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February 2, 1994

William Troy Rendell
Regulatory Analyst
Florida Public Service Commission
Division of Water and Wastewater
101 East Gaines Street
Tallahassee Fl. 32399-0850

Re: Docket No. 931111-SU

Dear Mr. Rendell:

Enclosed, please find supplemental/revise exhibits and tariffs. These items respond to your request for additional information, beyond the noted deficiencies.

Since the original application was filed, the Franklin County Commission has decided not to grant permission for multi-family residential units in the Resort Village. Accordingly, we no longer anticipate the need to specifically deal with residential customers in the proposed tariff.

We have also had the opportunity to update and revise the financial projections, and have made the corresponding revisions to the enclosed tariffs. Below is an explanation of the effects of these changes on the PSC's additional required information. Please note that numerical references match those on pages 2 and 3 of your December 8, 1993 letter.

1. We have contacted Southern Water Service of Quincy Florida, and they have indicated a willingness and ability to provide the necessary services to meet the requirements of the Florida Department of Environmental Protection. Since the start of operations will not be until late 1994, at the earliest, we have not finalized a contract with this firm. Southern Water Services normally provides the state-required operations, and coordinates the training of other (local) maintenance personnel. We anticipate using this arrangement, although SWS is also willing to

ACK _____
 AFA _____
 APP _____
 CAF _____
 CMU _____
 CTR _____
 EAG _____
 LEG 1 _____
 LIN 6 _____
 GPC 1 _____
 RCH _____
 SWS 1 _____
 W.S. _____

- provide all of the required maintenance and operating services, if this proves necessary.
2. We currently anticipate that Phase I will be complete in 1994, Phase II will be complete in 1998, and Phase III will be complete in 2003. However, these dates will be adjusted as market conditions require. Construction of Phase II of the plant will be completed shortly before 100% of the capacity of Phase I is reached. We anticipate that both of these events will occur sometime in 1998. The system is projected to reach 80% of the capacity of Phase I in late 1997. Attached are revised Exhibits G, J, K, L, and M.
 3. Attached is an MAI appraisal by Bell, Griffith and Associates, indicating the value of the wastewater utility site to be \$117,000. All Exhibits and projections have been revised to reflect this appraisal, which was just recently been obtained.
 4. In our first submission the residential equivalent is assumed to be a multi-family unit (condominium apartment) producing 225 gallons per day. Given the smaller size of multi-family residences, this figure is appropriately less than the 300 gallons per day which could be anticipated for a single family house. Further evidence of this fact is shown in the St. George Island Utility Company's water tariff, on file with the Commission. Potable water usage generally exceeds waste water usage (due to lawn watering, etc.), but the pattern of multi-family usage (250 gallons) relative to single family usage (350 gallons) is similar. The differential between the cost study results and the tariff rate for a single family structure is based upon this difference in gallonage. Please note that Resort Village Utility, Inc. no longer anticipates providing service to residential customers. Accordingly, the MS and RS tariffs are being eliminated from the filing. Any incidental residential usage (e.g. for a manager's apartment) would be provided at the general service rates. Attached are revised tariff Sheets Nos. 17.0, 18.0, 19.0 and 25.0.
 5. Please note that the service availability charge for both single and multi-family residences has been eliminated from the tariffs, since it is no longer anticipated that any such customers will be served. Using the formulas provided in the

Resort Village Utility, Inc.
Pro Forma Balance Sheet
As of December 31, 1993

Assets	
Cash	5,000
Organizational Expense	15,000
Land	117,000
Facilities	63,100
Total Assets	200,100
Liabilities and Equity	
Liabilities	
Accounts Payable	18,100
Long Term Debt	82,000
Equity	
Common Equity	100,000
Total Liabilities and Equity	200,100

Resort Village Utility, Inc.
 Pro Forma Sewer Utility Plant
 FYE December 31, 1997
 100% of Design Capacity -- Phase I

<u>Acct. No.</u>		1994	1995	1996	1997
351	Organization	25,000	0	0	0
353	Land and Land Rights	117,000	0	0	0
360	Collection -- Force	45,000	2,000	2,000	2,000
380	Treatment and Disposal Equipment	301,963	0	0	0
Total		488,963	2,000	2,000	2,000
Treatment Capacity (ERC's) 30,000 GPD		133	133	133	133
Line Capacity (ERC's)		133	133	133	133
Projected Usage (ERC's)		21	49	75	102

ERC = 225 GPD

Resort Village Utility, Inc.
 Pro Forma Schedule of Expenses
 FYE December 31, 1997
 80% of Design Capacity -- Phase I

<u>Acct.</u> <u>No.</u>		
701	Salaries and Wages - Employees	11,126
711	Sludge Removal Expense	3,951
715	Purchased Power	6,418
718	Chemicals	8,168
720	Materials and Supplies	729
730	Contractual Services	6,637
755	Insurance Expense	1,216
775	Miscellaneous Expense	9,198
403	Depreciation Expense	13,617
408	Taxes Other Than Income	5,206
	Total Expenses	66,267
	Projected ERU's	102
	Annual Operating Expense per ERU	650
	Monthly Operating Expense Per ERU	54

Resort Village Utility, Inc.
Pro Forma Capital Structure
As of Dec. 31, 1997

Long Term Debt	312,636 62%
Common Equity	220,000
Retained Earnings	-30,192
Total Equity	189,808 38%
Total Debt and Equity	502,444 100%

Resort Village Utility, Inc.
Cost Study

Estimated Rate Base @ December 31, 1997				433,804
Rate of Return:				
	Ratio	Rate		
Long Term Debt	62%	9.00%	5.58%	
Common Equity	38%	12.00%	4.56%	
Rate of Return			10.14%	
Annual Return on Rate Base				43,988
Monthly Return on Rate Base				3,666
Number of ERUs @ 80% of Design Capacity				106
Monthly Cost of Capital per ERU				35
Monthly Expenses per ERU				54
Total Monthly Cost per ERU				89

NAME OF COMPANY Resort Village Utility, Inc.

WASTEWATER TARIFF

GENERAL SERVICE
RATE SCHEDULE GS

AVAILABILITY

Available throughout the area served by the Company.

APPLICABILITY

For wastewater service to all customers for which no other schedule applies.

LIMITATIONS

Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission

RATE

\$.396 per daily gallon. Daily flows are determined by Sheet Number 31.0.

TERMS OF PAYMENT

Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days' written notice is mailed to the customer separate and apart from any other bill, service may then be discontinued.

Ben Johnson, Ph.D.
ISSUING OFFICER

President
TITLE

ORIGINAL SHEET NO. 18.0

NAME OF COMPANY Resort Village Utility, Inc.

WASTEWATER TARIFF

"HELD FOR FUTURE USE"

Ben Johnson, Ph.D.
ISSUING OFFICER

President
TITLE

NAME OF COMPANY Resort Village Utility, Inc.

WASTEWATER TARIFF

"HELD FOR FUTURE USE"

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ISSUING OFFICER

President
TITLE

NAME OF COMPANY Resort Village Utility, Inc.

WASTEWATER TARIFF

SERVICE AVAILABILITY SCHEDULE OF FEES AND CHARGES

<u>Description</u>	<u>Amount</u>	<u>Sheet Number</u>
Service Availability Fee		
All Rate Schedules - Per Gallon (See Sheet 31.0)	\$1.00	30.0

Ben Johnson, Ph.D.
ISSUING OFFICER

President
TITLE

NAME OF COMPANY Resort Village Utility, Inc.

WASTEWATER TARIFF

APPLICATION FOR WASTEWATER SERVICE

Resort Village Utility, Inc.
Wastewater Service Agreement

This agreement, between Resort Village Utility, Inc. hereinafter referred to as the Utility, and _____ hereinafter referred to as the Customer.

WHEREAS, the Customer desires to purchase wastewater collection, treatment and disposal service from the Utility and to enter into a wastewater service agreement as required by the Utility.

NOW THEREFORE, in consideration of the mutual covenants, promises and agreements herein contained, it is hereby understood and agreed:

The Utility shall furnish the means of collection, treatment and disposal of the wastewater created by the Customer on his/her premises described as:

The customer shall pay for such service at the following rates per month, effective as of the date of this Agreement:

General Service: \$.396 per Daily Gallon

Bills are payable when rendered and become delinquent if not paid within twenty (20) days. Once delinquent, interest shall accrue on the unpaid balance at 1% per month. Service to customers with a delinquent bill may be discontinued after five (5) days written notice. If service is discontinued for reason of non-payment, a reconnect fee of \$15.00 will be paid for the reconnection in addition to payment of past due amounts plus interest before a reconnection of service is made.

Ben Johnson, Ph.D.
ISSUING OFFICER

President
TITLE