

**Camachee Island Company, Inc
d/b/a Camachee Cove Yacht Harbor Utility
3070 Harbor Drive
St Augustine, FL 32084**

June 3, 2016

Mr Todd M Brown
Division of Accounting and Finance
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RECEIVED-FPSC
2016 JUN -7 PM 5:00
COMMISSION
CLERK

RE: Camachee Island Company, Inc d/b/a Camachee Cove Yacht Harbor Utility
Application for a Limited Revenue Proceeding

Dear Mr Brown,

We are requesting a limited revenue proceeding pursuant to Rule 25-30.445, Florida Administrative Code on behalf of Camachee Island Company, Inc d/b/a Camachee Cove Yacht Harbor Utility (CCYH Utility) located at 3070 Harbor Drive, St Augustine, FL 32084, a Class C utility providing water service to approximately 100 customers in St Johns County. CCYH Utility is a division of and wholly owned by Camachee Island Company, Inc, a Florida Corporation.


CCYH Utility recently received approval for the 2016 Price Index for Water Service in St Johns County effective for service rendered after June 15th, 2016 under Authority number WS-16-0047.

CCYH Utility is requesting this limited revenue proceeding to achieve the revenues previously authorized in the staff assisted rate case Docket No. 090230-WU, Order No PSC-10-0126-PAA-WU issued March 3, 2010, plus the additional revenues authorized by approved price indices since the issuance of the order in the previous rate case, and to recover an allowance for the estimated rate case expenses and regulatory assessment fees related to making this change in rates. The rate structure determined in the SARC was to achieve a positive rate of return not to exceed 9.67%. As reflected in the attached schedules, the rate of return will reflect a negative return but should provide considerable improvement over the rate of return realized during the past several years. The SARC was based on the 2008 test year usage of 9,142,000 gallons whereas the average annual usage from 2009 through 2015 has only been 7,505,000 gallons. This considerable reduction in usage has contributed to CCYH Utility's inability to recover its expenses and earn a fair rate of return on its investments since the rate case. The rate base has not declined, the service area is built-out and no further growth to the customer base is expected.

This application will be available for customer inspection at the office of Camachee Island Company, Inc located at 3070 Harbor Drive, St Augustine, FL which is convenient for the service area customers.

The Utility will comply with the noticing requirements in Rule 25-30.446, F.A.C.

If you have any questions or need additional information please let me know.

Sincerely,

Peter Sabo
President

COM _____
AFD 3
APA 1
ECO 1
ENG 1
GCL 1
IDM _____
TEL _____
CLK _____

Camachee Island Company, Inc d/b/a Camachee Cove Yacht Harbor Utility
Table of Contents
Limited Revenue Proceeding

	Page
Schedule of Present and Proposed Water Rates	1
Schedule of Water Revenue at Existing and Proposed Rates Summary	2
Schedule of Water Tariff Indexes	3
Schedule of Actual and Proforma Water Operating Income and Water Rate Base	4
Schedule of Adjustments	5
Schedule of Water Revenue at Existing and Proposed Rates	6

Camachee Island Company, Inc d/b/a Camachee Cove Yacht Harbor Utility
 Calendar Year Ended 12-31-15
 Schedule of Present and Proposed Rates Water Rates

Tariffs	Present Rates Authority No. WS-16-0047	Proposed Rates
General and Residential service		
<u>Meter Size</u>	<u>Base Facility Charges:</u>	
5/8 x 3/4"	\$ 13.91	\$ 23.13
3/4"	\$ 20.84	\$ 34.66
1"	\$ 34.75	\$ 57.79
1 - 1/2"	\$ 69.49	\$ 115.56
2"	\$ 111.21	\$ 184.94
3"	\$ 222.41	\$ 369.87
4"	\$ 347.48	\$ 577.86
6"	\$ 694.99	\$ 1,155.77
Flat rate for unmetered GS customer	\$ 71.43	\$ 118.79
Charge per 1,000 gallons RS		
0-3,000 gallons	\$ 2.26	\$ 3.76
3,001-6,000 gallons	\$ 6.75	\$ 11.23
6,001-12,000 gallons	\$ 10.14	\$ 16.86
Over 12,000 gallons	\$ 13.51	\$ 22.47
Charge per 1,000 gallons GS customer	\$ 9.04	\$ 15.03
Fire Protection		
<u>Meter Size</u>	<u>Base Facility Charges:</u>	
1"	\$ 2.91	\$ 4.84
2"	\$ 9.25	\$ 15.38
3"	\$ 18.53	\$ 30.82
4"	\$ 28.96	\$ 48.16
6"	\$ 57.90	\$ 96.29

Camachee Island Company, Inc d/b/a Camachee Cove Yacht Harbor Utility
 Calendar Year Ended 12-31-15
 Schedule of Water Revenue at Existing and Proposed Rates Summary

Tariffs	At Actual Tariff Rates	Annualized at Current Indexed Rates	At Proposed Rates
Residential (includes Fire protection)	\$24,101	\$24,402	\$40,587
Commercial	41,670	41,251	68,587
Multi-Family	11,862	12,520	20,821
 Total Water Revenue	 77,633	 78,173	 129,995
 PSC Authorized Water Revenue Order PSC-10-0126-PAA-WU plus Approved 2010-2015 Indices	 114,439 15,564	 Page 3	
PSC Authorized Rev plus Index increase:	130,003		
 Revenue Requirement	 130,003	Revenue Required	130,003
Annualized at Current Indexed Rates	78,173	Revenue at Proposed Rate	129,995
Revenue Increase Required	51,830	Immaterial Difference	8
 Percentage Increase Needed	 66.30%		

Camachee Island Company, Inc d/b/a Camachee Cove Yacht Harbor Utility
 Calendar Year Ended 12-31-15
 Schedule of Water Tariff Indexes

Residential and General Service	Rate Case	Index Rates	Index Rates	Index Rates	Index Rates	Index Rates	Index Rates	Current Index
	April 15, 2010 2nd Revised	January 17, 2011 3rd Revised	August 30, 2011 4th Revised	June 15, 2012 5th Revised	June 15, 2013 6th Revised	May 15, 2014 7th Revised	September 15, 2015 1st Revised	Rates June 15, 2016 2nd Revised
<u>Meter Size</u>								
5/8 x 3/4"	12.23	12.30	12.46	12.87	13.41	13.43	13.68	13.91
3/4"	18.35	18.45	18.68	19.29	20.10	20.12	20.49	20.84
1"	30.58	30.75	31.14	32.16	33.52	33.55	34.17	34.75
1 - 1/2"	61.15	61.49	62.27	64.31	67.02	67.09	68.34	69.49
2"	97.84	98.39	99.64	102.91	107.25	107.36	109.36	111.21
3"	195.68	196.78	199.28	205.82	214.51	214.72	218.71	222.41
4"	305.75	307.46	311.36	321.57	335.14	335.47	341.71	347.48
6"	611.50	614.92	622.73	643.16	670.30	670.96	683.44	694.99
<u>Charge per 1,000 gallons RS customer</u>								
0-3,000 gallons	1.98	1.99	2.02	2.09	2.18	2.18	2.22	2.26
3,001-6,000 gallons	5.95	5.98	6.06	6.26	6.52	6.52	6.64	6.75
6,001-12,000 gallons	8.92	8.97	9.08	9.38	9.78	9.79	9.97	10.14
Over 12,000 gallons	11.89	11.96	12.11	12.51	13.04	13.05	13.29	13.51
Charge per 1,000 gallons GS customer	7.96	8.00	8.10	8.37	8.72	8.73	8.89	9.04
Flat rate for unmetered GS customer	62.86	63.21	64.01	66.11	68.90	68.96	70.24	71.43
<u>Private Fire Protection</u>								
	Rate Case	Index Rates	Index Rates	Index Rates	Index Rates	Index Rates	Index Rates	Current Index
	April 15, 2010	January 17, 2011	August 30, 2011	June 15, 2012	June 15, 2013	May 15, 2014	September 15, 2015	Rates
		1st Revised	3rd Revised	4th Revised	5th Revised	7th Revised	1st Revised	June 15, 2016
<u>Meter Size</u>								2nd Revised
1"	N/A *	N/A	2.60	2.69	2.80	2.81	2.86	2.91
2"	8.15	8.20	8.30	8.57	8.93	8.93	9.10	9.25
3"	16.31	16.40	16.61	17.15	17.87	17.89	18.22	18.53
4"	25.48	25.62	25.95	26.80	27.93	27.96	28.48	28.96
6"	50.96	51.25	51.89	53.59	55.85	55.90	56.94	57.90
Sum of Rates	1,533.54	1,542.12	1,564.29	1,615.61	1,683.77	1,685.42	1,716.75	1,745.76

* Adjusted to 2.60 as if initial setup of 1" FP was initiated in Rate Case year for calculation of % increase in Index.

Authorized Revenue PSC Rate case	114,439
X % Increase in Index	13.6%
Index Increase	15,564
Total adjusted Revenue	130,003

Camachee Island Company, Inc d/b/a Camachee Cove Yacht Harbor Utility
 Calendar Year Ended 12-31-15
 Schedule of Actual and Proforma Water Operating Income and Water Rate Base

Description	2015 Actual	2015 Adjustments	Adjusted 2015 Annualized at Current Indexed Rates	Requested Adjustments	Projected Annual Revenues
Water Revenues	<u>\$77,633</u>	<u>540 (a)</u>	<u>\$78,173</u>	<u>51,830 (c)</u>	<u>\$130,003</u>
Operating Revenues	77,633	540	78,173	51,830	130,003
Operation & Maintenance	101,152		101,152	1,387 (e)	102,539
Depreciation	18,307		18,307		18,307
Amortization of CIAC	(674)		(674)		(674)
Taxes Other than Income	<u>6,257</u>	<u>24 (b)</u>	<u>6,281</u>	<u>2,332 (f)</u>	<u>8,613</u>
Operating Expenses	125,042	24	125,066	3,719	128,785
Misc Revenues	<u>340</u>	<u>-</u>	<u>340</u>	<u>-</u>	<u>340</u>
NET OPERATING INCOME	(47,069)	516	(46,553)	48,111	1,558
RATE BASE	318,612		318,612		318,612
RATE OF RETURN	-14.77%		-14.61%		0.49%

Camachee Island Company, Inc d/b/a Camachee Cove Yacht Harbor Utility
 Calendar Year Ended 12-31-15
 Schedule of Adjustments

2015 Adjustments

(a)	2015 Revenue per Annual Report	\$77,633	
	Increase due to Annualizing Rates	540	
	Adjusted Revenue if billed at current index rates	78,173	Page 4

(b)	Regulatory Adjustment Fees		
	Revenue as if billed at current rates	\$78,173	
	RAF Rate 4.5%	3,518	
	less 2015 Actual RAF	3,494	
	RAF Adjustment	24	Page 4

Requested Adjustments

(c)	Required Revenue Increase		
	2015 Adjusted Revenue	\$78,173	
	Revenue Increase Required	51,830	Page 2
	Revenue required	130,003	
	Revenue at Proposed Rates	129,995	
	Immaterial difference	8	

(d)	Estimated Rate Case Expense		
	Accounting - CPA's	4,800	
	Filing Fee	500	
	Estimated Rate Case Expense	5,300	

	Amortization of Rate Case Exp 4 years	1,325	
--	---------------------------------------	-------	--

(e)	Regulatory Adjustment Fees		
	Amortization of Rate Case Expense	1,325	
	RAF Gross-up 95.5%	62	
	Amortization RCE with RAF Gross-up	1,387	

(f)	Revenue Required	130,003	
	RAF Rate 4.5%	5,850	
	less 2015 actual RAF	3,494	
	less RAF adjustment (b)	24	
	Incremental RAF Expense	2,332	

Camachee Island Company, Inc d/b/a Camachee Cove Yacht Harbor Utility
Calendar Year Ended 12-31-15

Schedule of Water Revenue at Existing and Proposed Rates

Tariffs	No. Bills/ Gallons Sold	Annualized at Current Indexed Rates	Annualized at Current Indexed Rates Revenue	Proposed Rates	Proposed Revenue
Residential Service					
Index Rates 2nd Revised					
Base Facility Charges					
5/8 x 3/4"	160	13.91	\$2,226	23.13	\$3,701
3/4"	312	20.84	6,502	34.66	10,814
1"	120	34.75	4,170	57.79	6,935
Total Base Facility Charges	592		12,898		21,450
Charge per 1,000 gallons					
Consumption-Residential					
0 - 3,000 gallons	1,269,560	2.26	2,869	3.76	4,774
3,001-6,000 gallons	498,860	6.75	3,367	11.23	5,602
6,001-12,000 gallons	280,220	10.14	2,841	16.86	4,725
Over 12,000 gallons	163,210	13.51	2,205	22.47	3,667
Total Gallonage Charges	2,211,850		11,282		18,768
Multi-Family					
Index Rates 2nd Revised					
Base Facility Charges					
5/8 x 3/4"	180	13.91	2,504	23.13	4,163
3/4"	24	20.84	500	34.66	832
1"	12	34.75	417	57.79	693
2"	36	111.21	4,004	184.94	6,658
Total Base Facility Charges	252		7,425		12,346
Charge per 1,000 gallons					
Consumption-Multi-family					
0 - 3,000 gallons	445,090	2.26	1,006	3.76	1,674
3,001-6,000 gallons	164,030	6.75	1,107	11.23	1,842
6,001-12,000 gallons	184,130	10.14	1,867	16.86	3,104
Over 12,000 gallons	82,540	13.51	1,115	22.47	1,855
Total Gallonage Charges	875,790		5,095		8,475
General Service					
Index Rates 7th Revised					
Base Facility Charges					
5/8 x 3/4"	144	13.91	2,003	23.13	3,331
3/4"	108	20.84	2,251	34.66	3,743
1"	-	34.75	-	57.79	-
1 - 1/2"	12	69.49	834	115.56	1,387
2"	24	111.21	2,669	184.94	4,439
Total Base Facility Charges	288		7,757		12,900
Commercial-General Service Flat Rate	3,705,040	9.04	33,494	15.03	55,687
Flat rate for unmetered customers	-	71.43	-	118.79	-
Fire-Protection					
Index Rates 6th Revised					
Base Facility Charges					
1"	-	2.91	-	4.84	-
2"	24	9.25	222	15.38	369
Total Base Facility Charges	24		222		369
			78,173		129,995