

Regulated Plant Accounting

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January 20, 2011

COMMISSION
CLERK

Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

100359-WS

Re: Tymber Creek Utilities, Incorporated Docket No. 100459-WS

Please Include Tymber Creek's Rate Stabilization Plan into filed Documents.

All expenses incurred and projected by the utility in renewing the Florida Department of Environmental Protection (DEP) Operating permit are to be accumulated and rolled into the rates. These are to be collected from the customers on a prorata basis one fifth each year during the 5 year term of that permit. The problem Tymber Creek Utilities, Incorporated (TCU) is facing is that the DEP/HOA legal action is requiring large ongoing costs.

These costs were developed by GAI Consultants, Inc. (GAI) in an attempt to satisfy the Homeowners and to obtain DEP approval for Permit # FLA011193 (Permit) renewal. TCU needs a methodology to recover these expenses through Florida Public Service Commission (FPSC) approved rates. If the 10 year costs of the DEP required Capital Improvement Program (CIP) were to be forced into the rates of TCU, the rate shock would be devastating to the customers and eventually to the utility.

TCU Proposes to split the 10 year GAI Report Capital Improvement Plan (CIP) expenses into two five (5) periods corresponding with the next two five year DEP Permit Renewal Periods. This mechanism fits the FPSC STP Permit renewal allowance and would only require the DEP to approve this process for the next two Permit periods or 10 years.

The FPSC would have to approve this Rate Stabilization Plan for the next ten years. This would correspond to the next two DEP STP Permit periods. To accommodate this process, TCU would refrain from filing any rate proceedings, other than the Index Filings, until the end of the first DEP Permit Renewal period, or five years. The first five years CIP operating expenses to be approved by the FPSC and the FDEP total \$114,612. These costs located in the GAI Engineering Report CIP Table 3-2 Operation and Maintenance Expenses (See Attached) would be amortized over the 5 year term of the permit at **\$22,922** per year.

During the next or second five year term of of the Permit, the CIP operating expenses to be approved (years 6 through 10) total \$59,435 would be amortized over the second 5 year term of the permit at **\$11, 887** per year. These second term permit costs would be picked up in addition to normal operating expenses in a formal FPSC Rate Case to be filed at this time. These listed CIP costs would have to be accounted for separately in the TCU General Ledger for this PSC Rate Proceeding.

Thank you very much,

Robert F. Dodrill, Sr.
Consulting for Tymber Creek Utilities, Incorporated

DOCUMENT NUMBER-DATE

00507 JAN 24 =

RATE PLAN

FPSC-COMMISSION CLERK

Schedule of Capital Improvement Cost in TCU's Rate Stabilization Plan

Data Source: GAI Consultants
CIP Table 3-2

Phase 1 Costs

NARUC			
736	Dye Test		\$300
736	Video		5,000
775	Repair Minor Leaks		5,000
720	Diffusers		300
731	Eng Costs to Date		16,942
736	Year 1	Leak Test	2,000
		Additional S/Hauling	SARC Proforma
736	Year 1	Spot Repair	13,120
736	Year 2	Spot Repair	18,280
736	Year 3	Spot Repair	18,290
736	Year 4	Spot Repair	12,840
736	Year 5	Spot Repair	12,540
731	Year 1	Eng. Report	8,000
731	Year 2	Eng. Report	500
731	Year 3	Eng. Report	500
731	Year 4	Eng. Report	500
731	Year 5	Eng. Report	500
		TOTAL	114,612
		Each 5 Year	22,922

Phase 2* Costs

NARUC			
736	Year 6	Spot Repair	10,150
736	Year 7	Spot Repair	10,875
736	Year 8	Spot Repair	7,560
736	Year 9	Spot Repair	8,310
736	Year 10	Spot Repair	12,540
731	Year 6	Eng. Report	8,000
731	Year 7	Eng. Report	500
731	Year 8	Eng. Report	500
731	Year 9	Eng. Report	500
731	Year 10	Eng. Report	500
		TOTAL	59,435
		Each 5 Year	11,887

2* Phase 2 costs may additionally include videography of the lines as needed.

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RATE PLAN
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Table 3-2 Operation and Maintenance Expenses

Item	NARUC Acct.	Description	Date	Cost ⁽¹⁾
1	736	Dye testing conducted on line from lift station to plant (force main).	April 7, 2010	\$300
2	736	Completed videography of the lines in Phase I referenced in the McKim & Creed report.	May 11 and June 1, 2010	\$5,000
3	775	Repaired minor leaks on the filter tank(s) and the Chlorine Contact Chamber.	June 17, 2010	\$5,000
4	720	Diffusers in the surge tanks were replaced and balanced to the same depth. Surge capacity and overall treatment has improved	June 28, 2010	\$300
5	731	Engineering and legal costs to date	To date	\$16,942.46
6	736	Force main standpipe leakage test	Year 1	\$2,000
7	711	Additional sludge hauling	Annual	\$25,200
8	736	Spot repair the Phase 1 collection system piping, where there is evidence of water intrusion, infiltration, or inflow to, by grouting, etc., and notify the Department of completion in writing.	Year 1	\$13,120
			Year 2	\$18,280
			Year 3	\$18,290
			Year 4	\$12,840
			Year 5	\$12,540
			Year 6	\$10,150
			Year 7	\$10,875
			Year 8	\$7,560
			Year 9	\$6,310
			Year 10	\$12,540
9	731	Provide engineering reports every five years to summarize the results and improvements. Provide annual letter report signed and sealed by professional engineer to report maintenance and repairs being done.	Year 1	\$8,000
			Year 2	\$500
			Year 3	\$500
			Year 4	\$500
			Year 5	\$500
			Year 6	\$8,000
			Year 7	\$500
			Year 8	\$500
			Year 9	\$500
			Year 10	\$500

(1) These costs do not include overheads.

RATE PLAN
2

Rate Plan 1/3

Summary of Tymber Creek Proposed Proforma Plant and Expenses 2010-2021

Plant	Completed	1	2	3	4	5	6	7	8	9	10
1. Replace blowers at aeration tanks	\$11,900										
2. New pump at Hollow Branch crossing	\$5,400										
3. Diffusers in surge tanks replaced	\$300										
4. New blower for surge tank	\$4,100										
5. Stub-out seal at MH28	\$375										
6. Install new motor at Groover lift station	\$900										
7. Install automatic dialer at main lift station	\$3,300										
8. Replace monitoring well covers (6 wells)	\$2,850										
9. Install a backup surge pumps, blower and motor assembly	\$5,875										
11. Replace two pumps at Inglewood lift str.	\$14,400										
12. Replace filter media	\$5,865										
Total	\$32,090										
13. Additional automatic dialer at two lift str.	\$3,155										
Total	\$22,975	\$35,245									

Expense	Completed	1	2	3	4	5	6	7	8	9	10
1. Dye testing on line	\$300										
2. Videography of lines in phase 1	\$5,000										
3. Added fencing installed	\$1,300										
4. Pads and locking well covers	\$200										
5. Minor leaks in filter tanks and Chlorine contact chamber	\$5,000										
6. Engineering and legal costs to date	\$16,942										
7. Perform leakage tests of force main	\$2,000										
8. Additional sludge hauling		25200	25200	25200	25200	25200	25200	25200	25200	25200	25200
9. Repair of collection system		13120	18280	18280	12840	12540	10150	10875	7580	6310	12540
10. Engineering reports to summarize results		8000	500	500	500	500	8000	500	500	500	500
Total	\$28,742	\$48,320	\$43,980	\$43,980	\$38,540	\$38,240	\$43,350	\$36,575	\$33,260	\$32,010	\$38,240