

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Salt  
Fork Utility Company for Approval of  
Contract with Salt Fork Resort Club,  
Inc. pursuant to Section 4905.31, Ohio  
Revised Code

Case No. 11-            -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 Salt Fork Resort Club, Inc., 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 Salt Fork Resort Club, Inc. 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

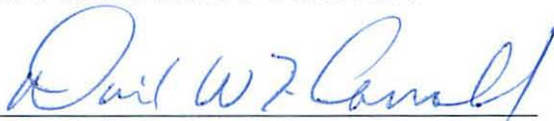
months ended December 31, 2012 and December 31, 2013, the first year for which the new rate will be effective. The statements and the resulting rate were shared with and approved by representatives of Salt Fork Resort Club, Inc. Attached as Exhibit E is the methodology employed in developing the new 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 W. 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 20<sup>th</sup> day of August 2011, 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 SALT FORK RESORT CLUB, 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 Salt Fork Resort; 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 Section B of Salt Fork Resort; 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 \$.0305 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 of 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 in whole or in part 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 December 1, 2011 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:

SALT FORK UTILITY COMPANY

\_\_\_\_\_  
Secretary

By: Carl La Rue, president

Attest:

SALT FORK RESORT CLUB, INC.

Anthony L. Shaye  
Secretary

By: [Signature]

President

SALT FORK UTILITY COMPANY  
74978 Broadhead Road  
Kimbolton, OH 43749

Section 1  
Fifth Revised Sheet 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 August 31, 2011, and approved by the PUCO in Case No. 11-\_\_\_\_\_-WS-AEC, the rate being effective no earlier than approval, shall continue in force and effect through November 30, 2012, 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 August 31, 2011, and approved by the PUCO in Case No. 11-\_\_\_\_\_-WS-AEC, the rate being effective no earlier than approval, shall continue in force and effect through November 30, 2012, 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 August 31, 2011, and approved by the PUCO in Case No. 11-\_\_\_\_\_-WS-AEC, the rate being effective no earlier than approval, shall continue in force and effect through November 30, 2012, 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.

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ISSUED \_\_\_\_\_

EFFECTIVE \_\_\_\_\_

Filed under authority of Order Nos. 11-\_\_\_\_\_-WS-AEC, 11-\_\_\_\_\_-WS-AEC,  
11-\_\_\_\_\_-WS-AEC, 11-\_\_\_\_\_-WS-AEC issued by the Public Utilities  
Commission of Ohio, dated \_\_\_\_\_  
Issued by Carl A. La Rue, President of Salt Fork Utility Company

SALT FORK UTILITY COMPANY  
74978 Broadhead Road  
Kimbolton, OH 43749

Section 1  
Fifth Revised Sheet No. 1

SEWER SERVICE TARIFF

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11-\_\_\_\_-WS-AEC, 11-\_\_\_\_-WS-AEC issued by the Public Utilities  
Commission of Ohio, dated \_\_\_\_\_  
Issued by Carl A. La Rue, President of Salt Fork Utility Company



## Exhibit D

**SALT FORK UTILITY COMPANY  
PROFIT AND LOSS  
ACTUAL 06/30/11-PROJECTION 06/30/12**

FILE: SFUPRO11

ACCOUNT #	DESCRIPTION	ACTUAL TOTAL YR. 6/30/2011	% TO SALES	PROJ TOTAL YR. 6/30/2012	% TO SALES
<b><u>INCOME</u></b>					
461	PIKE'S PEAK	1,352,125		1,352,125	
	SALT FORK RESORT CLUB	1,969,097		1,969,097	
	GRAND HAVEN	1,383,505		1,383,505	
	ROCKY POINT	76,103		76,103	
	TOTAL USAGE	4,780,830		4,780,830	
	TOTAL USAGE SALES	121,433.08		121,433.08	
<b>TOTAL INC</b>		<b>121,433.08</b>		<b>121,433.08</b>	
<b><u>EXPENSE</u></b>					
403	DEPRECIATION	9,621.55	7.92%	9,621.55	7.92%
408	TAXES OTHER THAN INC TAX				
	EXCISE TAX	3,743.62	3.08%	4,580.57	3.77%
	PERS PPTY TAX	13,106.10	10.79%	13,761.41	11.33%
427.A	INTEREST EXP LT DEBT	-	0.00%	-	0.00%
600	WATER-SALARIES & WAGE	16,862.29	13.89%	17,705.40	14.58%
620	WATER FUEL POWER PUMP	2,912.35	2.40%	3,057.97	2.52%
630	WATER CHEMICALS	151.12	0.12%	158.68	0.13%
640	WATER SUPPLIES & EXP	1,343.44	1.11%	1,410.61	1.16%
650	WATER REPAIRS	5,000.00	4.12%	5,250.00	4.32%
660	WATER TRANSPORTATION	1,569.07	1.29%	1,647.52	1.36%
681	WATER OFFICE SUPPLIES	25.98	0.02%	27.28	0.02%
682	WATER OUTSIDE SVCS	5,431.15	4.47%	9,450.00	7.78%
684	WATER INSURANCE	916.50	0.75%	962.33	0.79%
689	WATER-MISC GENERAL EXP	882.90	0.73%	927.05	0.76%
700	LABOR & EXPENSES	16,862.25	13.89%	17,705.36	14.58%
703	FUEL POWER PUMP	13,946.09	11.48%	14,643.39	12.06%
704	SEWER CHEMICALS	4,650.37	3.83%	4,882.89	4.02%
705	SEWER MISC SUPPL & OTH	2,051.01	1.69%	2,153.56	1.77%
712	SEWER MAINTENANCE	3,097.63	2.55%	3,252.51	2.68%
920	MANAGEMENT FEE	6,250.02	5.15%	6,250.02	5.15%
921	OFFICE SUPPLIES & OTHER	17.49	0.01%	18.36	0.02%
923	ADMIN. OUTSIDE SVCS	13,142.27	10.82%	8,509.57	7.01%
924	ADMIN INSURANCE	2,134.50	1.76%	2,241.23	1.85%
930	ADMIN MISC	337.81	0.28%	354.70	0.29%
932	ADMIN MAINTENANCE	663.40	0.55%	696.57	0.57%
		124,718.91	102.71%	128,571.96	105.88%
<b><u>NET ORDINARY INCOME</u></b>		<b>(3,285.83)</b>	<b>-2.71%</b>	<b>(7,138.88)</b>	<b>-5.88%</b>
421	NONUTIL INC GAIN ON SALE	-	0.00%	-	0.00%
<b><u>OTHER EXPENSE</u></b>					
409	INCOME TAXES	(1,304.00)	-1.07%	(532.56)	-0.44%
410	PROV FOR DEF TAXES	-	0.00%	532.56	0.44%
<b><u>NET INCOME</u></b>		<b>(1,981.83)</b>	<b>-1.63%</b>	<b>(7,138.88)</b>	<b>-5.88%</b>
<b><u>GROSS PLANT</u></b>					

BEG YR PLANT & EQUIP	475,317.07	475,317.07
ADD	-	-
ADD	-	-
YR END PLANT & EQUIP	<u>475,317.07</u>	<u>475,317.07</u>
01/01 ACCUM DEPR	180,777.26	190,398.81
CY DEPR PREV ASSETS	<u>9,621.55</u>	<u>9,621.55</u>
YR END TOT ACCUM DEPR	<u>190,398.81</u>	<u>200,020.36</u>
YR END BOOK VALUE LESS A/D	284,918.26	275,296.71
<b><u>RATE BASE</u></b>		
GROSS PLANT LESS BOOK DEPR	284,918.26	275,296.71
ADD 1/8 OF EXPENSE	15,589.86	16,071.50
LESS 1/4 FED INC TAX	<u>326.00</u>	<u>-</u>
RATE BASE	<u>300,834.12</u>	<u>291,368.21</u>
APPLY RATE TO BASE 6%	<u>18,050.05</u>	<u>17,482.09</u>
ADD BACK ALL OP EXP	124,718.91	128,571.96
LESS INTEREST EXP	<u>-</u>	<u>-</u>
REVENUE REQUIREMENT	<u><u>142,768.96</u></u>	<u><u>146,054.05</u></u>
	0.0299	0.0305

FILE SFURB11			SALT FORK UTILITY COMPANY								
			FOR THE YEAR END JUN 2011								
<b>STATUTORY RATE BASE CALCULATION</b>											
ADJUSTED DEPRECIATED BOOK VALUE OF FIXED ASSETS											275938.71
WORKING CAPITAL ALLOWANCE:											
OPERATING EXPENSES PLUS GROSS RECEIPTS TX								129356.18			
INTEREST								0.00			
INCOME TAXES								0.00			
								129356.18			
REASONABLE ALLOWANCE								12.50%			16169.52
STATUTORY BASE											292108.23
REASONABLE RATE OF RETURN											6.00%
RETURN											17526.49
<b>RATE CALCULATION</b>											
REASONABLE RATE OF RETURN											17526.49
OPERATING EXPENSES EXCLUDING GROSS RECEIPTS TAX, DEPRECIATION, INTEREST											
AND INCOME TAX											110437.66
DEPRECIATION											9300.55
ALLOWANCE FOR RATE CAST EXPENSES											5000.00
INCOME TAX											0.00
REVENUE REQUIRED											142264.70
LESS MONTHLY SERVICE FEES											0.00
REVENUE REQUIRED THROUGH VOLUMETRIC CHARGES											142264.70
USAGE GALLONS											4811830.00
RATE EXCLUDING GROSS RECEIPTS TAX											0.0296
GROSS RECEIPTS TAX								4617.97			
PROJECTED USAGE								4811830.00			
BASE RATE GROSS RECEIPTS TAX											0.0010
GROSS BASE RATE											0.0305

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

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**Case No(s). 11-6030-WS-AEC**

Summary: Application Application for Contract for Rate Change electronically filed by Mr. David W. Carroll on behalf of Salt Fork Utility Company