



# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

**DATE:** December 22, 2008

**TO:** Lynn M. Deamer, Regulatory Analyst Supervisor, Division of Regulatory Compliance

**FROM:** Denise N. Vandiver, Chief of Auditing, Division of Regulatory Compliance *DNV*

**RE:** Docket No: 080714-WS; Utility Name: Hidden Valley SPE LLC;  
Audit Request: Determine Eligibility for Staff Assistance;  
Audit Control No: 08-357-1-2;

Complete the attached form for determining eligibility for staff assistance (Audit Control No. 08-357-1-2) and mail under a transmittal letter to Cheryl Bulecza-Banks, Division of Economic Regulation, with a copy to me no later than January 6, 2009.

By copy of this memorandum, I request that Lynn Deamer be added to the CASR distribution list.

DNV/tbm  
Attachment

CC: Office of Public Counsel  
Office of Commission Clerk  
Division of Economic Regulation (Bulecza-Banks)

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COMMISSION  
CLERK

COM \_\_\_\_\_  
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 ADM \_\_\_\_\_  
 CLK Grant

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

SHORT FORM RATE CASE (Applicable to WAW Only)

PRELIMINARY AUDIT SCOPE

	<u>YES</u>	<u>NO</u>
(1) Does the utility have annual revenues of \$250,000 or less for each service provided or \$500,000 or less where the services are combined?	_____	_____
(2) Were the applicant's books and records organized consistent with Rule 25-30.455, Florida Administrative Code, so as to allow Commission personnel to verify cost and other relevant factors within the 30-day time frame set out in the rule?	_____	_____
(3) Is the utility current in its filing of annual reports? Date last report filed: _____	_____	_____
(4) Is the utility current in its payment of applicable gross receipt tax or assessment fees? Date of last payment? _____ Amount? _____	_____	_____
(5) Is the utility a subsidiary to a larger corporation? If yes - Name immediate parent. _____	_____	_____
(6) Is the utility included in a consolidated Federal Income Tax return? If yes - name immediate parent. _____	_____	_____
(7) Comments or other financial and accounting matters which came to the attention of the auditor during the review.	_____	_____



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COMMISSION  
CLERK

080714NS

215 SOUTH MONROE STREET  
SUITE 815  
TALLAHASSEE, FLORIDA 32301

(850) 412-2004  
FAX: (850) 412-1304  
MARY.SMALLWOOD@RUDEN.COM

December 18, 2008

Ann Cole, Commission Clerk  
Division of Commission Clerk and  
Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Via Hand-Delivery

Re: Application for Staff Assisted Rate Case pursuant to Sec. 25-30.455 by Hidden Valley  
SPE LLC d/b/a Orange Lake Utilities

Dear Ms. Cole:

Enclosed for filing in this docket are an original and seven copies of the Application for  
Staff Assisted Rate Case by Hidden Valley SPE LLC d/b/a Orange Lake Utilities. Also enclosed  
at this time is the Hometown America, LLC check no. 315590 in the amount of \$2,000.00, made  
payable to the Florida Public Service Commission, as filing fee.

Please let me know if you have any questions.

Sincerely,

Mary F. Smallwood

Enclosure

TAL:60002:1

DOCUMENT NUMBER-DATE

11693 DEC 18 08

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

CARACAS • FT. LAUDERDALE • MIAMI • NAPLES • ORLANDO • PORT ST. LUCIE • SARASOTA • ST. PETERSBURG • TALLAHASSEE • TAMPA • WEST PALM BEACH

PPSC-COMMISSION CLERK

FLORIDA PUBLIC SERVICE COMMISSION

APPLICATION FOR A  
STAFF ASSISTED RATE CASE

I. General Data

A. Name of utility Hidden Valley SPE LLC d/b/a Orange Lake Utilities

B. Address 15840 SR 50 Clermont, Florida 34711

1. Telephone Nos. (407) 877-3001

2. County Lake Nearest City Clermont

3. General area served Orange Lake Mobile Home Park

C. Authority:

1. Water Certificate No. 625 W Date Received 5/25/2005

2. Wastewater Certificate No. 536 S Date Received 5/25/2005

3. Date utility started operations: Water 2004 Wastewater 2004

D. How system was acquired Purchased Assets as part of entire MHP

If utility was purchased, give date \_\_\_\_\_ Amount Paid: Rate Base Allocation

1. Name of Seller CWS Communities LP

2. Was seller affiliated with present owners? No

3. Did you purchase: Stock \_\_\_\_\_ or assets only Assets

E. Type of legal entity: Corporation, Partnership or Sole Proprietorship  
LLC Partnership

F. Ownership & Officers: No officers as this is LLC.

	Name	Title	Percent Ownership
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____

G. List of Associated Companies and Address:

1. Hometown America
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):

Mary Smallwood, Esq. Ruden McClosky, LLP  
215 South Monroe Street, Tallahassee, FL 32301  
Gary Morse – Utility Rate Consultant  
44 Black Willow St. Homosassa, FL 34446

II. Accounting Data

A. Outside Accountant

1. Name None
2. Firm \_\_\_\_\_
3. Address \_\_\_\_\_
4. Telephone \_\_\_\_\_

B. Individual to contact on accounting matter:

1. Name Tom Curatolo Chief Financial Officer for Hometown America
2. Telephone (312) -604-7505

C. Location of Books and Records Orange Lake Mobile Home Park

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

Date Last Filed 04/2007

E. Has your latest semiannual regulatory assessment fee payment been made (January 30 or July 30 whichever is applicable)? Yes – annual

F. Basic Rate Base Data (Most recent two years)

1. Water	<u>2006</u>	<u>2007</u>
Cost of Plant In Service:	\$448,428	\$608,830
Less Accumulated Depreciation:	\$188,229	\$305,589
Less Net Contributed Plant:	\$102,585	\$ 45,848
Net Owner's Investment:	<u>\$157,614</u>	<u>\$257,393</u>

1. Wastewater	2006	2007
Cost of Plant In Service:	\$ 654,535	\$ 605,533
Less Accumulated Depreciation:	\$ 291,763	\$ 312,672
Less Net Contributed Plant:	\$ 100,743	\$ 68,010
Net Owner's Investment:	<u>\$ 262,029</u>	<u>\$ 224,851</u>

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

1. Water	2006	2007
Revenues (By Class):		
a. Residential	\$ 72,120	\$ 44,722
b. Commercial		
c. _____		
Total Operating Revenues:	<u>\$ 72,120</u>	<u>\$ 44,722</u>
Less Expenses:		
a. Salaries & Wages – Employees	\$ 7,000	\$ 3,351
b. Salaries & Wages – Officers, Directors, & Majority Stockholders		
c. Employee Pensions & Benefits		\$ 1,275
d. Purchased Water	\$ 2,877	\$
e. Purchased Power	\$ 2,119	\$ 3,025
f. Fuel for Power Production		\$ 518
g. Chemicals	\$ 972	\$ 1,169
h. Materials & Supplies	\$ 2,199	\$
i. Contractual Services	\$ 17,799	\$ 18,955
j. Rents		\$
k. Transportation Expenses		
l. Insurance Expense		
m. Regulatory Commission Expense		
n. Bad Debt Expense		
o. Miscellaneous	\$ 2,429	\$ 1,845
p. Depreciation/Amort Expense	\$ 7,391	\$ 14,552
q. Property Taxes	\$ 15,000	
r. Other Taxes – RAF's	\$ 10,457	\$ 1,980
s. Income Taxes		
Operating Income (Loss)	<u>\$ 3,877</u>	<u>\$ &lt;1,946&gt;</u>

2. Wastewater	2006	2007
Revenues (By Class):		
a. Residential	\$ 59,325	\$ 43,336
b. Commercial		
c. _____		
Total Operating Revenues:	\$ 59,325	\$ 43,336
Less Expenses:		
a. Salaries & Wages – Employees	\$ 7,000	\$ 3,351
b. Salaries & Wages – Officers, Directors, & Majority Stockholders		
c. Employee Pensions & Benefits		\$ 1,275
d. Sludge Removal	\$ 3,960	\$ 22,448
e. Purchased Power	\$ 10,626	\$ 7,058
f. Fuel for Power Production		
g. Chemicals	\$ 5,877	
h. Materials & Supplies		
i. Contractual Services	\$ 13,797	\$ 17,286
j. Rents		
k. Transportation Expenses		
l. Insurance Expense		
m. Regulatory Commission Expense		
n. Bad Debt Expense		
o. Miscellaneous	\$ 1,998	\$ 1,845
p. Depreciation/Amort Expense	\$ 17,115	\$ 20,240
q. Property Taxes	\$ 13,000	
r. Other Taxes – RAF's	\$ 2,670	\$ 1,899
s. Income Taxes		
Operating Income (Loss)	\$ <16,718>	\$ <32,066>

H. Outstanding Debt: See attached debt schedule.

<u>Creditor</u>	<u>Date Borrowed</u>	<u>Balance Due</u>	<u>Interest Rate</u>	<u>Expiration Date</u>
<u>1.</u>				
<u>2.</u>				
<u>3.</u>				
<u>4.</u>				

I. Indicate Type of Tax Return Filed: Partnership

Engineering Data

- D. Outside Engineering Consultant:
1. Name Julian Coto, P.E.
  2. Firm Excel Engineering Consultants, Inc.
  3. Address 122 Wilshire Blvd., Casselberry, FL 32707
  4. Telephone (407) 262-2292
- E. Individual to contact on engineering matters:
1. Name Julian Coto, P.E.
  2. Telephone (407) 260-2292
- F. Is the utility under citation by the Department of Environmental Protection (DEP) or county health department? If yes, explain.
- No
- G. List any known service deficiencies and steps taken to remedy problems.
- None
- H. Name of plant operator(s) and DEP operator certificate number(s) held. N/A  
Contract Ops – Florida Utility Group
- I. Is the utility serving customers outside of its certificated area? No  
If yes, explain \_\_\_\_\_
- J. Wastewater
1. Gallons per day capacity of treatment facilities existing 50,000 GPD  
under construction N/A proposed N/A
  3. Type and make of present treatment facilities Concrte Extended Aeration
  3. Approximate average daily flow of treatment plant effluent 40,000 GPD
  4. Approximate length of wastewater mains:  
Size(diameter)      4-inch   6-inch   8-inch   Force Mains  
Linear feet                              7,413   360 (4-inch)
  5. Number of Manholes 33
  6. Number of liftstations 1
  7. How do you measure treatment plant effluent? Flow meter



8. Is the treatment plant effluent chlorinated? Yes If yes, what is the normal dosage rate? \_\_\_\_\_
9. Tap in fees – Wastewater \$ Actual Cost \_\_\_\_\_
10. Service availability fees – Wastewater \$ System Capacity \_\_\_\_\_
11. Note DEP Treatment Plant Certificate Number and date of expiration:  
Number FLA010548 Expiration Date \_\_\_\_\_
12. Total gallons treated during most recent twelve months 15,535,000 \_\_\_\_\_
13. Wastewater treatment purchased during most recent twelve months N/A \_\_\_\_\_

H. Water

1. Gallons per day capacity of treatment facilities existing 432,000  
under construction N/A proposed N/A \_\_\_\_\_
2. Type of treatment chlorination \_\_\_\_\_
3. Approximate average daily flow of treated water 157,000 gpd \_\_\_\_\_
4. Source of water supply Two Deep Wells \_\_\_\_\_
5. Types of chemicals used and their normal dosage rates Chlorine/15 GPD \_\_\_\_\_
6. Number of wells in service 2 Total capacity in gallons per minute (gpm) 1300 GPM  

Diameter/Depth	6/8-inch/1,375ft.
Motor horse	30HP ea.
Pump capacity (gpm)	650 ea.
7. Reservoirs and/or hydropneumatic tanks: One 7500 Hydro/75,000 Ground Storage Tank
8. High service pumping: Two @ 650 GPM
9. How do you measure treatment plant production? Flow Meter \_\_\_\_\_
10. Approximate feet of water mains:

Size (diameter)	1-inch	1-1/2	2-inch	3-inch	4-inch	6-inch	8-inch
Linear feet			2717			5448	

Note any fire flow requirements and imposing government agency  
500 GPM \_\_\_\_\_
11. Number of fire hydrants in service 5 \_\_\_\_\_

- 13. Do you have a meter change out program? Yes
- 14. Meter installation or tap in fees – Water \$ 100.00
- 15. Service availability fees – Water \$ 375.00 System Capacity
- 16. Has the existing treatment facility been approved by DEP ? Yes
- 17. Total gallons pumped during most recent twelve months 23,238,000
- 18. Total gallons sold during most recent twelve months 16,354,000
- 19. Gallons unaccounted for during most recent twelve months 6,884,000  
(excluding hydrant flushing)
- 20. Gallons purchased during most recent twelve months N/A

III. Rate Data

A. Individual to contact on tariff matter:

- 1. Name Gary Morse, Utility Rate Consultant
- 2. Telephone Number (352) 382-1434

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

- 1. Water
    - a. Residential Water Base Charge \$9.14 Usage \$1.37 per thousand
    - b. General Service Base Charge \$9.14 Usage \$1.37 per thousand
    - c. Special Contract \_\_\_\_\_
    - d. Other \_\_\_\_\_
  - 2. Wastewater
    - a. Residential Water Base Charge \$9.22 Usage \$1.74 per thousand
    - b. General Service Base Charge \$9.22 Usage \$1.74 per thousand
    - c. Special Contract \_\_\_\_\_
    - d. Other \_\_\_\_\_
- Note: Residential has 8,000 gallon cap on wastewater.

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

1. Water Metered	<u>2006</u>	<u>2007</u>
a. Residential	<u>241</u>	<u>241</u>
b. General Service	<u>7</u>	<u>7</u>
c. Special Contract	_____	_____
d. Other – Specify	_____	_____
2. Water UnMetered	<u>2006</u>	<u>2007</u>
a. Residential	_____	_____
b. General Service	_____	_____
c. Special Contract	_____	_____

d. Other - Specify \_\_\_\_\_

	<u>2006</u>	<u>2007</u>
4. Wastewater		
a. Residential	241 _____	241 _____
b. General Service	1 _____	1 _____
c. Special Contract	_____	_____
d. Other - Specify	_____	_____

IV. Affirmation

I, Eric Zimmerman 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 Division Resident

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.

**Hometown America  
Debt Structure as of June 30, 2008**

Lender	Fixed vs. Floating	Current Interest Rate	Principal Balance 6/30/2008	Current Maturity Date		
<b>REVOLVING CREDIT</b>						
JP Morgan	Floating	3.22%	182,600,000	July 2008		
	Subtotal		182,600,000			
<b><u>MORTGAGE NOTES</u></b>						
<b>Fixed Debt</b>						
Springbrook	1136	Fixed	5.17%	14,400,000	Aug 2015	
Westbrook	1157	Fixed	5.74%	17,565,894	Apr 2011	
Creekside	1191	Fixed	7.49%	11,893,003	Jan 2011	
Grand Place	1196	Fixed	6.12%	8,201,000	Feb 2018	
Greenbriar Village	1197	Deutsche Bank	Fixed	5.20%	14,240,000	Jun 2015
Green River Village	1198	Fixed	5.58%	19,349,146	Dec 2013	
Northwood	1209	Fixed	6.12%	13,275,000	Feb 2018	
Stonegate Austin	1221	Fixed	5.75%	9,537,322	Aug 2013	
Longview	1235	Fixed	5.00%	11,545,464	Aug 2013	
Fernwood	1250	Deutsche Bank	Fixed	5.20%	9,280,000	Jun 2015
Brighton	1284	First Sun America	Fixed	5.21%	6,977,659	Mar 2015
Pine Ridge	1286	Fixed	6.12%	37,000,000	July 2016	
Oakhill	1287	Fixed	5.70%	5,200,000	Apr 2016	
Ridgewood	1288	Fixed	5.48%	10,500,000	Apr 2016	
Highlands at Scotland	1289	Fixed	5.67%	12,000,000	May 2012	
Heron Cay	1290	Fixed	5.76%	30,675,000	Dec 2016	
Vero Palm	1291	Fixed	5.76%	12,325,000	Dec 2016	
Mullica Woods	1292	Fixed	5.66%	4,400,000	Jan 2017	
Featherock	1296	Fixed	5.76%	21,000,000	Jun 2017	
Peppermint Woods	1297	Fixed	5.67%	41,583,000	Jan 2018	
Miller's Woods	1298	Fixed	5.84%	4,300,000	Jan 2018	
Belle Villa	1409	AIG Annuity	Fixed	5.68%	17,400,000	Jun 2015
Landmark	1424	Fixed	5.56%	14,545,957	Oct 2012	
Lake Worth	1430	Fixed	8.30%	15,440,111	Sept 2023	
Mountain View	1434	Fixed	5.50%	7,000,000	Apr 2018	
Sunshine Valley	1441	GMAC	Fixed	7.31%	5,171,870	Apr 2013
Audubon Estates	1455	Fixed	5.58%	25,640,461	Sept 2013	
				400,445,887		
Lake Village	1429	GE Capital	Fixed	5.81%	11,685,448	Nov 2012
Whispering Pines	1446	GE Capital	Fixed	5.80%	7,736,256	Dec 2012
				19,421,704		
Audubon	1007	Sun America	Fixed	5.42%	6,952,622	Nov 2014
Meadow Park	1095	Sun America	Fixed	5.50%	2,350,984	Nov 2014
Country Lakes	1420	Sun America	Fixed	5.50%	19,900,000	June 2015
Crescent Run	1421	Sun America	Fixed	6.21%	10,000,000	Aug 2016
University Lakes	1445	Sun America	Fixed	6.22%	55,000,000	Oct 2016
Woodlands	1447	Sun America	Fixed	5.63%	25,031,116	Dec 2012
				119,234,722		

**Hometown America**  
**Debt Structure as of June 30, 2008**

			Fixed vs.	Current	Principal	Current
	Lender		Floating	Interest	Balance	Maturity
				Rate	6/30/2008	Date
Holiday Estates	1068 JP Morgan		Fixed	5.40%	6,280,000	Jan 2016
Shenandoah Estates	1132 JP Morgan		Fixed	5.40%	5,728,000	Jan 2016
Skyway	1134 JP Morgan		Fixed	5.40%	4,133,000	Jan 2016
Whispering Pines - Largo	1158 JP Morgan		Fixed	5.40%	12,646,000	Jan 2016
Hoosier Estates	1184 JP Morgan		Fixed	5.40%	6,900,000	Jan 2016
Beacon Hill Colony	1187 JP Morgan		Fixed	5.40%	5,325,000	Dec 2015
Los Ranchos	1204 JP Morgan		Fixed	5.40%	13,270,000	Jan 2016
North Bluff Estates	1207 JP Morgan		Fixed	5.40%	8,150,000	Jan 2016
North Glen Village	1260 JP Morgan		Fixed	5.40%	7,218,000	Dec 2015
West Meadow Estates	1285 JP Morgan		Fixed	5.05%	6,200,000	Dec 2015
Santa Barbara	1405 JP Morgan		Fixed	5.40%	17,000,000	Dec 2015
Cloverleaf	1415 JP Morgan		Fixed	5.40%	22,200,000	Jan 2016
Country Club	1418 JP Morgan		Fixed	5.29%	4,785,066	May 2013
Li'l Wolf	1431 JP Morgan		Fixed	5.29%	9,091,625	May 2013
Mesa Ridge	1433 JP Morgan		Fixed	5.29%	5,454,975	May 2013
Shady Grove	1439 JP Morgan		Fixed	5.29%	4,689,364	May 2013
Pool 1	2623 JP Morgan		Fixed	4.83%	25,161,941	2008
Pool 2	2624 JP Morgan		Fixed	5.30%	42,890,121	2010
Pool 3	2625 JP Morgan		Fixed	5.49%	39,546,590	2013
Pool 4	2626 JP Morgan		Fixed	5.30%	71,656,380	2010
Pool 5	2627 JP Morgan		Fixed	5.49%	49,267,200	2013
Pool 6	2628 JP Morgan		Fixed	5.49%	77,248,023	2013
Pool 7	2629 JP Morgan		Fixed	5.49%	91,368,363	2013
Pool 8	2630 JP Morgan		Fixed	5.49%	43,649,898	2013
Pool 9	2631 JP Morgan		Fixed	5.49%	60,761,755	2013
					640,621,301	
NW Mutual Life	2634 NW Mutual Life		Fixed	6.75%	33,463,048	April 2009
NW Mutual Invest	2634 NW Mutual Life		Fixed	7.60%	55,965,775	May 2010
					89,428,823	
Loan 1	2634 Fannie Mae		Fixed	7.83%	107,011,792	July 2010
Loan 2	2634 Fannie Mae		Fixed	5.18%	13,975,981	July 2010
					120,987,773	
<b>SUB TOTAL FIXED RATE DEBT</b>					1,390,140,210	
<b>SUB TOTAL VARIABLE RATE DEBT</b>					182,600,000	
<b>Total Debt</b>					1,572,740,210	