

Marguerite McLean

080597-WS

From: James Ade [JAde@jaxbusinesslaw.com]
Sent: Wednesday, May 13, 2009 12:28 PM
To: Filings@psc.state.fl.us
Cc: John Mann; Bob Casey; wjdeaspa@bellsouth.net; jfg@guastella.com; guastella_newyork@msn.com; Randall Corbin
Subject: Southlake Utilities, Inc.
Attachments: Ann Cole - 5-13-09.pdf

a. Person Responsible for Filing

James L. Ade
 841 Prudential Drive, Suite 1400
 (904) 858-0123
jla@jaxbusinesslaw.com.

b. Docket Number and Title

Docket Number: 080597-WS
 Title: Application of Southlake Utilities, Inc. For Increased Water and Wastewater Rates In Lake County

c. Party On Whose Behalf Documents Are Filed

Southlake Utilities, Inc.

d. Total Number of Pages in Each Document

12 Pages

e. Brief Description of Each Attached Document

Letter dated May 13, 2009, to Ms. Ann Cole, Commission Clerk, with the following attachments;

- Guastella Associates, Inc. Southlake Utilities, Inc. Rate Case Expense
- Guastella Associates, Inc. Statement dated May 6, 2009 for services rendered in connection with Southlake Utilities, Inc. Petition for Adjustment of Rates during April 2009
- James L. Ade, P.L. partial Statements dated January 17, 2008, July 1, 2008, January 14, 2009 and May 5, 2009 for services rendered in connection with Southlake Utilities, Inc., Petition for Adjustment of Rates from June 1, 2007 through April 30, 2009
- James L. Ade, P.L. Summary of Rate Case Expenses

James L. Ade
 841 Prudential Drive, Suite 1400
 Jacksonville, Florida 32207
 Telephone: (904) 858-0123
 Fascimile: (904) 858-0124
 e-mail: JLA@jaxbusinesslaw.com

DOCUMENT NUMBER-DATE
 04644 MAY 13 8
 FPSC-COMMISSION CLERK

5/13/2009

JAMES L. ADE, P.L.
ATTORNEY AT LAW
841 PRUDENTIAL DRIVE - SUITE 1400
JACKSONVILLE, FLORIDA 32207
(904) 858-0123
FACSIMILE (904) 858-0124
JLA@JAXBUSINESSLAW.COM

May 13, 2009

Via E-Mail

Ms. Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Ms. Cole:

In connection with the Application of Southlake Utilities, Inc. ("Applicant") for increased water and wastewater rates in Lake County ("Application"), Docket No. 080597-WS, enclosed please find (1) Guastella Associates, Inc. Southlake Utilities, Inc. Rate Case Expense, (2) Guastella Associates, Inc. Statement dated May 6, 2009 for services rendered in connection with Southlake Utilities, Inc. Petition for Adjustment of Rates during April 2009, (3) James L. Ade, P.L. partial Statements dated January 17, 2008, July 1, 2008, January 14, 2009 and May 5, 2009 for services rendered in connection with Southlake Utilities, Inc., Petition for Adjustment of Rates from June 1, 2007 through April 30, 2009, and (4) James L. Ade, P.L. Summary of Rate Case Expenses.

I trust that this letter and the attachments will be in order for filing. If, however, you have any questions or need any additional information concerning this matter, please do not hesitate to contact me.

Sincerely,

s/ James L. Ade

James L. Ade

JLA/lefr

cc: Mr. John Mann w/enc.
Mr. Bob Casey w/enc.
William J. Deas, Esquire w/enc.
Mr. John Guastella w/enc.
Mr. Gary White w/enc.
Mr. Randall Corbin w/enc.

DOCUMENT NUMBER-DATE
04644 MAY 13 8
FPSC-COMMISSION CLERK

Southlake Utilities Rate Case Expense

Bill Date	Principle		Engineer		Fin/Acct		Tech		Admin		Total Bill	Worked on Deficiencies
	Time	\$	Time	\$	Time	\$	Time	\$	Time	\$		
11/26/2007	19.50	\$ 5,362.50	-	-	-	-	-	-	1.75	\$ 82.25	\$ 5,444.75	
2/5/2008	26.00	\$ 7,410.00	-	-	41.00	\$ 7,995.00	-	-	0.50	\$ 24.00	\$ 15,429.00	
3/13/2008	22.50	6,412.50	-	-	43.00	8,385.00	-	-	0.50	24.00	\$ 14,821.50	
4/4/2008	6.50	1,267.50	-	-	19.50	3,802.50	-	-	0.50	24.00	\$ 5,094.00	
5/7/2008	12.00	2,340.00	-	-	18.50	3,607.50	-	-	0.50	24.00	\$ 5,971.50	
6/10/2008	4.50	877.50	-	-	1.00	195.00	-	-	0.50	24.00	\$ 1,096.50	
7/8/2008	3.00	585.00	-	-	3.50	682.50	-	-	0.50	24.00	\$ 1,291.50	
8/6/2008	4.50	877.50	-	-	9.00	1,755.00	-	-	0.50	24.00	\$ 2,656.50	
9/10/2008	3.50	682.50	-	-	32.50	6,337.50	-	-	1.00	48.00	\$ 7,068.00	
10/3/2008	7.00	1,365.00	-	-	37.50	7,312.50	-	-	0.50	24.00	\$ 8,701.50	
11/14/2008	12.00	2,340.00	-	-	87.50	17,062.50	-	-	0.50	24.00	\$ 19,426.50	
12/5/2008	16.50	3,217.50	-	-	34.50	6,727.50	-	-	0.75	36.00	\$ 9,981.00	
1/13/2009	4.50	877.50	-	-	13.50	2,632.50	2.75	324.50	10.75	516.00	\$ 4,350.50	
2/12/2009	7.50	1,500.00	8.50	1,700.00	26.00	5,200.00	0.75	92.25	0.75	36.75	\$ 8,529.00	yes - partial
3/3/2009	40.00	8,000.00	3.50	700.00	54.50	10,900.00	-	-	1.00	49.00	\$ 19,649.00	
4/1/2009	70.50	14,100.00	-	-	65.50	13,100.00	-	-	1.50	73.50	\$ 27,273.50	
5/6/2009	54.00	10,800.00	-	-	139.00	27,800.00	-	-	1.50	73.50	\$ 38,673.50	
Totals	314.00	68,015.00	12.00	2,400.00	626.00	123,495.00	3.50	416.75	23.50	1,131.00	195,457.75	
Total Time	979.00	\$ 195,457.75										
Expenses		\$ 158.90	JFG to Clermont 1/9/08 - Ground Travel									
		\$ 1,260.25	Printing & Binding of Application									
		\$ 248.06	Express Mail - 1/13/09 invoice									
		\$ 58.89	Express Mail - 3/3/09 invoice									
		\$ 324.00	JFG to Southlake - Ground Travel on 3/20 & 3/25									
		\$ 721.96	GCW to Southlake - Air/Ground Travel & Room/Board - 3/24-25									
		\$ 16.76	Express Mail - 4/1/09 invoice									
Total Expenses		\$ 2,788.82										
Total Billed		\$ 198,246.57										
Billed for Deficiencies		\$ 7,692.25	January time billed on 2/12/09 less 4 hours for Principle and Fin/Acct at \$200/hr and 0.75 hours of Admin. time at \$49/hr., or \$8,529 less \$836.75.									

GUASTELLA ASSOCIATES, INC.

UTILITY MANAGEMENT • VALUATION • RATE CONSULTANTS

6 BEACON STREET, SUITE 410
BOSTON, MA 02108
TEL: (617) 423-3030
FAX: (617) 423-2929

Mr. Jeffrey Cagan, President
Southlake Utilities, Inc.
16544 Cagan's Crossing Blvd, Suite 3
Clermont, FL 34714

May 6, 2009

Period: 4/1/2009 - 4/30/2009

Work in progress on rate case. Prepare response to Staff's First Set of IROGs. Review Staff Audit Report and prepare responses and related schedules; Review Ade comments on Staff Audit Report. Review response to customer meeting. Review Annual Report. Review final responses to IROGs and Audit Report. Prepare memo on Audit Report and participate in conference call with PSC and WMD. Research unit prices for WWTP. Related discussions with Company staff, representatives and attorneys.

Staff Charges	Hourly Rate	Hours	Amount
Principal I	\$ 200	54.00	\$ 10,800.00
Associate	\$ 245	-	\$ -
Director - Engineering	\$ 200	-	\$ -
Director - Financial/Accounting	\$ 200	139.00	\$ 27,800.00
Rate Analyst	\$ 145	-	\$ -
Technician	\$ 123	-	\$ -
Administrative	\$ 49	1.50	\$ 73.50
Subtotal			194.50 \$ 38,673.50
Expenses:			
Transportation - Air			
Transportation - Ground			
Room & Board			
Express Mail			
Other			
Previous Balance			\$ -
Amount Due			\$ 38,673.50

James L. Ade, P.L.

841 Prudential Drive
Suite 1400
Jacksonville, Florida 32207
Telephone No.: (904) 858-0123
Facsimile No. : (904) 858-0124

January 17, 2008

Mr. Jeffrey Cagan
Cagan Management Group, Inc.
3856 Oakton
Skokie, Illinois 60076

To Fee for Professional Services rendered to Southlake Utilities, Inc. ("Southlake"), from June 1, 2007 through December 31, 2007, as follows:

In connection with proposed filing of Petition for Adjustment of Rates before the Public Service Commission, including conferences, telephone conversations, and correspondence with representative, general counsel and consulting engineer of Southlake and Mr. Guastella regarding the advantages of filing a Rate Case; scheduling of meeting with Mr. Cagan, Mr. Guastella, general counsel and consulting engineer of Southlake in order to discuss the reasonable economic expectations to be obtained by the filing of a Rate Case and preliminary analysis of Southlake's 2006 Annual Report to the Commission.

FEE:	<u>\$2,080.00</u>
TOTAL FEE:	<u>\$2,080.00</u>

James L. Ade, P.L.

841 Prudential Drive
Suite 1400
Jacksonville, Florida 32207
Telephone No.: (904) 858-0123
Facsimile No. : (904) 858-0124

July 1, 2008

Mr. Jeffrey Cagan
Cagan Management Group, Inc.
3856 Oakton
Skokie, Illinois 60076

To Fee for Professional Services rendered to Southlake Utilities, Inc. ("Southlake"), from January 1, 2008 through June 30, 2008, as follows:

In connection with proposed filing of a Petition for Adjustment of Rates before the Public Service Commission, including preparation of Final Agenda for meeting with representatives of Southlake, Southlake's general counsel, rate consultant, and consulting engineer to be held at Cagan's Crossing, on April 15, 2008; attendance at conference at Cagan's Crossing, on April 15, 2008 with representatives of Southlake, Southlake's general counsel, rate consultant, manager and consulting engineer to determine strategy for filing of the rate case and discussion of issues involved in filing rate case and issues that may arise during such a rate case; review of Order issued by the Public Service Commission in the D.R. Horton Case for issues to be resolved in a subsequent rate case; review of 99 Year Lease and Amendments thereto to determine proper handing of lease payments and land in rate case; telephone conferences with Southlake's general counsel, rate consultant and consulting engineer regarding the need for system maps before the Petition for Adjustment of Rates can be filed for the Public Service Commission; receiving, reviewing and submitting comments regarding the inclusion of the consumptive use permit renewal cost in the rate case; receiving, reviewing and commenting regarding the CH2MHill Memorandum concerning the cost of capital improvements necessary to treat Well F water as an item of rate base in the rate case; and telephone conferences and correspondence with Southlake's general counsel, rate consultant, consulting engineer and manager in connection with said matter.

FEE: **\$6,500.00**

TOTAL FEE: **\$6,500.00**

Mr. Jeffrey Cagan
July 1, 2008
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CASH DISBURSEMENTS PAID ON BEHALF OF CLIENT

Travel expenses to Cagan's Crossing for Conference on April 15, 2008 **\$180.98**

TOTAL AMOUNT DUE **\$6,680.98**

James L. Ade, P.L.

841 Prudential Drive
Suite 1400
Jacksonville, Florida 32207
Telephone No.: (904) 858-0123
Facsimile No. : (904) 858-0124

January 14, 2009

Mr. Jeffrey Cagan
Cagan Management Group, Inc.
3856 Oakton
Skokie, Illinois 60076

To Fee for Professional Services rendered to Southlake Utilities, Inc. ("Southlake"), from July 1, 2008 through December 31, 2008, as follows:

In connection with the filing of an Application of Southlake Utilities, Inc. For Increased Water and Wastewater Rates in Lake County ("Application") before the Commission, including preparation and filing with the Chairman of the Commission of a letter requesting the approval of a projected test year ending December 31, 2008, based on 2007 historic year data, for purposes of establishing final rates in the Rate Case; telephone conferences and correspondence with representatives of Southlake, Southlake's general counsel and rate consultants and representatives of the Commission Staff concerning the request for test year approval; telephone conferences and correspondence with representatives of the Commission Staff and Southlake's rate consultant concerning the accounting for contributions in aid of constructions ("CIAC"); receipt and review of a letter from the Chairman of the Commission approving the requested test year for the rate case; preparation and forwarding to a representative of Southlake an Affidavit and request for a check in the amount of the filing fee payable to the Commission; review of Florida Statutes and Commission rules regarding Rate Application Requirements and Procedures; preparation of a draft of the Application; correspondence with representatives of Southlake, Southlake's general counsel, rate consultants, consulting engineer, manager and accountant for review and approval of the draft of the Application; review of draft of Minimum Filing Requirements ("MFRs") from Southlake's rate consultants; telephone conferences with Southlake's rate consultants regarding revisions to the MFRs; preparation of the final Application for filing with the final MFRs with the Commission; and telephone conferences and correspondences with representative of Southlake, Southlake's general counsel, rate consultants, consulting engineer, manager and accountant regarding said matter.

FEE FOR MATTER:

\$9,295.00

TOTAL FEE: **\$9,295.00**

CASH DISBURSEMENTS PAID ON BEHALF OF CLIENT

12/10/08 Fed-Ex Office – Tabs for Application \$67.41

12/30/08 Fed-Ex – Shipping Application, Minimum Filing
Requirements, Map, Affidavit \$58.58

TOTAL CASH DISBURSEMENTS DUE: **\$125.99**

TOTAL AMOUNT DUE **\$9,420.99**

James L. Ade, P.L.

841 Prudential Drive
Suite 1400
Jacksonville, Florida 32207
Telephone No.: (904) 858-0123
Facsimile No. : (904) 858-0124

May 5, 2009

Mr. Jeffrey Cagan
Cagan Management Group, Inc.
3856 Oakton
Skokie, Illinois 60076

To Fee for Professional Services rendered to Southlake Utilities, Inc. ("Southlake"), from January 1, 2009 through April 30, 2009, as follows:

In connection with the filing of an Application of Southlake Utilities, Inc. For Increased Water and Wastewater Rates in Lake County ("Application") before the Florida Public Service Commission ("Commission") including receipt, review and analysis of Commission letter setting forth deficiencies in the Application ("Deficiency Letter"); correspondence, e-mails and telephone conferences with Southlake's general counsel, rate consultants, consulting engineer, manager and accountant regarding responses to the Deficiency Letter; preparation of responses to issues raised by the Commission Staff in the Deficiency Letter; preparation of Instructions for Filing Responses Into Minimum Filing Requirements; filing with the Commission of Southlake's responses to each deficiency set forth in the Deficiency Letter; receipt and review of Commission Notice scheduling Southlake's Request for Interim Rate Relief to appear at the Commission Agenda Conference on February 10, 2009; receipt, review and analysis of Staff Recommendation for Interim Rates to be presented to the Commission at the Agenda Conference; telephone conferences with Southlake's rate consultants regarding the Staff Recommendation for Interim Rates; preparation of proposed Escrow Agreement among Banco Popular North America, the Commission and Southlake and having the Escrow Agreement signed by all parties; telephone conferences with representatives of the Commission Staff and Southlake's rate consultants, manager and general counsel regarding the scheduling of Customer Meetings; attendance at Customer Meetings held at Cagan Crossings and Clermont, Florida on March 30, 2009; telephone conferences and e-mails with Southlake's manager regarding responses to issues raised at the Customer Meetings; filing with the Commission responses to issues raised at the Customer Meetings; receipt, review and analysis of Staff's First Request for Production of Documents to Southlake, Staff's Second Request for Production of Documents to Southlake and Staff's First Set of Interrogatories to Southlake; conferences,

telephone conversations, correspondence and e-mails with Southlake's general counsel, rate consultants, consulting engineer and manager regarding responses to Staff's First Request for Production of Documents to Southlake, Staff's Second Request for Production of Documents to Southlake and Staff's First Set of Interrogatories to Southlake; preparation and filing of responses to Staff's First Request for Production of Documents to Southlake, Staff's Second Request for Production of Documents to Southlake and Staff's First Set of Interrogatories to Southlake; preparation and filing of Southlake's Notice of Service of Responses to Staff's First Request for Production of Documents to Southlake, Staff's Second Request for Production of Documents to Southlake and Staff's First Set of Interrogatories to Southlake; conferences, telephone conversations, correspondence and e-mails with representative of the Commission Staff and Southlake's general counsel, rate consultants, consulting engineer and manager regarding used and useful analysis of the wastewater treatment plant, the proper handling of the land or lease agreement for rate making purposes and numerous requests for documents and information requested by the Staff Auditors as a result of approximately six weeks of audit activities at Southlake's offices and other representatives of the Commission Staff; receipt, review and analysis of Commission's Order Suspending Proposed Final Rates and Approving Interim Rates Subject To Refund issued February 25, 2009; telephone conferences and e-mails with Southlake's general counsel, rate consultants, consulting engineers and manager regarding issues raised by Staff Auditors at the Audit Exit Conference; receipt, review and analysis of Commission Staff Audit Report; telephone conferences and e-mails with representatives of the Commission Staff and Southlake's general counsel, rate consultants, consulting engineer and manager regarding issues raised in the Audit Report and Southlake's Responses to the Audit Report issues; telephone conferences with representatives of the Commission Staff and Southlake's general counsel and rate consultants concerning the extension of the deadline for Commission action on final rates until the June 15, 2009 Agenda Conference; preparation and filing with the Commission of a request to the Commission Clerk regarding such extension; preparation and filing with the Commission of Notices of Service of Responses to Staff's First Request for Production of Documents to Southlake, Staff's Second Request for Production of Documents to Southlake and Staff's First Set of Interrogatories to Southlake; preparation and filing with the Commission of Notices of Filing Affidavits of Mailing Initial Customer Notice, Mailing Notice of Customer Meeting and Notice of Interim Rates; telephone conference with representatives of the Commission Staff, representatives of the St. Johns River Water Management District and Southlake's rate consultants, consulting engineer and manager on April 27, 2009, regarding remaining issues to be resolved in the rate case; telephone conferences and correspondence with Southlake's general

Mr. Jeffrey Cagan
May 5, 2009
Page 3

counsel, rate consultants, consulting engineer and manager regarding responses to the issues raised in the telephone conference; and other telephone conferences, correspondence and e-mails with representatives of the Commission Staff and Southlake's general counsel, rate consultants, consulting engineer, manager and accountant regarding other miscellaneous matters arising in connection with the rate case.

FEE FOR MATTER: \$36,920.00

TOTAL FEE: \$36,920.00

CASH DISBURSEMENTS PAID ON BEHALF OF CLIENT

01/09/08 – James L. Ade travel expense to Cagan Crossings,
Clermont, Florida re: filing rate case \$180.98

02/05/09 Fed-Ex Charges – Shipping to Commission of Response to
Deficiency Letter 38.73

02/18/09 Conference with Southlake's consulting engineer re: used
and useful issues 28.85

03/31/09 James L. Ade travel expense to Southlake and Clermont,
Florida for Customer Meetings 188.73

TOTAL CASH DISBURSEMENTS DUE: \$437.29

TOTAL AMOUNT DUE \$37,357.29

James L. Ade, P.L.
Summary of Rate Case Expenses

<u>Date of Statement</u>	<u>Period Covered</u>	<u>Attorney Fees</u>	<u>Costs</u>
January 17, 2008	6/1 – 12/31/07	\$2,080.00	\$ 0.00
July 1, 2008	1/1 – 6/30/08	6,500.00	180.98
January 14, 2009	7/1 – 12/31/08	9,295.00	125.99
May 5, 2009	1/1 – 4/30/09	<u>36,920.00</u>	<u>437.29</u>
	Total	<u>\$54,795.00</u>	<u>\$744.26</u>

Time and Charges to Respond to Deficiency Letter

14.75 hours x \$260 = \$3,835.00