

FILE
NC

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

RECEIVED-DOCKETING DIV
2006 DEC 18 PM 3:54
PUCO

In the Matter of the Application of Salt
Fork Utility Company for Approval of
Contract with Rocky Point Licensees
Association pursuant to Section
4905.31, Ohio Revised Code

Case No. ^{Del} 06 1475 -WS-AEC

APPLICATION FOR APPROVAL OF CONTRACT

COMES NOW Salt Fork Utility Company, hereinafter referred to as "Applicant", and respectfully submits its application pursuant to Section 4905.31, Ohio Revised Code, for approval of its contract with Rocky Point Licensees Association, a copy of which is attached hereto as Exhibit A. In support of its application, Applicant respectfully states as follows:

1. Applicant is a waterworks and sewage disposal company as defined in Section 4905.03 of the Ohio Revised Code and a public utility as defined in Section 4905.02 and, as such, is subject to the jurisdiction of this Commission.
2. Applicant proposes to render water and sewer services to Rocky Point Licensees Association pursuant to the Rate and Service Agreement attached as Exhibit A and as permitted by Applicant's water and sewer tariffs, copies of which are attached hereto as Exhibits B and C, respectively. Said Rate and Service Agreement is identical in all respects with previous agreements submitted to and approved by the Commission pursuant to said tariffs except for the rate set forth in Paragraph 1 and the commencement date set forth in Paragraph 8. The Rate and Service Agreement (other than the rate and effective date) was most recently approved by the Commission in PUCO Case Nos. 01-3187-WS-AEC, 01-3188-WS-AEC, and 01-3189-WS-AEC.
3. Attached as Exhibit D are Applicant's projected income statements for the 12

This is to certify that the former copy of this document is accurate and complete representation of a true and correct document delivered in the regular course of business.
Technician AW Date Processed 12-18-06

months ended December 31, 2006 and December 31, 2007, the first year for which the new rate will be effective. The statements and the resulting rate were shared with and approved by representatives of Rocky Point Licensees Association Attached as Exhibit E is the methodology employed in developing the new rate which tracks the statutory rate-making formula employed by the Commission in general rate cases. While not applicable to applications filed under Section 4905.31, reference to that formula establishes that the new rate is fair, just, and reasonable and should be approved by the Commission.

4. Should additional information be required, Applicant requests that inquiries be directed to its attorney.

WHEREFORE, Applicant respectfully requests that the attached agreement be approved forthwith.

Respectfully submitted,

SALT FORK UTILITY COMPANY

By



David Wm. T. Carroll, Its Attorney
7100 North High Street, Suite 301
Worthington, Ohio 43085
614.547.0350. fax: 614.547.0354

RATE AND SERVICE AGREEMENT

THIS AGREEMENT made and entered into this 15 day of December 2006, by and between SALT FORK UTILITY COMPANY, an Ohio corporation organized for the purpose of operating a waterworks and sewage disposal company (hereinafter referred to as "Utility"), and ROCKY POINT LICENSEES ASSOCIATION, INC., an Ohio nonprofit corporation (hereinafter referred to as "Association").

WITNESSETH:

WHEREAS, Utility operates a waterworks and sewage disposal system and desires to render service to Rocky Point; and

WHEREAS, Association is composed of the owners of parcels of real property situated in a real estate subdivision or development known and described as Rocky Point and

WHEREAS, Association and Utility desire to enter into an agreement setting forth the rates, terms, and conditions pursuant to which Utility will render water and sewer service to Association, subject to the approval of the Public Utilities Commission of Ohio ("PUCO").

NOW, THEREFORE, in consideration of the premises and mutual promises and agreements of the parties hereto, Association and Utility hereby agree as follows:

1. Association shall pay to Utility \$.0254 per gallon per month for all water and sewer service provided pursuant to this Agreement.
2. All service lines shall be installed and maintained by Association at its

expense. Service lines shall have a minimum earth cover equal to the connecting distribution line. Utility shall not be responsible for damage caused by water escaping from a service line or fixture unless caused by Utility or its agents or employees. The term "service line(s)" as used herein means that portion of a water or sewer line located within the boundaries of property owned by Association as distinguished from distribution lines or mains constructed and owned by Utility.

3. All taps and connections to Utility's distribution lines and/or mains shall be made under the direction and supervision of Utility, and Utility shall be entitled to disconnect and remove immediately any unauthorized tap or connection to its system. Water supplied from Utility's system shall be the exclusive source of supply for Association. All property of Association receiving a supply of water and all service line fixtures, including any and all fixtures within the property lines of Association, shall be subject to inspection by Utility at any reasonable time.
4. Should Association have a boiler or boilers connected with Utility's systems, it must install and maintain a check valve on the supply line thereto and a vacuum valve to prevent collapse in the event that the water supply is interrupted or disconnected.
5. Utility shall make all reasonable efforts to eliminate interruptions of service and, when such interruptions occur, will endeavor to reestablish service with the shortest possible delay. Whenever the service is interrupted for the

purpose of working on the distribution system or the station equipment, Association will be notified in writing in advance whenever it is practicable to do so. When it is not practicable to give prior notice to an interruption in service, Utility shall notify Association in writing within twenty-four (24) hours as to the cause of the interruption of service. Utility shall not be liable for any damages for failure to supply water as long as it is in compliance with this Agreement.

6. Service may be disconnected by Utility for any of the following reasons:
 - (a) For allowing any excessive waste or misuse of water due to the failure of Association to properly maintain its portion of the service lines as set out in Paragraph 2 above. In such event, Utility shall promptly notify Association in particularity the reason for disconnection of service. Service shall be promptly reestablished upon Association's repair of the service line.
 - (b) Nonpayment within fourteen (14) days of bills for water service furnished by Utility.
 - (c) For tampering with any meter or the seal thereof, service pipe or curb stop, cock or box, or permitting such tampering by others.
 - (d) For selling or giving away any water without written permission from Utility.
7. If the monthly payments provided for in Paragraph 1 above are not received by the tenth (10th) day of the month when due, Utility shall be entitled to assess a late payment charge equal to five percent (5%) of the amount due.
8. The term of this Agreement shall commence on January 1, 2007 and shall continue in force and effect for a period of one (1) year and from month-to-

month thereafter until a new agreement is entered into by the parties and approved by the PUCO or until new rates are fixed by the PUCO or a duly-constituted successor agency.

9. This Agreement shall be governed by the laws of Ohio.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first above written.

Attest:

Daniel R. Rue
Secretary

SALT FORK UTILITY COMPANY

By: Carl Faber, president

Attest:

Lois M. Lounan
Secretary

ROCKY POINT LICENSEES

ASSOCIATION, INC.

By: Donald L. Castelle
President

SALT FORK UTILITY COMPANY
74978 Broadhead Road
Kimbolton, OH 43749

RECEIVED-DOCKETING DIV

2003 JAN 16 AM 10:37

Section 1
Third Revised Sheet No. 1

P.U.C.O. No. 1

WATER SERVICE TARIFF

Any and all current and future customers to be served by Salt Fork Utility Company will be served on a "Special Contract" basis. All such contracts are and will be subject to the approval of the Public Utilities Commission of Ohio.

The rate and service agreement between Salt Fork Utility Company and Cardida Corporation executed on November 19, 2001 and approved by the PUCO in Case No. 01-3187-WS-AEC shall continue in force and effect through January 1, 2003 and from month to month thereafter until a new agreement is entered into by the parties and approved by the PUCO or until new rates are fixed by the PUCO.

The rate and service agreement between Salt Fork Utility Company and Rocky Point Licensees Association, Inc. executed on November 17, 2001 and approved by the PUCO in Case No. 01-3188-WS-AEC shall continue in force and effect through January 1, 2003 and from month to month thereafter until a new agreement is entered into by the parties and approved by the PUCO or until new rates are fixed by the PUCO.

The rate and service agreement between Salt Fork Utility Company and Salt Fork Campground Property Owners Association, Inc. executed on December 4, 2001 and approved by the PUCO in Case No. 01-3189-WS-AEC shall continue in force and effect through January 1, 2003 and from month to month thereafter until a new agreement is entered into by the parties and approved by the PUCO or until new rates are fixed by the PUCO.

The rate and service agreement between Salt Fork Utility Company and Salt Fork Resort Club, Inc. executed on November 17, 2001 and approved by the PUCO in Case No. 01-3190-WS-AEC shall continue in force and effect through January 1, 2003 and from month to month thereafter until a new agreement is entered into by the parties and approved by the PUCO or until new rates are fixed by the PUCO.

The rate and service agreement between Salt Fork Utility Company and Security First Capital, Ltd., dba Grand Haven Resort executed on November 19, 2001 and approved by the PUCO in Case No. 01-3191-WS-AEC shall continue in force and effect through January 1, 2003 and from month to month thereafter until a new agreement is entered into by the parties and approved by the PUCO or until new rates are fixed by the PUCO.

ISSUED January 14, 2003 EFFECTIVE January 9, 2003

Filed under authority of Order Nos. 01-3187-WS-AEC,
01-3188-WS-AEC, 01-3189-WS-AEC, 01-3190-WS-ACE, and
01-3191-WS-ACE issued by the Public Utilities
Commission of Ohio, dated January 9, 2003

Issued by Carl A. La Rue, President of Salt Fork Utility Company

EXHIBIT B

SALT FORK UTILITY COMPANY
74978 Broadhead Road
Kimbolton, OH 43749

RECEIVED-DOCKETING DIV
Section 1
Third Revised Sheet No. 1
2003 JAN 16 AM 10:37

P.U.C.O. NO. 1

PUCO

SEWER SERVICE TARIFF

Any and all current and future customers to be served by Salt Fork Utility Company will be served on a "Special Contract" basis. All such contracts are and will be subject to the approval of the Public Utilities Commission of Ohio.

The rate and service agreement between Salt Fork Utility Company and Cardida Corporation executed on November 19, 2001 and approved by the PUCO in Case No. 01-3187-WS-AEC shall continue in force and effect through January 1, 2003 and from month to month thereafter until a new agreement is entered into by the parties and approved by the PUCO or until new rates are fixed by the PUCO.

The rate and service agreement between Salt Fork Utility Company and Rocky Point Licensees Association, Inc. executed on November 17, 2001 and approved by the PUCO in Case No. 01-3188-WS-AEC shall continue in force and effect through January 1, 2003 and from month to month thereafter until a new agreement is entered into by the parties and approved by the PUCO or until new rates are fixed by the PUCO.

The rate and service agreement between Salt Fork Utility Company and Salt Fork Campground Property Owners Association, Inc. executed on December 4, 2001 and approved by the PUCO in Case No. 01-3189-WS-AEC shall continue in force and effect through January 1, 2003 and from month to month thereafter until a new agreement is entered into by the parties and approved by the PUCO or until new rates are fixed by the PUCO.

The rate and service agreement between Salt Fork Utility Company and Salt Fork Resort Club, Inc. executed on November 17, 2001 and approved by the PUCO in Case No. 01-3190-WS-AEC shall continue in force and effect through January 1, 2003 and from month to month thereafter until a new agreement is entered into by the parties and approved by the PUCO or until new rates are fixed by the PUCO.

The rate and service agreement between Salt Fork Utility Company and Security First Capital, Ltd., dba Grand Haven Resort executed on November 19, 2001 and approved by the PUCO in Case No. 01-3191-WS-AEC shall continue in force and effect through January 1, 2003 and from month to month thereafter until a new agreement is entered into by the parties and approved by the PUCO or until new rates are fixed by the PUCO.

ISSUED	<u>January 14, 2003</u>	EFFECTIVE	<u>January 9, 2003</u>
--------	-------------------------	-----------	------------------------

Filed under authority of Order Nos. 01-3187-WS-AEC,
01-3188-WS-AEC, 01-3189-WS-AEC, 01-3190-WS-AEC, and
01-3191-WS-AEC issued by the Public Utilities
Commission of Ohio, dated January 9, 2003

Issued by Carl A. La Rue, President of Salt Fork Utility Company

EXHIBIT C

**SALT FORK UTILITY COMPANY
PROFIT AND LOSS
PROJECTION 2006/2007**

FILE: SFUPRO06

ACCOUNT #	DESCRIPTION	TOTAL YR. 2006	% TO SALES	TOTAL YR. 2007	% TO SALES
<u>INCOME</u>					
461	PIKE'S PEAK	1858176.00		1858176.00	
	SALT FORK RESORT CLUB	2334794.00		2568273.40	
	CARDIDA	431150.50		474265.55	
	GRAND HAVEN	1697586.00		2308716.96	
	ROCKY POINT	139040.00		152944.00	
	TOTAL USAGE	6460746.50		7362375.91	
	TOTAL USAGE SALES .0242	156350.07		178169.50	
TOTAL INC		156350.07		178169.50	
<u>EXPENSE</u>					
403	DEPRECIATION	13162.38	8.42%	13162.38	7.39%
408	TAXES OTHER THAN INC TAX				
	EXCISE TAX	6239.13	3.99%	7275.55	4.08%
	PERS PPTY TAX	7363.84	4.71%	7363.84	4.13%
427.A	INTEREST EXP LT DEBT	6392.32	4.09%	4750.68	2.67%
600	WATER-SALARIES & WAGE	18318.46	11.72%	19234.38	10.80%
620	WATER FUEL POWER PUMP	11732.86	7.50%	12319.50	6.91%
630	WATER CHEMICALS	0.00	0.00%	0.00	0.00%
640	WATER SUPPLIES & EXP	1887.49	1.21%	1981.87	1.11%
650	WATER REPAIRS	154.14	0.10%	161.85	0.09%
681	OFFICE SUPPLIES & OTHER	28.75	0.02%	30.19	0.02%
682	WATER OUTSIDE SVCS	6508.31	4.16%	6833.72	3.84%
700	SEWER SUPERV & ENG	0.00	0.00%	0.00	0.00%
701	LABOR & EXPENSES	477.75	0.31%	501.64	0.28%
704	SEWER CHEMICALS	123.99	0.08%	130.19	0.07%
706	SEWER MISC SUPPL & OTH	8839.66	5.65%	9281.64	5.21%
712	SEWER MAINTENANCE	40898.03	26.16%	42942.93	24.10%
920	MANAGEMENT FEE	6300.00	4.03%	6615.00	3.71%
923	ADMIN. OUTSIDE SVCS	10397.61	6.65%	10917.50	6.13%
924	ADMIN INSURANCE	2835.00	1.81%	2976.75	1.67%
930	ADMIN MISC	0.00	0.00%	0.00	0.00%
		141659.71	90.60%	146479.59	82.21%
<u>NET ORDINARY INCOME</u>		14690.36	9.40%	31689.90	17.79%
421	NONUTIL INC GAIN ON SALE	0.00	0.00%	0.00	0.00%
<u>OTHER EXPENSE</u>					
409	INCOME TAXES	1095.90	0.70%	2364.07	1.33%
410	PROV FOR DEF TAXES	1106.18	0.71%	2386.25	1.34%

**SALT FORK UTILITY COMPANY
PROFIT AND LOSS
PROJECTION 2006/2007**

FILE: SFUPRO06

ACCOUNT #	DESCRIPTION	TOTAL YR. 2006	% TO SALES	TOTAL YR. 2007	% TO SALES
<u>NET INCOME</u>		12488.27	7.99%	26939.59	15.12%
<u>GROSS PLANT</u>					
BEG YR PLANT & EQUIP		472107.07		472107.07	
ADD		0.00		0.00	
ADD		0.00		0.00	
YR END PLANT & EQUIP		472107.07		472107.07	
01/01 ACCUM DEPR		129292.27		142454.65	
CY DEPR PREV ASSETS		13162.38		13162.38	
YR END TOT ACCUM DEPR		142454.65		155617.03	
YR END BOOK VALUE LESS A/D		329652.42		316490.04	
<u>RATE BASE</u>					
GROSS PLANT LESS BOOK DEPR		329652.42		316490.04	
ADD 1/8 OF EXPENSE		17707.46		18309.95	
LESS 1/4 FED INC TAX		-550.52		-1187.58	
RATE BASE		346809.36		333612.41	
APPLY RATE TO BASE 12%		41617.12		40033.49	
ADD BACK ALL OP EXP		141659.71		146479.59	
LESS INTEREST EXP		-6392.32		-4750.68	
REVENUE REQUIREMENT		176884.51		181762.40	

