

REQUEST TO ESTABLISH DOCKET
(PLEASE TYPE)

Date October 16, 1996

Docket No. 961268-W/W

1. Division Name/Staff Name Water and Wastewater/Tomlinson *AT*
2. OPR Tomlinson *DBM*
3. OCR _____

4. Suggested Docket Title Request for change in regulatory status and cancellation of Certificate No. 219-W in Duval County by Commercial Utilities, Division of Grace and Company, Inc.

5. Suggested Docket Mailing List (attach separate sheet if necessary)

- A. Provide NAMES ONLY for regulated companies or ACRONYMS ONLY regulated industries, as shown in Rule 25-22.104, F.A.C.
B. Provide COMPLETE name and address for all others. (Match representatives to clients.)

1. Parties and their representatives (if any)

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

2. Interested Persons and their representatives (if any)

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

6. Check one:

- Documentation is attached.
 Documentation will be provided with recommendation.

I:\PSC\RAR\WP\ESTDKT.

PSC/RAR 10 (Revised 01/96)

DOCUMENT NUMBER-DATE
11283 OCT 23 88
FPSC-RECORDS/REPORTING

Rhema Business Services, Inc.

1544 Vickers Drive
Tallahassee, FL 32305-5041

(904) 562-9886
(904) 562-9887 FAX

RECEIVED

SEP 18 1996

Florida Public Service Commission
Division of Water and Wastewater

September 17, 1996

Ms. Billie B. Messer, Regulatory Analyst Supervisor
Division of Water and Wastewater
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Request of COMMERCIAL UTILITIES, DIVISION OF GRACE &
COMPANY, INC. for Cancellation of Water Certificate 219-W.

Dear Billie:

In response to your letter of August 30, 1996, I'm enclosing the affidavit of Mr. Elroy C. Grace verifying the changes in billing methodology and provider of service. I'm also enclosing copies of acknowledged letters to all three customers who are receiving water service in exchange for an unspecified amount of their rent. (Bold City Supply placed the acknowledging signature above the intended location.) In addition, I'm enclosing customer notices notifying all customers who are receiving water at the actual purchase price.

St. Charles Place is no longer in business, and when another business at that location desires water service, it will obtain service from the City of Jacksonville. TOC Retail is already receiving water service directly from the City of Jacksonville. These customers make up all water customers formerly serviced by Commercial Utilities.

Sincerely,

Norman F. Mears

Norman F. Mears
Senior Utility Consultant

Enclosures

cc: Mr. Elroy C. Grace

RECEIVED
FLORIDA PUBLIC
SERVICE COMMISSION
SEP 18 AM 8 07
MAIL ROOM

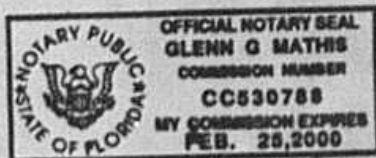
STATE OF FLORIDA
COUNTY OF DUVAL

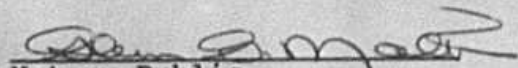
AFFIDAVIT

I, Elroy C. Grace, hereby affirm that effective for service rendered on or after August 9, 1996, all customers who rent property from Grace & Company, Inc. will receive water from Grace & Company, Inc. (not Commercial Utilities) which will provide the service to its tenants without specific compensation pursuant to Chapter 367.022(5), Florida Statutes. The last customer billing at Florida Public Service Commission approved rates was on September 1, 1996 for service rendered through August 8, 1996. I also affirm that effective the same date, Grace & Company, Inc. (not Commercial Utilities) will supply the remaining customers with water service at a rate which does not exceed the actual purchase price pursuant to Chapter 367.022(8), Florida Statutes.


Elroy C. Grace, President
Grace & Company, Inc.

Affirmed and subscribed before me this 13th day of September, 1996 by Elroy C. Grace.




Notary Public
State of Florida

Personally Known OR Produced Identification

Type of identification produced _____

GRACE & COMPANY INCORPORATED
865 South Lane Avenue
Jacksonville, Florida 32205
(904) 781-0970

September 10, 1996

Wagner Boot Shop
857 South Lane Avenue
Jacksonville, Florida 32205

Please be advised that the monthly rental on the above location will be \$640.00 plus Florida sales tax in the amount of \$41.60 for a total of \$681.60 beginning October 1, 1996. This adjusted monthly payment will include water and sewer service.

Grace & Company Inc.

Receipt acknowledged:

Tiffany Rowles

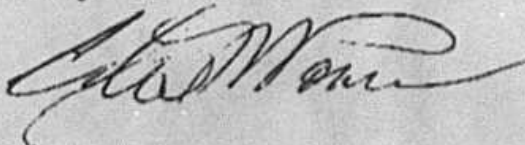
GRACE & COMPANY INCORPORATED
865 South Lane Avenue
Jacksonville, Florida 32205
(904) 781-0970

September 10, 1996

Bold City Supply
837 South Lane Avenue
Jacksonville, Florida 32205

Please be advised that the monthly rental on the above location will be \$1050.00 plus Florida sales tax in the amount of \$68.25 for a total of \$1,118.25 beginning October 1, 1996. This adjusted monthly payment will include water and sewer service.

Grace & Company Inc.



Receipt acknowledged:

GRACE & COMPANY INCORPORATED
865 South Lane Avenue
Jacksonville, Florida 32205
(904) 781-0970

September 10, 1996

Wilson Tax Service
777 South Lane Avenue
Jacksonville, Florida 32205

Please be advised that the monthly rental on the above location will be \$1,400.00 plus Florida sales tax in the amount of \$91.00 for a total of \$1,491.00 beginning October 1, 1996. This adjusted monthly payment will include water and sewer service.

Grace & Company Inc.

Receipt acknowledged:

April Baker

COMMERCIAL UTILITIES
A Division of
Grace & Company, Inc.
865 South Lane Avenue
Jacksonville, Florida 32205
(904) 781-0970

NOTICE TO CUSTOMER

September 13, 1996

Sun Trust
770 South Lane Avenue
Jacksonville, Florida 32205

Service Address: 770 South Lane Avenue
Jacksonville, Florida 32205

Effective for service rendered on or after August 9, 1996, Grace & Company, Inc. (not Commercial Utilities) will supply your location with water service at a rate which does not exceed the actual purchase price pursuant to Chapter 367.022(8), Florida Statutes. The water charge will be billed to you separately by Grace & Company, Inc. Commercial Utilities will continue to provide sanitary sewer service.

Commercial Utilities

COMMERCIAL UTILITIES
A Division of
Grace & Company, Inc.
865 South Lane Avenue
Jacksonville, Florida 32205
(904) 781-0970

NOTICE TO CUSTOMER

September 13, 1996

Chevron #427
6511 Ramona Boulevard
Jacksonville, Florida 32205

Service Address: 6511 Ramona Boulevard
Jacksonville, Florida 32205

Effective for service rendered on or after August 9, 1996, Grace & Company, Inc. (not Commercial Utilities) will supply your location with water service at a rate which does not exceed the actual purchase price pursuant to Chapter 367.022(8), Florida Statutes. The water charge will be billed to you separately by Grace & Company, Inc. Commercial Utilities will continue to provide sanitary sewer service.

Commercial Utilities

COMMERCIAL UTILITIES
A Division of
Grace & Company, Inc.
865 South Lane Avenue
Jacksonville, Florida 32205
(904) 781-0970

NOTICE TO CUSTOMER

September 13, 1996

Paradise Inn
Prudential Group
16400 J.L. Hudson Dr.
Southfield, MI 48075

Service Address: 6545 Ramona Boulevard
Jacksonville, Florida 32205

Effective for service rendered on or after August 9, 1996, Grace & Company, Inc. (not Commercial Utilities) will supply your location with water service at a rate which does not exceed the actual purchase price pursuant to Chapter 367.022(8), Florida Statutes. The water charge will be billed to you separately by Grace & Company, Inc. Commercial Utilities will continue to provide sanitary sewer service.

Commercial Utilities

COMMERCIAL UTILITIES
A Division of
Grace & Company, Inc.
865 South Lane Avenue
Jacksonville, Florida 32205
(904) 781-0970

NOTICE TO CUSTOMER

September 13, 1996

Jax Lanes West
8720 Beach Boulevard
Jacksonville, Florida 32216

Service Address: 6526 Ramona Boulevard
Jacksonville, Florida 32205

Effective for service rendered on or after August 9, 1996, Grace & Company, Inc. (not Commercial Utilities) will supply your location with water service at a rate which does not exceed the actual purchase price pursuant to Chapter 367.022(8), Florida Statutes. The water charge will be billed to you separately by Grace & Company, Inc. Commercial Utilities will continue to provide sanitary sewer service.

Commercial Utilities

*Belle - See me
about this
GW*

Rhema Business Services, Inc.

1344 Vickers Drive
Tallahassee, FL 32305-3041

(904) 562-9886
(904) 562-9887 FAX

RECEIVED

AUG 19 1996

Florida Public Service Commission
Division of Water and Wastewater

August 16, 1996

Division of Water and Wastewater
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Request of COMMERCIAL UTILITIES, DIVISION OF GRACE &
COMPANY, INC. for Cancellation of Water Certificate 219-W

Gentlemen:

On Behalf of Commercial Utilities, Division of Grace & Company, Inc., I request cancellation of water certificate 219-W due to changes the utility has made which exempt it from regulation.

Effective for service rendered on or after August 9, 1996, all customers who rent property from Grace & Company, Inc. will receive water from Grace & Company, Inc. (not Commercial Utilities) which will provide the service to its tenants without specific compensation pursuant to Chapter 367.022(5), Florida Statutes. The last customer billing at the currently approved rates will be on September 1, 1996 for service rendered through August 8, 1996.

Effective the same date, Grace & Company, Inc. (not Commercial Utilities) will supply the remaining customers with water service at a rate which does not exceed the actual purchase price pursuant to Chapter 367.022(8), Florida Statutes.

Please direct all correspondence to me at the above address, and direct any questions to me at 562-9886.

Sincerely,

Norman F. Mears

Norman F. Mears
Senior Utility Consultant

Certified Mail Receipt No. P 432 743 881
cc: Mr. Elroy C. Grace

State of Florida

Commissioners:

SUSAN F. CLARK, CHAIRMAN
J. TERRY DEASON
JULIA L. JOHNSON
DIANE K. KIESLING
JOE GARCIA



DIVISION OF WATER &
WASTEWATER
CHARLES HILL
DIRECTOR
(904) 413-6900

Public Service Commission

August 30, 1996

Mr. Norman F. Mears
Rhema Business Services, Inc.
1344 Vickers Drive
Tallahassee, FL 32303-3041

Dear Mr. Mears:

The Commission received your letter regarding the request of Commercial Utilities for cancellation of its water certificate Number 219-W. The basis for this request is that customers who rent property from Grace & Company, Inc. will receive water from Grace & Company, Inc. instead of Commercial Utilities, as a nonspecific portion of their rent. In addition, other customers of Commercial Utilities will receive their water service from Grace and Company, Inc. at a rate which does not exceed the actual purchase price.

The staff will require some type of verification concerning these changes in billing methodology and the provider of service, before formalizing and processing this request. Please send verification of the change in service such as a notarized statement from the utility owners, a copy of changed lease agreements or service agreements, etc.

If you have additional questions, please feel free to contact me at 413-6990.

Sincerely,

A handwritten signature in cursive script that reads "Billie B. Messer".

Billie B. Messer
Supervisor

cc: Division of Water and Wastewater (Hill, Williams)
Division of Legal Services (Jaber)

UTILITY NAME:

Commercial Utilities, Division of Grace and Co

1995 ANNUAL REPORT REVIEW SUMMARY

Analyst Assigned	<u>Cheryl</u>	Date Requested	_____
Received by WAW	<u>04/15/96</u>	Information Due	_____
Date Analyst Assigned	<u>04/17/96</u>	Date of Reminder Call	_____
Due Date of Review	_____	Requested Information	_____
(Rate of Return Report	_____	Received	_____
or deficiency letter)	<u>05/03/96</u>	Passed (Yes/No)	<u>YES</u>
Date Returned	_____	Type of Entity	<u>11:0</u>

RATE OF RETURN CALCULATION

RATE BASE	WATER	WASTEWATER	TOTAL
PLANT IN SERVICE	\$ 30,218	\$ 482,960	\$ 513,178
PLANT HELD FOR FUTURE USE			0
ACCUMULATED DEPRECIATION	(13,278)	(131,368)	(144,646)
ACQUISITION ADJUSTMENT			0
AMORT. OF ACQUISITION ADJ.			0
C.I.A.C.	0	(15,440)	(15,440)
AMORT. OF C.I.A.C.	0	2,284	2,284
ADVANCES FOR CONSTRUCTION			0
WORKING CAPITAL	6,965	28,140	35,105
RATE BASE	\$ 23,905	\$ 366,576	\$ 390,481

NET OPERATING INCOME	WATER	WASTEWATER	TOTAL
OPERATING REVENUES	\$ 56,149	\$ 345,310	\$ 401,459
OPERATING EXPENSES:			
OPERATING EXPENSE	\$ 55,722	\$ 225,119	\$ 280,841
DEPRECIATION EXPENSE	968	16,873	17,841
AMORTIZATION EXPENSE	1,415	5,653	7,068
TAXES OTHER THAN INCOME	2,995	16,633	19,628
OTHER			0
INCOME TAXES	(2,719)	5,764	3,045
TOTAL EXPENSES	\$ 58,381	\$ 270,042	\$ 328,423
NET OPERATING INCOME (LOSS)	\$ (2,232)	\$ 75,268	\$ 73,036
RATE OF RETURN	-9.34%	20.53%	18.70%

ROH 10.39% Date 9.25.11.95

INCOME STATEMENT

Account Name	Ref. Page	Water	Sewer	Other	Total Company
Gross Revenue:					
Residential		\$ 56,149	\$ 345,310	\$ 0	\$ 401,459
Commercial					
Industrial					
Multiple Family					
Guaranteed Revenues					
Other (Specify)					
Total Gross Revenue		\$ 56,149	\$ 345,310	\$ 0	\$ 401,459
Operation Expense (Must tie to Pages W-3 and S-3)	W-3 S-3	\$ 55,722	\$ 225,119	\$ 0	\$ 280,841
Depreciation Expense	F-5	968	16,873	0	17,841
Amortization Expense		1,415	5,653	0	7,068
Taxes Other Than Income	F-7	2,995	16,633	0	19,628
Income Taxes	F-7	(2,719)	5,764	0	3,045
Total Operating Expense		\$ 58,381	\$ 270,042	\$ 0	\$ 328,423
Net Operating Income (Loss)		\$ (2,232)	\$ 75,268	\$ 0	\$ 73,036
Other Income:					
Nonutility Income					
Other Deductions:					
Miscellaneous Nonutility Expenses		0	70,536	0	70,536
Interest Expense					
Net Income (Loss)		\$ (2,232)	\$ 4,732	\$ 0	\$ 2,500

COMPARATIVE BALANCE SHEET

Account Name	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant In Service (101-105) -----	F-5, W-1, S-1	\$ 513,178	\$ 490,057
Accumulated Depreciation and Amortization (108) -----	F-5, W-2, S-3	144,646	128,489
Net Utility Plant -----		\$ 368,532	\$ 361,568
Cash -----		18,409	24,580
Customer Accounts Receivable (141) -----		-----	-----
Other Assets (Specify) -----		2,328	4,182
Deferred Rate Case Expense - Water -----		5,661	10,361
Deferred Rate Case Expense - Sewer -----		63,364	70,432
Unamortized Loss on Abandonment - Water & Sewer -----		127,068	127,068
Nonutility Property -----		\$ 585,362	\$ 598,191
Total Assets -----		-----	-----
Liabilities And Capital:			
Common Stock Issued (201) -----	F-6	\$ -----	\$ -----
Preferred Stock Issued (204) -----	F-6	-----	-----
Other Paid In Capital (211) -----	F-6	(56,907)	(61,662)
Retained Earnings (215) -----		-----	-----
Proprietary Capital (Proprietary and partnership only) (218) -----	F-6	\$ (56,907)	\$ (61,662)
Total Capital -----	F-6	\$ 610,617	\$ 627,761
Long-Term Debt (224) -----		-----	-----
Accounts Payable (231) -----		-----	-----
Notes Payable (232) -----		-----	-----
Customer Deposits (235) -----		18,056	17,889
Accrued Taxes (236) -----		-----	-----
Other Liabilities (Specify) -----		440	476
City of Jacksonville Utility Tax Payable -----		-----	-----
Deferred Abandonment Costs - Sewer -----		-----	-----
Advances For Construction -----		-----	-----
Contributions In Aid Of Construction - Net (271-272) -----	F-8	13,156	13,727
Total Liabilities And Capital -----		\$ 585,362	\$ 598,191

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
		\$ 5,750
601	Salaries and Wages - Employees	8,823
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	32,370
604	Employee Pensions and Benefits	
610	Purchased Water	
615	Purchased Power	
616	Fuel for Power Production	
618	Chemicals	4,031
620	Materials and Supplies	2,274
630	Contractual Services	
640	Rents	367
650	Transportation Expense	1,854
655	Insurance Expense	
665	Regulatory Commission Expenses	253
670	Bad Debt Expense	
675	Miscellaneous Expenses	\$ 55,722
	Total Water Operation And Maintenance Expense	*****

WATER CUSTOMERS

Description	Number First of Year	Additions	Disconnects	Number End of Year
Metered Customers:				
5/8 X 3/4"	4	0	0	4
1"	2	0	0	2
1 - 1/2"	3	0	0	3
2"	1	0	0	1
2 - 1/2"	1	0	0	1
3"				
Other (Specify):				

Unmetered Customers	1	0	0	1
Total Customers	12	0	0	12
	*****	*****	*****	*****

SEWER OPERATION AND MAINTENANCE EXPENSE

Account No.	Account Name	Amount
701	Salaries and Wages - Employees	\$ 13,416
703	Salaries and Wages - Officers, Directors, and Majority Stockholders	20,586
704	Employee Pensions and Benefits	-----
710	Purchased Sewage Treatment	164,606
711	Sludge Removal Expense	-----
715	Purchased Power	830
716	Fuel for Power Production	-----
718	Chemicals	-----
720	Materials and Supplies	-----
730	Contractual Services	10,666
740	Rents	5,305
750	Transportation Expense	-----
755	Insurance Expense	4,445
765	Regulatory Commission Expenses	4,700
770	Bad Debt Expense	-----
775	Miscellaneous Expenses	565
	Total Sewer Operation And Maintenance Expense	\$ 225,119 *****

SEWER CUSTOMERS

Description	Number First of Year	Additions	Disconnects	Number End of Year
Measured Service				
Customers By Water				
Meter Size:				
5/8 X 3/4"	9	0	2	7
1"	10	0	0	10
1 - 1/2"	11	0	1	10
2"	8	0	0	8
2 - 1/2"	0	0	0	0
3"	2	0	0	2
Other (Specify):				
4"	2	0	0	2
Unmetered Customers	1	0	0	1
Total Customers	43	0	3	40
	*****	*****	*****	*****

SUPER 8 MOTEL
5929 RAMONA BLVD.
JACKSONVILLE, FL 32205
TEL.904-781-3878 FAX.904-693-3146

to: Billy MESSER

FROM: AL MORI

HERE IS A COPY OF
INVOICED FOR LAST MONTH, AND
MONTH BEFORE.

Thanks

AL MORI

INVOICE

Commercial Utilities

Division of Grace & Company, Inc.
 865 South Lane Avenue
 Jacksonville Florida 32205
 Phones: (904) 781-0970,
 Emergency 781-7164

No. 6841
 Date January 1, 1996

SUPER 8
 Al Mori
 5929 Ramona Blvd.
 Jacksonville, FL 32205

SUPER 8
 5929 Ramona Blvd.
 A/C 35929B - 563

Quantity	Description	Amount	Utility Tax	Sales Tax	Total
0 gals	Water Date Read 12/08/95 3430 0 0				
931 cuft x100	Previous Read 2499 0 0	0.00	0.00		
	Sewerage Service Charge	3158.43		0.00	
1 CF=7.48 G1	TOTALS				3158.43

Para

NOTE: Bills are due when received and if not paid by the last of the month, service will be discontinued. Then, after five (5) days written notice, sewer service will be discontinued.
 Please make check payable to: COMMERCIAL UTILITIES

INVOICE
Commercial Utilities

Division of Brace & Company, Inc.
865 South Lane Avenue
Jacksonville Florida 32205
Phones: (904) 781-0770,
Emergency 781-7104

No. 6882
Date February 1, 1996

SUPER 8
Al Mori
5929 Ramona Blvd.
Jacksonville, FL 32205

SUPER 8
5929 Ramona Blvd.
A/C 35929B - 6 6 3

Quantity	Description	Amount	Utility Tax	Sales Tax	Total
0	gals Water Date Read 01/08/96 4237 0 0				
807	cuft x100 Previous Read 3430 0 0	0.00	0.00		
	Sewerage Service Charge	2791.39		0.00	
1 CF=7.48 @1	TOTALS				2791.39

NOTE ! Bills are due when rendered and if not paid by the 21st of the month, become delinquent.
Then, after five (5) days written notice, sewer service will be discontinued.
Please make check payable to: COMMERCIAL UTILITIES

COMMERCIAL UTILITIES
A Division of
Grace & Company, Inc.
865 South Lane Avenue
Jacksonville, Florida 32205
(904) 781-0970

NOTICE TO CUSTOMER

September 13, 1996

Executive Inn
6560 Ramona Blvd.
Jacksonville, Florida 32205

Service Address: 6560 Ramona Blvd.
Jacksonville, Florida 32205

Effective for service rendered on or after August 9, 1996, Grace & Company, Inc. (not Commercial Utilities) will supply your location with water service at a rate which does not exceed the actual purchase price pursuant to Chapter 367.022(8), Florida Statutes. The water charge will be billed to you separately by Grace & Company, Inc. Commercial Utilities will continue to provide sanitary sewer service.

Commercial Utilities