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MARTIN S. FRIEDMAN, P.A.
VALERIE L. LORD
BRIAN J. STREET

December 14, 2005

HAND DELIVERY

Ms. Blanca Bayo
Commission Clerk and Administrative Services Director
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RECEIVED-FPSC
05 DEC 14 AM 10:08
COMMISSION
CLERK

Re: Docket No.: 050281-SU; Application of Plantation Bay Utility Company for Increase in Water and Wastewater Rates in Volusia County, Florida
Our File No.: 36062.06

Dear Ms. Bayo:

Plantation Bay Utility Company (the *Utility*) provides the following responses to the Staff's Final Audit Report dated November 30, 2005 (*2005 Audit*):

Exception No. 1: The Utility agrees with this adjustment except as it relates to Recommendations #2, #4 and #5 for the following reasons:

- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- RCA _____
- SCR _____
- SGA _____
- SEC |
- OTH _____

Recommendation #2: The Utility agrees that adjustment to correct allocation of costs related to 1DV Unit 3c is necessary, however, on Schedule B the auditor mistakenly charged change Order #1 to water services rather than sewer services. Change Order #1 was to replace 2 of the 21 8" X 4" PVC sewer services with 2 8" X 4" DIP services. Therefore, the net adjustment should be a credit to water and a debit to sewer of \$3,481.26.

Recommendation #3: The Utility agrees with this adjustment.

Recommendation #4: The auditor states that Section 2AF Unit 4 was not in service at July 31, 2005. The Utility disagrees. While final retainage was not yet paid, the project was substantially complete and ready for service at July 31, 2005.

DOCUMENT NUMBER-DATE

11615 DEC 14 05

FPSC-COMMISSION CLERK

Final inspection was made on November 18, 2005 and this project should be included in plant in service at December 31, 2005. The contractor's AIA Document #7, which bills through June 25, 2005, shows the project is 99.08% complete at Exhibit "A".

The Utility agrees that the allocation of costs needs to be corrected on the Utility's books, and submits Exhibit "B" for the reallocated amount which should be included in rate base at December 31, 2004. The contractor's final AIA document is included as Exhibit "C".

Recommendation #5: The Utility agrees with this adjustment except as it relates to hydrant flushers. Hydrant flushers are valves attached to hydrants. As such, the Utility believes it is correct in charging such costs to Account 335, per the NARUC accounting instructions for Account 335 at (A)(8) "valves and valve boxes." If Staff wants such costs charged elsewhere, the Utility will not disagree. However, in the 2004 audit, hydrant flushers were recommended for inclusion in Account 339. In the present audit, the auditor is recommending inclusion in Account 343. The Utility believes it is inappropriate to include hydrant flushers in this, or any other general plant account. The Utility requests consistent guidance as to which account Staff would like to accumulate these charges.

Exception No. 2: The Utility disagrees with this adjustment as it has been applied. The Utility agrees that adjustment to its depreciation may be necessary. As discussed in its response to Exception No. 5 of the Audit Report for the year ended December 31, 2004 (*2004 Audit*), Rule 25-30.140 does not specify that a particular convention be used for first year depreciation for its calculation of depreciation expense. Rule 25-30.433 also does not specify that expense averaging be utilized for rate-making. Averaging is only utilized, by Rule (at 25-30.433(4)) for rate base and cost of capital. Therefore, the Utility believes that any depreciation adjustments should be calculated based on the application of the Utility's policy.

Exception No. 3: The Utility agrees with this adjustment.

Exception No. 4: The Utility cannot ascertain the composite rate the auditor used in developing the adjustment to amortization expense or accumulated amortization of CIAC as no schedule detailing this calculation is included in the 2005 Audit. Therefore, the Utility cannot agree with this adjustment.

However, as noted in the Utility's response to Exception No. 7 of the 2004 Audit, the auditor did not apply the proper composite life nor did the auditor follow the Utility's convention for calculating depreciation, as discussed in the response to Exception No. 2 of the 2004 Audit.

Exception No.5: The Utility agrees with this adjustment.

Exception No. 6: The Utility disagrees with the auditor's presentation of cost of capital, as follows:

1. In Docket No. 011451, other common equity of \$2,531,000 is included in total net equity, which reduced total net equity and a specific adjustment increased the resultant deficit balance to zero.
2. The auditor considered both components of equity separately and included both at zero cost. There is no rule which supports this treatment. Equity is considered in total, not by component. Cost rates are provided by Rule. Arbitrary adjustments to cost rates cannot be made.
3. The auditor includes \$654,648 of A.D.I.T. in the cost of capital balance, stating that this is the balance of A.D.I.T. at December 31, 2004. However, the manner of inclusion records this as a credit balance. In the MFR's, and the workpapers submitted in response to various data requests, this amount at December 31, 2004 is a deferred tax asset, and is a debit balance. As discussed in the Utility's response to Exception No. 8 of the 2004 Audit, this amount is properly included in rate base per Rule 25-30.433(3).
4. In the reconciliation to rate base, the auditor imputes more debt than the Utility is carrying. In the reconciliation, only reductions should be made to debt, as shown in Docket No. 011451-WS, Schedules 1-D and 2-D. Any difference is included in equity, as demonstrated on Exhibit "D". The amounts included are from Schedule F of the 2005 Audit. Their use does not imply acceptance by the Utility.

Exception No. 7: The Utility agrees that a data entry error was made when imputing the meter information for the accounts in question in its billing system. Pursuant to Rule 25-30.350, the Utility also believes that it is entitled to back bill for the previous 12-month period. Since this error was discovered during the course of this proceeding which will

Ms. Blanca Bayo, Commission Clerk
Florida Public Service Commission
December 14, 2005
Page 4

ultimately require Staff's input in this matter, the Utility respectfully requests that a date certain for the back billing be established as bills rendered on or after November 1, 2004.

Exception No. 8: The Utility agrees with this adjustment.

Exception No. 9: The Utility agrees with this adjustment.

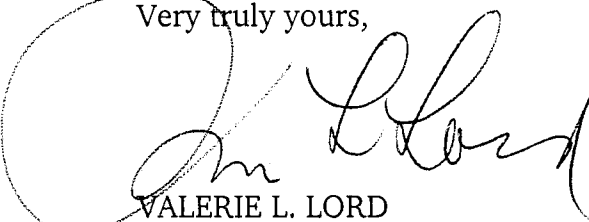
Disclosure No. 1: Please refer to the discussion of this issue in the Utility's response to Disclosure #5 of the 2004 Audit.

Disclosure No. 2: The Utility agrees with the facts as stated in the disclosure.

Disclosure No. 3: The Utility agrees with the facts as stated in the disclosure.

Should you have any questions regarding these responses, please do not hesitate to contact me.

Very truly yours,



VALERIE L. LORD
For the Firm

VLL/tlc
Enclosures

cc: Rosanne Gervasi, Esquire, Office of General Counsel (w/enc.) (by hand delivery)
Mr. Troy Rendell, Division of Economic Regulation (w/enc.) (by hand delivery)
Mr. Bart Fletcher, Division of Economic Regulation (w/enc.) (by hand delivery)
Mr. Douglas R. Ross, Jr. (w/enclosures)
Ms. Jean Trinder (w/enclosures)
Mr. Frank Seidman (w/o enclosures)
Robert C. Nixon, CPA (w/enclosures)

M:\1 ALTAMONTE\PLANTATION BAY\(.06) 2005 RATE CASE\PSC Clerk 019 (audit response).ltr.wpd

Westlake 4

APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

PAGE ONE OF THREE PAGE(S)

TO CONTRACTOR: Plantation Bay Utilities
2359 Beville Road
Daytona Beach, FL 32119
Att: Dick Smith

PROJECT:
Westlake at Plantation Bay
Sect. 2 A-F, Unit 4 - Utilities

APPLICATION NO: 7

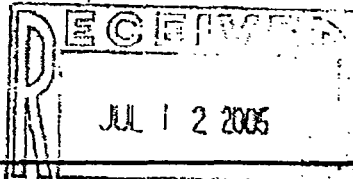
Distribution to:

REVISED

PERIOD TO: 25-Jun-05

OWNER
 ARCHITECT
 CONTRACTOR

FROM SUB-CONTRACTOR:
Yolusia Construction Operating Company
P.O. Box 214578
South Daytona, FL 32121



PROJECT NO:

CONTRACT DATE: 26-Sep-04

*cc: Dick Smith
Jean Trender*

CONTRACT FOR: Storm, Sewer, And, Water

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract.
Continuation Sheet, AIA Document G703, is attached.

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

1. ORIGINAL CONTRACT SUM	\$	616,323.00	
2. Net change by Change Orders	\$	7,803.90	
3. CONTRACT SUM TO DATE (Line 1 + 2)	\$	624,126.90	
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	\$	618,390.40	
5. RETAINAGE:			
a. 10 % of Completed Work (Column D + E on G703)	\$	22,088.31	
b. 0 % of Stored Material (Column F on G703)	\$	0.00	PERCENTAGE RELEASED 99.08%
Total Retainage (Lines 5a + 5b or Total in Column I of G703)	\$	22,088.31	
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)	\$	596,302.09	
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	\$	521,711.53	
8. CURRENT PAYMENT DUE	\$	74,590.56	<i>R</i>
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)	\$	27,824.81	

CONTRACTOR: VOLUSIA CONSTRUCTION, CO.

By: *[Signature]*

Date: 6/23/2005

State of Florida County of Volusia

Subscribed and sworn to before me this 23rd day of June 2005



Mary K. Bledsoe
Notary Public
COMMISSION 2003-2007 EXPIRES
May 16, 2007
BONDED THRU TROY FAIR INSURANCE, INC.

CIVIL ENGINEER CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

CIVIL ENGINEER:

By: _____ Date: _____

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$7,803.90	\$0.00
Total approved this Month (1#)		\$0.00
TOTALS	\$7,803.90	\$0.00
NET CHANGES by Change Order	\$7,803.90	\$0.00

RECEIVED JUL 28 2005 *to Stanley*



DEC-12-2005 03:18

CONTINUATION SHEET

AIA DOCUMENT G703

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing

Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column 1 on Contracts where variable retainage for line items may apply.

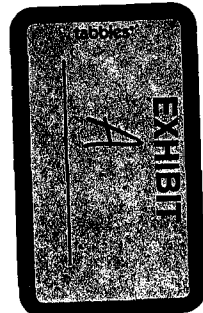
APPLICATION NO: SEVEN
 APPLICATION DATE: 25-Jun-05
 PERIOD TO: 25-Jun-05

Revised

Item	Description	Contract Value	Contract Quantity	Unit of Measure	Unit Price	Quantity Completed			Dollar Amount		
						This Period	Previous Cumulative	Cumulative To Date	This Period	Previous Cumulative	Cumulative To Date
A	SANITARY SEWER										
1	8" PVC, SDR-35										
a	6-8' CUT	\$16,777.95	841	LF	19.95		841.00	841.00		16,777.95	16,777.95
b	8-10' CUT	\$40,061.05	1481	LF	27.05		1481.00	1481.00		40,061.05	40,061.05
c	10-12' CUT	\$62,003.45	1769	LF	35.05		1769.00	1769.00		62,003.45	62,003.45
d	12-14' CUT	\$38,745.00	820	LF	47.25		820.00	820.00		38,745.00	38,745.00
e	14-16' CUT	\$24,588.75	393	LF	62.25		393.00	393.00		24,588.75	24,588.75
2	4" DIAMETER MANHOLES										
a	6-8' DEEP	\$4,350.00	2	EA	2,175.00		1.80	1.80		3,915.00	3,915.00
b	8-10' DEEP	\$15,270.00	6	EA	2,545.00		5.70	5.70		14,508.50	14,508.50
c	10-12' DEEP	\$18,120.00	6	EA	3,020.00		5.00	5.00		15,100.00	15,100.00
d	12-14' DEEP	\$21,120.00	6	EA	3,520.00		5.80	5.80		20,416.00	20,416.00
e	14-16' DEEP	\$8,140.00	2	EA	4,070.00		1.80	1.80		7,326.00	7,326.00
3	LIFT STATION	\$97,600.00	1	LS	97,600.00		1.00	1.00		97,600.00	97,600.00
4	WETWELL LINER	\$5,550.00	1	LS	5,550.00		1.00	1.00		5,550.00	5,550.00
5	FORCE MAIN										
a	4" PVC, SDR-21	\$18,883.20	2248	LF	8.40		2248.00	2248.00		18,883.20	18,883.20
b	RESTRAINED JOINT FITTINGS	\$2,325.55	1	LS	2,325.55		1.00	1.00		2,325.55	2,325.55
c	CONNECT TO EXISTING	\$400.00	1	LS	400.00		1.00	1.00		400.00	400.00
d	CONCRETE ENCASEMENT	\$1,046.25	4.65	CY	225.00		4.65	4.65		1,046.25	1,046.25
6	SERVICES										
a	8" X 4" SINGLE	\$19,075.00	109	EA	175.00		109.00	109.00		19,075.00	19,075.00
6	GRAVEL FOR BEDDING FOR MANHOLES	\$2,352.00	84	CY	28.00		84.00	84.00		2,352.00	2,352.00
	SUBTOTAL SANITARY SEWER:	\$396,408.20								\$390,671.70	\$390,671.70
B	WATER DISTRIBUTION										
1	PVC MAIN WITH FITTINGS										
a	8" DR-18	\$34,210.80	2236	LF	15.30	1200.00	1036.00	2236.00	18,360.00	15,850.80	34,210.80
b	12" DR-18	\$88,156.00	3620	LF	23.80	1220.00	2400.00	3620.00	29,036.00	57,120.00	86,156.00
2	GATE VALVE WITH BOX										
a	8"	\$3,260.00	4	EA	815.00	1.00	3.00	4.00	815.00	2,445.00	3,260.00
b	12"	\$10,955.00	7	EA	1,565.00	2.00	5.00	7.00	3,130.00	7,825.00	10,955.00

99%

P.06



ATTACHMENT A

DEC 12 2005 3:11 PM LKUNIN JACKSON 121 191 3002 NO. 3044 P. 01/3

DEC-12-2005 03:18

CONTINUATION SHEET

AIA DOCUMENT G703

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column 1 on Contracts where variable retainage for line items may apply.

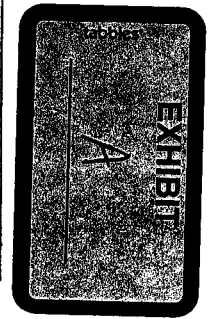
APPLICATION NO: SEVEN
 APPLICATION DATE: 25-Jun-05
 PERIOD TO: 25-Jun-05

Item	Description	Contract Value	Contract Quantity	Unit of Measure	Unit Price	Quantity Completed			Dollar Amount		
						This Period	Previous Cumulative	Cumulative To Date	This Period	Previous Cumulative	Cumulative To Date
3	FIRE HYDRANT WITH VALVE	\$26,260.00	13	EA	2,020.00	8.00	7.00	13.00	12,120.00	14,140.00	26,260.00
4	2" BLOWOFF ASSEMBLY	\$1,404.00	3	EA	468.00	2.00	1.00	3.00	936.00	468.00	1,404.00
5	SERVICES										
a	3/4" SINGLE	\$5,157.00	27	EA	191.00	11.00	16.00	27.00	2,101.00	3,058.00	5,157.00
b	1" X 3/4" DOUBLE	\$8,856.00	41	EA	216.00	22.00	19.00	41.00	4,752.00	4,104.00	8,856.00
6	CONNECT TO EXISTING STUB	\$360.00	1	EA	360.00		1.00	1.00		360.00	360.00
7	RESTRAINED JOINTS	\$10,896.00	1	LS	10,896.00	0.40	0.60	1.00	4,358.40	5,537.60	10,896.00
8	INSTALL PROPOSED 12" MAIN OVER ARCH CH. VERT 14'X8.58	\$3,700.00	1	EA	3,700.00		1.00	1.00		3,700.00	3,700.00
SUBTOTAL WATER DISTRIBUTION:		\$191,214.80							\$75,608.40	\$115,606.40	\$191,214.80
CHANGE ORDER #1											
SANITARY SEWER											
1.	8" PVC SDR-35										
A.	0-6' CUT	\$2,745.60	156	LF	17.60		156.00	156.00		2,745.60	2,745.60
B.	6-8' CUT	\$678.30	34	LF	19.95		34.00	34.00		678.30	678.30
2.	4" DIA. MANHOLE										
A.	0-6' DEEP	\$1,925.00	1	EA	1,925.00		1.00	1.00		1,925.00	1,925.00
3.	CORE & BOOT EXIST. MANHOLE										
A.	6-8' CUT	\$1,115.00	1	EA	1,115.00		1.00	1.00		1,115.00	1,115.00
SUBTOTAL		\$6,463.90									
WATER DISTRIBUTION											
1.	1" P.E. WATER SERVICE	\$840.00	240	LF	3.50		240.00	240.00		840.00	840.00
SUBTOTAL		\$840.00									
MISC.											
1.	STAKING	\$200.00	1	LS	200.00		1.00	1.00		200.00	200.00
2.	AS-BUILTS	\$200.00	1	LS	200.00	1.00		1.00	200.00		200.00
3.	TESTING	\$100.00	1	LS	100.00	1.00		1.00	100.00		100.00

99%

P.07

ATTACHMENT A



JRC-12-2005 3:11PM LORIN JACKSON 1/1/97 360Z No. 9644 P. 7/15

DEC-12-2005 03:18

CONTINUATION SHEET

AIA DOC. 703

703

3

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.
 In tabulations below, amounts are stated to the nearest dollar.
 Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: SEVEN
 APPLICATION DATE: 25-Jun-05
 PERIOD TO: 25-Jun-05

Item	Description	Contract Value	Contract Quantity	Unit of Measure	Unit Price	Quantity Completed			Dollar Amount		
						This Period	Previous Cumulative	Cumulative To Date	This Period	Previous Cumulative	Cumulative To Date
	SUBTOTAL	\$500.00									
	GRAND TOTAL	\$7,803.90							\$300.00	\$7,503.90	\$7,803.90
B	MICELLANEOUS										
1	SURVEY LAYOUT	\$7,200.00	1	LS	7,200.00	0.20	0.80	1.00	1,440.00	5,760.00	7,200.00
2	AS-BUILTS DRAWINGS	\$9,400.00	1	LS	9,400.00	0.40	0.80	1.00	3,760.00	5,640.00	9,400.00
3	TESTING	\$5,900.00	1	LS	5,900.00	0.30	0.70	1.00	1,770.00	4,130.00	5,900.00
4	TRENCH SAFETY	\$6,200.00	1	LS	6,200.00		1.00	1.00		6,200.00	6,200.00
	SUBTOTAL MISCELLANEOUS:	\$28,700.00							\$6,870.00	\$21,730.00	\$28,700.00
	GRAND TOTAL -	\$824,126.80							\$82,878.40	\$535,512.00	\$618,330.40

AIA DOCUMENT G703 - CONTINUATION SHEET FOR G702 - 1992 EDITION - AIA - © 1992
 THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVENUE, N.W. WASHINGTON, D.C. 20006-5292

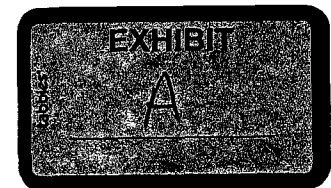
PERCENTAGE BILLED 99.08%

99%

P.08

DEC-12-2005 3:11PM KRONIN JACKSON / 21 / 91 / 3602

No. 9644 P. 8/15



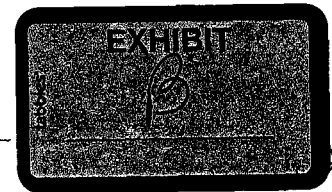
Plantation Bay Utility
 Project 2AF Unit 4
 Completed: June, 2005

DEC-12-2005 03:18

99%

P. 09

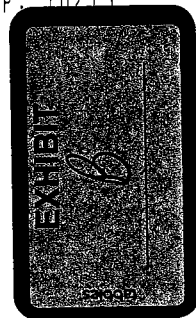
Description	Quantity	Unit	Contract Cost	Allocation of Misc Costs	Burdened Cost	NARUC Account Distribution								
						331	333	335	360	361.2	361.3	363	370	
A Sanitary Sewer														
1 8" Gravity Sewer, PVC SDR-35														
a 6-8' Cut	841	LF	\$ 16,777.95	\$ 819.45	\$ 17,597.40					\$ 17,597.40				
b 8-10' Cut	1481	LF	40,061.05	1,856.82	42,017.87					42,017.87				
c 10-12' Cut	1789	LF	62,003.45	3,028.30	65,031.75					65,031.75				
d 12-14' Cut	820	LF	38,745.00	1,892.34	40,637.34					40,637.34				
e 14-16' Cut	385	LF	24,588.75	1,200.94	25,789.69					25,789.69				
2 48" Diameter Manholes														
a 6-8' Deep	2	EA	4,350.00	212.46	4,562.46						4,562.46			
b 8-10' Deep	6	EA	15,270.00	745.80	16,015.80						16,015.80			
c 10-12' Deep	6	EA	18,120.00	885.00	19,005.00						19,005.00			
d 12-14' Deep	6	EA	21,120.00	1,031.52	22,151.52						22,151.52			
e 14-16' Deep	2	EA	8,140.00	397.56	8,537.56						8,537.56			
3 Lift Station	1	LS	97,600.00	4,766.87	102,366.87									\$ 102,366.87
4 Wetwell Liner	1	LS	5,550.00	271.07	5,821.07									5,821.07
5 Force Main														
a 4" PVC, SDR-21	2248	LF	18,883.20	922.27	19,805.47				\$ 19,805.47					
b Restrained Joint Fittings	1	LS	2,325.55	113.58	2,439.13				2,439.13					
c Connect to Existing	1	LS	400.00	19.54	419.54				419.54					
d Concrete Encasement	4.65	CY	1,046.25	51.10	1,097.35				1,097.35					
6 Services														
a 8" X 4" Single	108	EA	18,075.00	931.64	20,006.64									\$ 20,006.64
7 Gravel Bedding for Manholes	84	CY	2,352.00	114.88	2,466.88						2,466.88			
Subtotal Sanitary Sewer			398,408.20	19,380.94	415,789.14				23,761.49	191,073.85	72,739.22	20,006.64		108,187.94
B Water Distribution														
1 PVC Main with Fitting														
a 8" DR-18	2236	LF	34,210.80	1,670.88	35,881.68	\$ 35,881.68								
b 12" DR-18	3620	LF	86,156.00	4,207.83	90,363.83	90,363.83								
2 Gate Valve with Box														
a 8"	4	EA	3,260.00	159.22	3,419.22	3,419.22								
b 12"	7	EA	10,965.00	535.05	11,490.05	11,490.05								
3 Fire Hydrant with Valve	13	EA	26,260.00	1,282.56	27,542.56				\$ 27,542.56					
4 2" Blow off System	3	EA	1,404.00	68.57	1,472.57	1,472.57								
5 Services														
a 3/4" Single	27	EA	5,157.00	251.87	5,408.87				\$ 5,408.87					
b 1" X 3/4" Double	41	EA	8,856.00	432.53	9,288.53				9,288.53					
6 Connect to Existing Stub	1	EA	360.00	17.58	377.58				377.58					
7 Restrained Joints	1	LS	10,898.00	532.17	11,428.17	11,428.17								
8 Install Proposed 12' Main Over Arch Culvert 14'X8.58	1	EA	3,700.00	180.71	3,880.71	3,880.71								



DEC-12-2005 3:17PM KRONIN JARVISON 1/1/18/18/3602 NO.9644 P. 9/15

Plantation Bay Utility
 Project: 2AF Unit 4
 Completed: June, 2005

Description	Quantity	Unit	Contract Cost	Allocation of Misc Costs	Burdened Cost	MARUC Account Distribution										
						331	333	335	360	361.3	370					
Subtotal Water Distribution						158,313.91	14,687.40	27,542.58	360	361.3	363	370				
C Change Order #1 Sanitary Sewer																
1 8" PVC SDR-35	156	LF	2,745.60	187.95	2,933.55						2,933.55					
a 0-6' Cut	34	LF	678.30	46.43	724.73						724.73					
b 6-8' Cut																
2 4' Dia. Manhole	1	EA	1,925.00	131.78	2,056.78					2,056.78						
a 0-6' Deep																
3 Core & Boot Existing Manhole	1	EA	1,115.00	76.33	1,191.33					1,191.33						
a 6-8' Cut																
Subtotal						6,463.90	442.49	6,906.39		3,248.11	3,658.28					
Water Distribution																
1 1" P.E. Water Service	240	LF	840.00	57.51	897.51		887.51									
Subtotal						840.00	57.51	897.51								
Misc.																
1 Staking			200.00	(200.00)												
2 As-Builts			200.00	(200.00)												
3 Testing			100.00	(100.00)												
Subtotal						500.00	(500.00)									
Subtotal Change Order #1						7,803.90		7,803.90		3,248.11	3,658.28					
D Miscellaneous																
1 Survey Layout	1	LS	7,200.00	(7,200.00)												
2 As-Builts Drawings	1	LS	9,400.00	(9,400.00)												
3 Testing	1	LS	5,900.00	(5,900.00)												
4 Trench Safety	1	LS	9,200.00	(6,200.00)												
Subtotal Miscellaneous						28,700.00	(28,700.00)									
Total Contract						\$ 624,126.90	\$ 0.01	\$ 624,126.81	\$ 158,313.91	\$ 15,594.81	\$ 27,542.58	\$ 23,761.49	\$ 191,073.85	\$ 75,987.33	\$ 23,664.92	\$ 108,187.94



APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

PAGE ONE OF THREE PAGES

TO CONTRACTOR: Plantation Bay Utilities

2359 Beville Road
Daytona Beach, FL 32119

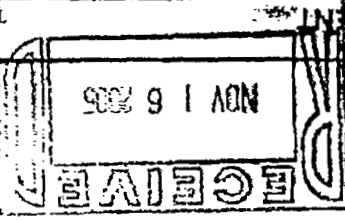
FROM SUB-CONTRACTOR:
A/E Dick Smith

Volusia Construction Operating Company
P.O. Box 214578
South Daytona, FL 32121

CONTRACT FOR: Storm, Sewer, And Water

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract
Continuation Sheet, AIA Document G703, is attached.



PROJECT:
Westlake at Plantation Bay
Sect. 2 A-F, Unit 4 - Utilities

APPLICATION NO: 9 Distribution to:

PERIOD TO: 25-Nov-05

PROJECT NO:

CONTRACT DATE: 26-Sep-04

<input checked="" type="checkbox"/>	OWNER
<input checked="" type="checkbox"/>	ARCHITECT
<input checked="" type="checkbox"/>	CONTRACTOR

cc: David Hernandez
Accounting (London)

1. ORIGINAL CONTRACT SUM

2. Net change by Change Orders

3. CONTRACT SUM TO DATE (Line 1 + 2)

4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)

5. RETAINAGE: 10 % of Completed Work

a. (Column D + E on G703)

b. 0 % of Stored Material (Column F on G703)

(Total Retainage (Lines 5a + 5b or

Total in Column J of G703)

6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)

8. CURRENT PAYMENT DUE

9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)

\$ 5616,323.00

\$ 37,803.90

\$ 624,126.90

\$ 624,126.90

\$ 0.00

\$ 0.00

PERCENTAGE 100.00%

\$ 0.00

\$ 624,126.90

\$ 607,346.24

\$ 16,780.66

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

By:

State of Florida County of Volusia

Subscribed and sworn to before me this 29th day of November, 2005

Mary K. Bladsoe Notary Public for Volusia County, Florida

CIVIL ENGINEER CERTIFICATE FOR PAYMENT
This certificate is valid until May 16, 2007
NOTARY PUBLIC - VOLUSIA COUNTY, FLORIDA

AMOUNT CERTIFIED \$

Architects knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and the Continuation Sheet that are changed to conform with the amount certified.

CIVIL ENGINEER: _____

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Signature, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVE., WASHINGTON, DC 20004-2822

AIA DOCUMENT G703 - APPLICATION AND CERTIFICATION FOR PAYMENT - 1998 EDITION - AIA - 01902

EXHIBIT

NO. 9644 P. 1/1 C/P

DEC-12-2005 03:19

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P.12

CONTINUATION SHEET

ALA DOCUMENT G703

ALA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.
 In tabulations below, amounts are stated to the nearest dollar.
 Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: NINE
 APPLICATION DATE: 25-Nov-05
 PERIOD TO: 25-Nov-05

Item	Description	Contract Value	Contract Quantity	Unit of Measure	Unit Price	Quantity Completed			Dollar Amount		
						This Period	Previous Cumulative	Cumulative To Date	This Period	Previous Cumulative	Cumulative To Date
A	SANITARY SEWER										
1	8" PVC, SDR-35										
a	6-8' CUT	\$16,777.95	841	LF	19.95		841.00	841.00		16,777.95	16,777.95
b	8-10' CUT	\$40,061.05	1481	LF	27.05		1481.00	1481.00		40,061.05	40,061.05
c	10-12' CUT	\$62,003.45	1769	LF	35.05		1769.00	1769.00		62,003.45	62,003.45
d	12-14' CUT	\$38,745.00	820	LF	47.25		820.00	820.00		38,745.00	38,745.00
e	14-16' CUT	\$24,588.75	395	LF	62.25		395.00	395.00		24,588.75	24,588.75
2	4' DIAMETER MANHOLES										
a	6-8' DEEP	\$4,350.00	2	EA	2,175.00	0.20	1.80	2.00	435.00	3,915.00	4,350.00
b	8-10' DEEP	\$15,270.00	6	EA	2,545.00	0.30	5.70	6.00	763.50	14,506.50	15,270.00
c	10-12' DEEP	\$18,120.00	6	EA	3,020.00	1.00	5.00	6.00	3,020.00	15,100.00	18,120.00
d	12-14' DEEP	\$21,120.00	6	EA	3,520.00	0.20	5.80	6.00	704.00	20,416.00	21,120.00
e	14-16' DEEP	\$8,140.00	2	EA	4,070.00	0.20	1.80	2.00	814.00	7,326.00	8,140.00
3	LIFT STATION	\$97,600.00	1	LS	97,600.00		1.00	1.00		97,600.00	97,600.00
4	WETWELL LINER	\$5,550.00	1	LS	5,550.00		1.00	1.00		5,550.00	5,550.00
5	FORCE MAIN										
a	4" PVC, SDR-21	\$18,883.20	2248	LF	8.40		2248.00	2248.00		18,883.20	18,883.20
b	RESTRAINED JOINT FITTINGS	\$2,325.55	1	LS	2,325.55		1.00	1.00		2,325.55	2,325.55
c	CONNECT TO EXISTING	\$400.00	1	LS	400.00		1.00	1.00		400.00	400.00
d	CONCRETE ENCASEMENT	\$1,046.25	4.65	CY	225.00		4.65	4.65		1,046.25	1,046.25
6	SERVICES										
a	8' X 4' SINGLE	\$19,075.00	109	EA	175.00		109.00	109.00		19,075.00	19,075.00
6	GRAVEL FOR BEDDING FOR MANHOLES	\$2,352.00	84	CY	28.00		84.00	84.00		2,352.00	2,352.00
	SUBTOTAL SANITARY SEWER:	\$396,408.20							\$5,736.50	\$390,671.70	\$396,408.20
D	WATER DISTRIBUTION										
1	PVC MAIN WITH FITTINGS										
a	8" DR-18	\$34,210.80	2236	LF	15.30		2236.00	2236.00		34,210.80	34,210.80
b	12" DR-18	\$86,156.00	3620	LF	23.80		3620.00	3620.00		86,156.00	86,156.00
2	GATE VALVE WITH BOX										
a	8"	\$3,260.00	4	EA	815.00		4.00	4.00		3,260.00	3,260.00
b	12"	\$10,955.00	7	EA	1,565.00		7.00	7.00		10,955.00	10,955.00



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CONTINUATION SHEET

ALA DOCUMENT G703

ALA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.
 In tabulations below, amounts are stated to the nearest dollar.
 Use Column I on Contracts where variable retainage for fire items may apply.

APPLICATION NO: NINE
 APPLICATION DATE: 23-Nov-05
 PERIOD TO: 23-Nov-05

Item	Description	Contract Value	Contract Quantity	Unit of Measure	Unit Price	Quantity Completed			Dollar Amount		
						This Period	Previous Cumulative	Cumulative To Date	This Period	Previous Cumulative	Cumulative To Date
3	FIRE HYDRANT WITH VALVE	\$26,280.00	13	EA	2,020.00		13.00	13.00		26,280.00	26,280.00
4	2" BLOWOFF ASSEMBLY	\$1,404.00	3	EA	468.00		3.00	3.00		1,404.00	1,404.00
5	SERVICES										
a	3/4" SINGLE	\$5,157.00	27	EA	191.00		27.00	27.00		5,157.00	5,157.00
b	1" X 3/4" DOUBLE	\$8,856.00	41	EA	216.00		41.00	41.00		8,856.00	8,856.00
6	CONNECT TO EXISTING STUB	\$360.00	1	EA	360.00		1.00	1.00		360.00	360.00
7	RESTRAINED JOINTS	\$10,896.00	1	LS	10,896.00		1.00	1.00		10,896.00	10,896.00
8	INSTALL PROPOSED 12" MAIN OVER ARCH CULVERT 14'X8.58	\$3,700.00	1	EA	3,700.00		1.00	1.00		3,700.00	3,700.00
SUBTOTAL WATER DISTRIBUTION:		\$191,214.80								\$191,214.80	\$191,214.80
CHANGE ORDER #1											
SANITARY SEWER											
1.	8" PVC SDR-35										
A.	0-6' CUT	\$2,745.60	156	LF	17.60		156.00	156.00		2,745.60	2,745.60
B.	6-8' CUT	\$678.30	34	LF	19.93		34.00	34.00		678.30	678.30
2.	4" DIA. MANHOLE										
A.	0-6' DEEP	\$1,925.00	1	EA	1,925.00		1.00	1.00		1,925.00	1,925.00
3.	CORE & BOOT EXIST. MANHOLE										
A.	6-8' CUT	\$1,115.00	1	EA	1,115.00		1.00	1.00		1,115.00	1,115.00
SUBTOTAL		\$6,483.90									
WATER DISTRIBUTION											
1.	1" P.E. WATER SERVICE	\$840.00	240	LF	3.50		240.00	240.00		840.00	840.00
SUBTOTAL		\$840.00									
MISC.											
1.	STAKING	\$200.00	1	LS	200.00		1.00	1.00		200.00	200.00
2.	AS-BUILTS	\$200.00	1	LS	200.00		1.00	1.00		200.00	200.00
3.	TESTING	\$100.00	1	LS	100.00		1.00	1.00		100.00	100.00

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DEC 12 2005 3:18 PM CRONIN JACKSON 1/11/05 3602 NO. 9544 P. 12/13



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CONTINUATION SHEET												
AIA DOCUMENT G703										APPLICATION NO: NINE		
AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.										APPLICATION DATE: 25-Nov-05		
In tabulations below, amounts are stated to the nearest dollar.										PERIOD TO: 25-Nov-05		
Use Column 1 on Contracts where variable retainage for line items may apply.												
Item	Description	Contract Value	Contract Quantity	Unit of Measure	Unit Price	Quantity Completed			Dollar Amount			
						This Period	Previous Cumulative	Cumulative To Date	This Period	Previous Cumulative	Cumulative To Date	
	SUBTOTAL	\$500.00										
	GRAND TOTAL	\$7,803.90								\$7,803.90	\$7,803.90	
B	MISCELLANEOUS											
1	SURVEY LAYOUT	\$7,200.00	1	L.S.	7,200.00		1.00	1.00		7,200.00	7,200.00	
2	AS-BUILTS DRAWINGS	\$9,400.00	1	L.S.	9,400.00		1.00	1.00		9,400.00	9,400.00	
3	TESTING	\$5,900.00	1	L.S.	5,900.00		1.00	1.00		5,900.00	5,900.00	
4	TRENCH SAFETY	\$6,200.00	1	L.S.	6,200.00		1.00	1.00		6,200.00	6,200.00	
	SUBTOTAL MISCELLANEOUS:	\$28,700.00								\$28,700.00	\$28,700.00	
	GRAND TOTAL -	\$624,126.80							\$5,736.50	\$818,390.40	\$624,126.90	
AIA DOCUMENT G703 - CONTINUATION SHEET FOR G702 - 1992 EDITION - AIA - © 1992										PERCENTAGE BILLED		100.00%
THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVENUE, N.W., WASHINGTON, D.C. 20006-5292												

DEC 12 7 2005 3:19 PM KRONIN JACKSON 1/1/19/3602

NO. 9644 P. 14/15



Plantation Bay Utility Company
 Per Audit Capital Structure
 07/31/2005

Class of Capital	Proforma 12/31/2006	Specific Adjustments	Per Audit (revised)	Pro Rata Adjustments	Reconciled To Proforma Rate Base	Percent of Total	Cost	Weighted Cost
Common Equity	\$ (2,603,158)	72158	\$ (2,531,000)					
Other Equity	2,531,000		2,531,000					
Common Equity	(72,158)	72,158	-	\$ 1,200,798	\$ 1,200,798	37.78%	10.27%	3.88%
Long-Term Debt	1,940,442		1,940,442		1,940,442	61.06%	10.00%	6.11%
Short-Term Debt			-					
Preferred Stock			-					
Customer Deposits	36,990	(180)	36,810		36,990	1.16%	6.00%	0.07%
Tax Credits - Zero Cost			-					
Tax Credits - Wtd. Cost			-					
Accum. Deferred Income Tax	-	-	-	-	-	-	-	-
Total	\$ 1,905,274	\$ 71,978	\$ 1,977,252	\$ 1,200,798	\$ 3,178,230	100.00%		10.06%

