

Application for increase in water rates in Highlands County by

Country Walk Utilities, Inc.

DOCKET NO. 20180021-WU

Name Tom + Pam Banwart

Address 9 Corkwood Ave  
Lake Placid, FL 33852

RECEIVED-FPSC  
2018 AUG - 1 AM 9:19  
COMMISSION  
CLERK

To submit your comments about this docket to the Florida Public Service Commission, please complete this comment form and return it by mail, or fax it to 1-800-511-0809. Correspondence will be placed in the docket file.

CUSTOMER COMMENTS	
TO: COMMISSIONER POLMANN	
DALE BUYS, PUBLIC UTILITIES SUPERVISOR	
RE: EXCESSIVE WATER BILLS/USAGE	
As we indicated at the recent meeting, we received a water bill for service dates 7/8/17 - 8/1/17 for 31 TGAL in the amount of \$240.27. Our average usage is 2 TGAL. We were out of town 12 days + plant was shut down for several days. Our billing issue was resolved with Mr. T Rendell.	
The below listed neighbors in Country Walk had usage/billing issues the same billing period:	
Dave + Sue Sylvester	52 Lakeside Tr.
Dennis + Lorraine Knox	56 Lakeside Tr.
Stan + Sally Bennett	3153 Bluebird Ave
(60 TGAL - IN MICHIGAN FOR SUMMER)	

(COPY attached) and we

FOLD & TAPE -- See back for address

Any email or other correspondence sent to a Florida Public Service Commissioner, or any other public official and/or employee of the PSC, in the transaction of public business is considered a public record and is subject to Florida's Public Records Law. This means that Florida law generally requires the PSC to provide a copy of any such email or correspondence, upon request, for inspection and copying to any Florida citizen or to any member of the media.



## *PSC Commissioners*



COMMISSIONER  
Gary F. Clark



COMMISSIONER  
Julie I. Brown



CHAIRMAN  
Art Graham



COMMISSIONER  
Donald J. Polmann



COMMISSIONER  
Andrew Giles Fay

## Country Walk Utilities, Inc. Monthly Water Rates

	Rates at Time of Filing	Staff Recommended Rates
<b><u>Residential and General Service</u></b>		
<b>Base Facility Charge by Meter Size</b>		
5/8" x 3/4"	\$16.45	\$40.44
3/4"	\$24.67	\$60.66
1"	\$41.10	\$101.10
1 1/2"	\$82.19	\$202.20
2"	\$131.48	\$323.52
3"	\$262.99	\$647.04
4"	\$410.93	\$1,011.00
6"	\$821.88	\$2,022.00
<b>Charge per 1,000 gallons - Residential</b>		
0-10,000 gallons	\$6.17	N/A
Over 10,000 gallons	\$7.72	N/A
0-3,000 gallons	N/A	\$11.33
Over 3,000 gallons	N/A	\$21.93
Charge per 1,000 gallons - General Service	\$6.17	\$11.70
<b><u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u></b>		
3,000 gallons	\$34.96	\$74.43
6,000 gallons	\$53.47	\$140.22
10,000 gallons	\$78.15	\$227.94

1214220 = T GAL 011-0117  
 1214290 8/20  
 8/21 1214350

# Country Walk Utilities, Inc

**USW Utility Billing Center**  
 P.O. Box 151245  
 Cape Coral, FL 33915

Account Number ..... 45995276  
 Bill Date ..... 08/16/2017  
 Due Date ..... 09/05/2017  
**Total Amount Due ..... \$240.27**

If you have any questions please contact our customer service number: 1-888-228-2134

For Service To: **207.72**  
 9 CORKWOOD AVENUE

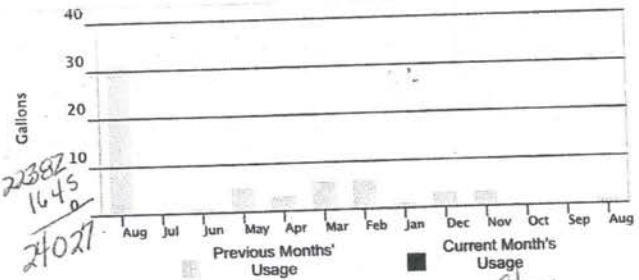
Vincent / Linda  
 888 228 2134  
 Andy  
 DUSTIN

Usage Data	Billing Period	Days	Meter Readings	Usage	Units
	07/08/2017	34	1182 Actual	1182	TGAL
	08/11/2017		1213 Actual	1213	
Total Days:		34	Total Usage:		31 TGAL

## Billing Detail

Amount Owed From Last Bill .....	\$22.62
Adjustments .....	\$0.00
Total Payments Received .....	\$22.62
Prior Balance .....	\$0.00
<b>New Charges</b>	
Base Charge .....	\$16.45
Water 10 @ 6.170000 .....	\$61.70
Water 21 @ 7.720000 .....	\$162.12
<b>Total Water 31 TGAL Charges .....</b>	<b>\$240.27</b>
<b>Total Current Charges .....</b>	<b>\$240.27</b>
<b>Total Amount Due 09/05/2017 .....</b>	<b>\$240.27</b>

## Water Use History



\* \$30 #1819  
 This month per Rita  
 \* Call last week in Oct.  
 Rita Varona

## Message Center

- View the Country Walk 2016 Water Quality Report will at: [mywaterservice.com/countrywalk2016](http://mywaterservice.com/countrywalk2016) The report contains important information about the source and quality of your drinking water. We detected 14 contaminants, 4 above EPA acceptable level for drinking water. If you prefer a copy mailed to you please call 866 753 8292 or check the box on the back of your payment stub.
- Your statement reflects all payments received and posted through Aug 11, 2017. Any payments posted after that date will be reflected on your next statement.
- Pay your bill online. Visit [www.mywaterservice.com](http://www.mywaterservice.com) to pay by credit card. A \$2.60 service fee will be added to your next bill.
- Bills are due when rendered, and delinquent if not paid within 20 days. Please remit by the due date to avoid a \$5.00 late charge.



**Country Walk Utilities  
Water Monthly Service Rates  
Test Year Ended 12/31/15**

**Schedule No. 4-A  
Potential SARC**

	<b>Rates Prior to Filing</b>	<b>Utility Requested Final</b>	<b>4-year Rate Reduction</b>
<b><u>Residential Service (RS), Irrigation Service (IR)</u></b>			
<b>Base Facility Charge by Meter Size:</b>			
5/8" x 3/4"	16.45	\$30.92	\$0.15
3/4"	24.67	\$46.37	\$0.23
1"	41.10	\$77.25	\$0.38
1-1/2"	82.19	\$154.48	\$0.75
2"	131.48	\$247.12	\$1.21
3"	262.99	\$494.29	\$2.41
4"	410.93	\$772.35	\$3.77
6"	821.88	\$1,544.73	\$7.54
<b>Gallonage Charge, per 1,000 Gallons</b>			
0 - 10,000 gallons	\$6.17	\$11.60	\$0.06
Over 10,000 gallons	\$7.72	\$14.51	
<b><u>General Service (GS), Multi Family Service (MS)</u></b>			
<b>Base Facility Charge by Meter Size:</b>			
5/8" x 3/4"	\$16.45	\$30.92	\$0.15
3/4"	\$24.67	\$46.37	\$0.23
1"	\$41.10	\$77.25	\$0.38
1-1/2"	\$82.19	\$154.48	\$0.75
2"	\$131.48	\$247.12	\$1.21
3"	\$262.99	\$494.29	\$2.41
4"	\$410.93	\$772.35	\$3.77
6"	\$821.88	\$1,544.73	\$7.54
<b>Gallonage Charge, per 1,000 Gallons</b>			
	\$6.17	\$11.60	\$0.06
<b><u>Typical Residential Bills 5/8" x 3/4" Meter</u></b>			
3,000 Gallons	\$34.96	\$65.71	
5,000 Gallons	\$47.30	\$88.90	
10,000 Gallons	\$81.25	\$152.71	

*This is a copy of the paperwork we received from CW Utilities when discussing the "how to" of our water issues.*

Country Walk Utilities  
 O&M EXPENSES-WATER  
 Test Year Ended 12/31/15

Potential SARC

ACCT NO.	ACCOUNT TITLE	UTILITY		ADJUSTED TEST YEAR
		ADJUSTED TEST YEAR	ADJUSTMENTS	
601	SALARIES AND WAGES - EMPLOYEES	\$0	\$0	\$0
603	SALARIES: OFFICERS, DIRECTORS, ETC.	3,000	0	3,000
604	EMPLOYEE PENSIONS AND BENEFITS	0	0	0
610	PURCHASED WATER	0	0	0
615	PURCHASED POWER	1,203	2,406	3,609
616	FUEL FOR POWER PRODUCTION	0	0	0
618	CHEMICALS	1,196	2,002	3,198
620	MATERIALS AND SUPPLIES	0	0	0
631	CONTRACTUAL SERVICES - Testing	0	960	960
632	CONTRACTUAL SERVICES - ACCT.	2,500	0	2,500
633	CONTRACTUAL SERVICES - LEGAL	681	0	681
634	CONTRACTUAL SERVICES - MGMT. FEES	0	0	0
636	CONTRACTUAL SERVICES - OTHER	12,497	0	12,497
641	RENTAL OF BUILDING/REAL PROPERTY	0	0	0
642	RENTAL OF EQUIPMENT	0	0	0
650	TRANSPORTATION EXPENSES	0	0	0
656	INSURANCE-VEHICLE	0	0	0
657	INSURANCE-GENERAL LIABILITY	1,311	0	1,311
658	INSURANCE-WORKMAN'S COMP.	0	0	0
659	INSURANCE-OTHER	0	0	0
660	ADVERTISING EXPENSE	0	0	0
666	AMORT. OF RATE CASE EXPENSE	0	212	212
667	REGULATORY COMM. EXPENSES - OTHER	0	0	0
670	BAD DEBT EXPENSE	382	0	382
675	MISCELLANEOUS EXPENSES	<u>100</u>	<u>1,200</u>	<u>1,300</u>
	TOTAL OPERATION AND MAINTENANCE	<u>\$22,870</u>	<u>\$6,780</u>	<u>\$29,650</u>

County Walk Utilities  
PLANT, ETC & USED AND USEFUL ADJUSTMENTS  
Test Year Ended 12/31/15  
WATER UTILITY PLANT ACCOUNTS

Potential SARC

ACCT. NO.	ACCOUNT NAME	Test Year		Adjusted Balance	Depr Rate Per	Test Year		Adjusted Balance	Test Year	NON-U/I %	NON-U/I Adj to Plant	NON-U/I Adj to Acc. Depr	NON-U/I Adj to depr exp
		Plant	Per Book			Adjustments	Depr						
302	Franchises	0	0	0	2.50%	0	0	0	19	0.00%	0	0	0
303	Land and Land Rights	750	0	750	2.50%	36	0	36	0	0.00%	0	0	0
304	Structures and Improvements	1,495	0	1,495	NA	0	0	0	0	0.00%	0	0	0
305	Collecting and Impounding	11,980	0	11,980	3.70%	9,013	0	9,013	443	0.00%	0	0	0
308	Lake River and Other Intakes	0	0	0	2.00%	0	0	0	0	0.00%	0	0	0
307	Wells and Springs	0	0	0	2.50%	0	0	0	0	0.00%	0	0	0
308	Infiltration Galleries	38,413	0	38,413	3.70%	18,857	0	18,857	1,421	0.00%	0	0	0
309	Supply Mains	0	0	0	2.50%	0	0	0	0	0.00%	0	0	0
310	Power Generation Equipment	0	0	0	3.13%	0	0	0	0	0.00%	0	0	0
311	Pumping Equipment	4,738	0	4,738	5.88%	2,794	0	2,794	278	0.00%	0	0	0
320	Water Treatment Equipment	7,509	108,378	115,887	5.88%	7,509	3,188	10,697	0	6.375	6,375	0	0
330	Distribution Reservoirs	6,701	10,000	16,701	3.03%	5,247	152	5,399	203	0.00%	0	0	0
331	Transmission and Distribution Mains	11,983	0	11,983	2.63%	5,205	0	5,205	312	0.00%	0	0	0
333	Services	0	0	0	2.88%	0	0	0	0	0.00%	0	0	0
334	Meter & Meter Installations	8,357	0	8,357	5.88%	8,357	0	8,357	287	0.00%	0	0	0
335	Hydrants	0	0	0	2.50%	0	0	0	0	0.00%	0	0	0
335.4	Backflow Devices	0	0	0	10.00%	0	0	0	0	0.00%	0	0	0
340	Office Furniture & Equipment	0	0	0	6.67%	0	0	0	0	0.00%	0	0	0
340	Computer Equipment	0	0	0	18.87%	0	0	0	0	0.00%	0	0	0
341	Transportation Equipment	0	0	0	18.87%	0	0	0	0	0.00%	0	0	0
342	Stores Equipment	0	0	0	5.55%	0	0	0	0	0.00%	0	0	0
343	Tools, Shop & Garage	0	0	0	8.25%	0	0	0	0	0.00%	0	0	0
344	Laboratory Equipment	0	0	0	6.67%	0	0	0	0	0.00%	0	0	0
346	Power Operated Equipment	0	0	0	8.33%	0	0	0	0	0.00%	0	0	0
346	Communication Equipment	0	0	0	10.00%	0	0	0	0	0.00%	0	0	0
347	Miscellaneous Equipment	0	0	0	6.67%	0	0	0	0	0.00%	0	0	0
301	Organization	2,389	0	2,389	10.00%	118	0	118	60	0.00%	0	0	60
	INTANGIBLE PLANT	\$750	\$0	\$750		\$36	\$0	\$36	\$19	#N/A	\$0	\$0	\$0
	SOURCE OF SUPPLY & PUMPING	56,624	0	56,624		30,684	0	30,684	2,143	0.00%	0	0	0
	WATER TREATMENT PLANT	7,509	108,378	115,887		7,509	3,188	10,697	0	6.375	6,375	0	0
	TRANSMISSION & DISTRIBUTION	28,821	10,000	38,821		18,839	152	18,990	802	0.00%	0	0	0
	GENERAL PLANT	2,389	0	2,389		118	0	118	60	#N/A	0	0	0
	TOTALS - WATER	\$94,193	\$118,378	\$212,571		\$97,164	\$3,339	\$80,603	\$3,023	\$9,678	\$9,701	\$0	\$0

RATIO OF NON-USED & USEFUL PLANT

0.00%

Country Walk Utilities  
 Capital Structure  
 Test Year Ended 12/31/15

Schedule No. 2  
 Potential SARC

Description	Total Capital	Specific Adjustments	Subtotal Adjusted Capital	Prorata Adjustments	Capital Reconciled to Rate Base	Ratio	Cost Rate	Weighted Cost
<b>Per Utility</b>								
11 Long-term Debt	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
12 Short-term Debt	0	0	\$0	\$0	0	0.00%	0.00%	0.00%
13 Preferred Stock	0	0	\$0	\$0	0	0.00%	0.00%	0.00%
14 Common Equity	25,420	0	\$25,420	\$105,919	131,339	98.32%	8.74%	8.59%
15 Customer Deposits	434	0	\$434	\$1,808	2,242	1.68%	2.00%	0.03%
16 Deferred Income Taxes	0	0	\$0	\$0	0	0.00%	0.00%	0.00%
20 Total Capital	<u>\$25,854</u>	<u>\$0</u>	<u>\$25,854</u>	<u>\$107,727</u>	<u>\$133,581</u>	<u>100.00%</u>		<u>8.63%</u>

	<u>LOW</u>	<u>HIGH</u>
RETURN ON EQUITY	<u>7.74%</u>	<u>9.74%</u>
OVERALL RATE OF RETURN	<u>7.64%</u>	<u>9.61%</u>



Country Walk Utilities  
 Adjustment to Operating Income  
 Test Year Ended 12/31/15

Revised Schedule 3-C  
 Potential SARC

Explanation	Water	Wastewater
<u>Operating Revenues</u>		
1 Annualized based on 2015 Index	\$0	\$0
2	<u>\$0</u>	<u>\$0</u>
Total	<u>\$0</u>	<u>\$0</u>
<u>Operation and Maintenance Expense</u>		
3 Rate Case Expense Amortization	\$212	\$0
4 Increase in Chemicals - Acid / Caustic	\$10,000	\$0
5 Reduction in Chlorine	(\$200)	
6 Increase in Power	\$401	
6		
Total	<u>\$10,413</u>	<u>\$0</u>
<u>Depreciation Expense - Net</u>		
7 Aeration Treatment	\$6,678	\$0
	<u>\$0</u>	<u>\$0</u>
Total	<u>\$6,678</u>	<u>\$0</u>
<u>Taxes Other Than Income</u>		
8 To reflect actual Real Estate and Tangible Taxes	\$0	\$0
9 To reflect appropriate RAFs test year revenues	<u>\$0</u>	<u>\$0</u>
Total	<u>\$0</u>	<u>\$0</u>
<u>Additional Pro Forma Adjustments</u>		
<u>Operation and Maintenance Expense</u>		
10 Bad Debt Expense on Revenue Increase (2%)	<u>\$0</u>	
<u>TAXES OTHER THAN INCOME TAX</u>		
11 RAF on Revenue Adjustment @ 4.5%	<u>\$1,152</u>	



Country Walk Utilities  
 Adjustments to Rate Base  
 Test Year Ended 12/31/15

Schedule No. 1-C  
 Potential SARC

Explanation		Water	Wastewater
<u>Plant in Service</u>			
1	Aeration Treatment	\$118,378	\$0
	Total	<u>\$118,378</u>	<u>\$0</u>
<u>Land</u>			
1		\$0	\$0
	Total	<u>\$0</u>	<u>\$0</u>
<u>Non-used and Useful</u>			
		<u>\$0</u>	<u>\$0</u>
<u>Accumulated Depreciation</u>			
1	Aeration Treatment	\$3,339	\$0
	Total	<u>\$3,339</u>	<u>\$0</u>
<u>CIAC</u>			
1		\$0	\$0
	Total	<u>\$0</u>	<u>\$0</u>
<u>Accumulated Amortization of CIAC</u>			
1		\$0	\$0
	Total	<u>\$0</u>	<u>\$0</u>
<u>Working Capital</u>			
1		<u>\$1,302</u>	<u>\$0</u>

Country Walk Utilities  
Statement of Water Operations  
Test Year Ended 12/31/15

Revised Schedule No. 3-A  
Potential SARC

Description	Test Year Per Utility	Adjustments	Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$29,107</u>	<u>\$0</u>	<u>\$29,107</u>	<u>\$25,600</u> 87.95%	<u>\$54,706</u>
Operating Expenses					
2 Operation & Maintenance	22,870	10,413	33,283	502	33,785
3 Depreciation	2,242	6,678	8,920		8,920
4 Amortization	-2,337	0	-2,337		-2,337
5 Taxes Other Than Income	1,613	50	1,664	1,152	2,816
6 Income Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
7 Total Operating Expense	<u>24,389</u>	<u>17,141</u>	<u>41,530</u>	<u>1,653</u>	<u>43,184</u>
8 Operating Income	<u>\$4,718</u>	<u>-\$17,141</u>	<u>-\$12,423</u>	<u>\$23,946</u>	<u>\$11,523</u>
9 Rate Base	<u>\$17,240</u>		<u>\$133,581</u>		<u>\$133,581</u>
10 Rate of Return	<u>27.37%</u>		<u>-9.30%</u>		<u>8.63%</u>

**Country Walk Utilities  
Schedule of Water Rate Base  
Test Year Ended 12/31/15**

**Schedule No. 1-A  
Potential SARC |**

Description	Average Test Year Per Utility	Adjustments	Average Adjusted Test Year
1 Plant in Service	\$92,698	\$118,378	\$211,076
2 Land and Land Rights	1,495	0	1,495
3 Non-used and Useful Components	0	0	0
4 Accumulated Depreciation	-57,164	-3,339	-60,503
5 CIAC	-23,950	0	-23,950
6 Amortization of CIAC	15,914	0	15,914
7 Acquisition Adjustment	-20,064		-20,064
8 Amortization of Acquisition Adj.	5,453		5,453
9 Working Capital Allowance	<u>2,859</u>	<u>1,302</u>	<u>4,160</u>
10 Rate Base	<u>\$17,240</u>	<u>\$116,341</u>	<u>\$133,581</u>



## Country Walk Utilities

Addition of Forced Aeration; Scrubber; etc.  
Analysis:

Preliminary Cost Estimates (subject to change):

Acid Feed System / Tank / Storage / Containment	\$	15,000
Static Mixer	\$	4,000
5,000 gallon Ground Storage Tank	\$	10,000
Forced Draft Aerator	\$	45,000
Scrubber / Mulch Bed	\$	15,000
Caustic Addition / Feed system	\$	4,000
Water Softner for Caustic water supply to scrubber	\$	800
High Service Pump Station and Controls	\$	15,000
Misc site Work	\$	5,000
Misc electrical upgrades	\$	5,000
Misc Yard Piping	\$	3,000
Engineering / Design (10% of total install)	\$	12,180
Contingency (10% of total)	\$	13,398
Total Capital Costs	\$	<u>118,378.00</u>

Depreciation		
Assume 1/2 year convention for Accum. Depreciation	\$	<u>3,339.09</u>

Net Plant Increase for Replacement	\$	115,038.91
------------------------------------	----	------------

Rate of Return -		8.63%
Return	\$	<u>9,924.24</u>

Expenses Changes:

Additional Caustic Expense	\$	600.00
Additional Acid Expense	\$	2,000.00
Reduction in Chlorine Expense	\$	(597.98)
Additional Electrical Expense	\$	2,405.78
Aerator / Scrubber Cleaning / Maintenance	\$	1,200.00
Testing increase / sulfur	\$	960.00
Rate Case Expense Amortization	\$	211.75
Depreciation	\$	6,678.18
Tangible Tax	\$	1,334.45
Increase in Expenses	\$	14,792.18

Total Estimated Increase in Revenue Requirement	\$	24,716.43
RAF gross up		0.955
Total increase to Revenue Requirement	\$	25,881.08

2015 Revenues	\$	29,106.75
---------------	----	-----------

Percentage (%) Increase		<u>88.92%</u>
-------------------------	--	---------------

## Country Walk Utilities

### WITHOUT SCRUBBER/MULCH BED

Addition of Forced Aeration; Scrubber; etc.

Analysis:

#### Preliminary Cost Estimates (subject to change):

Acid Feed System / Tank / Storage / Containment	\$	15,000
Static Mixer	\$	4,000
5,000 gallon Ground Storage Tank	\$	10,000
Forced Draft Aerator	\$	45,000
Scrubber / Mulch Bed		
Caustic Addition / Feed system	\$	4,000
Water Softner for Caustic water supply to scrubber	\$	800
High Service Pump Station and Controls	\$	15,000
Misc site Work	\$	5,000
Misc electrical upgrades	\$	5,000
Misc Yard Piping	\$	3,000
Engineering / Design (10% of total install)	\$	10,680
Contingency (10% of total)	\$	11,748
Total Capital Costs	\$	<u>100,228.00</u>

Depreciation		
Assume 1/2 year convention for Accum. Depreciation	\$	2,897.91
Net Plant Increase for Replacement	\$	97,330.09
Rate of Return -		8.63%
Return	\$	8,396.53

#### Expenses Changes:

Additional Caustic Expense	\$	600.00
Additional Acid Expense	\$	2,000.00
Reduction in Chlorine Expense	\$	(597.98)
Additional Electrical Expense	\$	2,405.78
Aerator / Scrubber Cleaning / Maintenance	\$	1,200.00
Testing increase / sulfer	\$	960.00
Rate Case Expense Amortization	\$	211.75
Depreciation	\$	5,795.82
Tangible Tax	\$	1,129.03
Increase in Expenses	\$	13,704.41

Total Estimated Increase in Revenue Requirement	\$	22,100.94
RAF gross up		0.955
Total increase to Revenue Requirement	\$	23,142.34

2015 Revenues	\$	29,106.75
---------------	----	-----------

Percentage (%) Increase		<b>79.51%</b>
-------------------------	--	---------------

## Country Walk Utilities

### WITH 50% CONTRIBUTION FROM HOMEOWNERS:

Addition of Forced Aeration; Scrubber; etc.

Analysis:

#### Preliminary Cost Estimates (subject to change):

Acid Feed System / Tank / Storage / Containment	\$	15,000
Static Mixer	\$	4,000
5,000 gallon Ground Storage Tank	\$	10,000
Forced Draft Aerator	\$	45,000
Scrubber / Mulch Bed	\$	15,000
Caustic Addition / Feed system	\$	4,000
Water Softner for Caustic water supply to scrubber	\$	800
High Service Pump Station and Controls	\$	15,000
Misc site Work	\$	5,000
Misc electrical upgrades	\$	5,000
Misc Yard Piping	\$	3,000
Engineering / Design (10% of total install)	\$	12,180
Contingency (10% of total)	\$	13,398
Total Capital Costs	\$	<u>118,378.00</u>

Depreciation		
Assume 1/2 year convention for Accum. Depreciation	\$	3,339.09
Net Plant Increase for Replacement	\$	115,038.91
CONTRIBUTION FROM HOMEOWNERS	\$	(59,189.00)
AMORTIZATION OF CIAC	\$	1,669.54
NET PLANT WITH 100% CONTRIBUTION	\$	57,519.46

Rate of Return -		8.63%
Return	\$	4,962.12

#### Expenses Changes:

Additional Caustic Expense	\$	600.00
Additional Acid Expense	\$	2,000.00
Reduction in Chlorine Expense	\$	(597.98)
Additional Electrical Expense	\$	2,405.78
Aerator / Scrubber Cleaning / Maintenance	\$	1,200.00
Testing increase / sulfur	\$	960.00
Rate Case Expense Amortization	\$	211.75
Depreciation	\$	6,678.18
AMORTIZATION OF CIAC	\$	(3,339.09)
Tangible Tax	\$	1,334.45
Increase in Expenses	\$	11,453.09

Total Estimated Increase in Revenue Requirement	\$	16,415.22
RAF gross up		0.955
Total increase to Revenue Requirement	\$	17,188.71

2015 Revenues	\$	29,106.75
---------------	----	-----------

Percentage (%) Increase		<b>59.05%</b>
-------------------------	--	---------------



## Country Walk Utilities

WITH 100% CONTRIBUTION FROM HOMEOWNERS:

Addition of Forced Aeration; Scrubber; etc.

Analysis:

Preliminary Cost Estimates (subject to change):

Acid Feed System / Tank / Storage / Containment	\$	15,000
Static Mixer	\$	4,000
5,000 gallon Ground Storage Tank	\$	10,000
Forced Draft Aerator	\$	45,000
Scrubber / Mulch Bed	\$	15,000
Caustic Addition / Feed system	\$	4,000
Water Softner for Caustic water supply to scrubber	\$	800
High Service Pump Station and Controls	\$	15,000
Misc site Work	\$	5,000
Misc electrical upgrades	\$	5,000
Misc Yard Piping	\$	3,000
Engineering / Design (10% of total install)	\$	12,180
Contingency (10% of total)	\$	13,398
Total Capital Costs	\$	<u>118,378.00</u>

Depreciation

Assume 1/2 year convention for Accum. Depreciation \$ 3,339.09

Net Plant Increase for Replacement

\$ 115,038.91

CONTRIBUTION FROM HOMEOWNERS

\$ (118,378.00)

AMORTIZATION OF CIAC

\$ 3,339.09

NET PLANT WITH 100% CONTRIBUTION

\$ 0.00

Rate of Return -

8.63%

Return

\$ 0.00

Expenses Changes:

Additional Caustic Expense	\$	600.00
Additional Acid Expense	\$	2,000.00
Reduction in Chlorine Expense	\$	(597.98)
Additional Electrical Expense	\$	2,405.78
Aerator / Scrubber Cleaning / Maintenance	\$	1,200.00
Testing increase / suffer	\$	960.00
Rate Case Expense Amortization	\$	211.75
Depreciation	\$	6,678.18
AMORTIZATION OF CIAC	\$	(6,678.18)
Tangible Tax	\$	1,334.45
Increase in Expenses	\$	8,114.01

Total Estimated Increase in Revenue Requirement

\$ 8,114.01

RAF gross up

0.955

Total increase to Revenue Requirement

\$ 8,496.34

2015 Revenues

\$ 29,106.75

Percentage (%) Increase

**29.19%**