1,495	1,495
11	Professional (Contract Ops & Engineering)	5,431	50%	50%	2,715	2,715
12	Lab Testing	2,298	50%	50%	1,149	1,149
13	Other (Repair and Maintenance)	1,500	0%	100%		1,500
	Accounting (Annual Report)	1,500	50%	50%	750	750
14	740 Rents		100%	0%	-	-
15	750 Transportation Expense	-	50%	50%	-	-
16	755 Insurance Expense	-	50%	50%	-	-
17	765 Regulatory Commission Expense		50%	50%		
18	770 Bad Debt Expense	314	50%	50%	157	157
19	775 Miscellaneous Expenses	500	50%	50%	250	250
20	Total Operation and Maintenance Expenses	53,486			20,618	32,868
	Taxes Other Than Income Tax:					
21	Regulatory Assessment Fees	2,829	41%	59%	1,156	1,673
22	Payroll Tax	912	50%	50%	456	456
23	Property Tax	869	100%	0%	869	-
24	Total Taxes Other Than Income Tax	4,610			2,480	2,129
25	Income Taxes				-	-
26	Depreciation/Amortization Expense	5,216	50%	50%	2,608	2,608
27	Total Revenue Requirement	63,311			25,706	37,605
28	Return on Net Investment @ 7.38%		50%	50%		
29	Total Revenue Requirement Including Return on Investment	\$ 63,311			\$ 25,706	\$ 37,605
	Rate Design:					
30	Factored ERC's				242	
31	Revenue Gallons (000's) (Capped @ 8,000 Gallons)					14,466
32	Monthly Base Facility Charge				\$ 8.85	
33	Gallorage Charge(\$/000)					\$ 2.60
34	Typical Bill @ 8,000 Gallons/Month					\$ 29.65