

Lakeside Waterworks, Inc.

August 26, 2016

Office of Commission Clerk
Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

***Re: Docket No. 160195-WS - Application for Staff Assisted Rate Case (SARC)
in Lake County by Lakeside Waterworks, Inc.***

Dear Commission Clerk,

Subsequent to the filing of the staff assisted rate case (SARC) in Lake County by Lakeside Waterworks, Inc. (Lakeside), additional invoices were received related to the retirement of the water well and installation of a service to a customer. Lakeside requests that these items be considered in its application. The invoice for the well retirement will affect the amount of amortization previously requested.

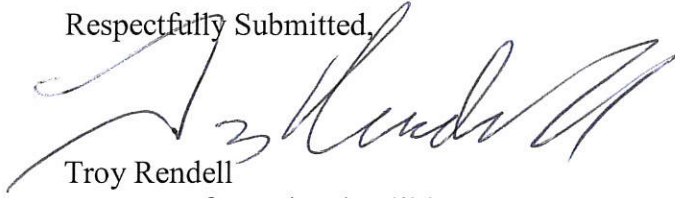
Water Well Replacement – In addition, subsequent to filing, it was discovered that Lakeside erroneously used the wrong overall rate of return to be included in the amortization. Lakeside has revised its calculation of the amortization for the loss on early retirement pursuant to Rule 25-30.433(9), F.A.C. as follows:

Lakeside Waterworks - Well Retirement	<u>Two Wells</u>	<u>One Well</u>
Wells and Springs	\$ 31,912.00	\$ 15,956.00
Accumulated Depreciation as of 6/30/16	\$ 28,856.86	\$ 14,428.43
Loss on retirement	\$ 3,055.14	\$ 1,527.57
Additional Capital for Rehab attempts		\$ 19,152.00
Retirement of Well costs		\$ 3,517.00
Total Loss Amount to Amortize		\$ 24,196.57
Amortization pursuant to Rule 25-30.433(9) FAC		
Annual Depreciation	3.70%	\$ 16,664.62
Amount of Retirement		\$ 24,196.57
Ratio of Depr/Plant		1.451972154
Use 10 YEAR Amortization (Dkts 140239-WS & 150102-SU)		10
Annual Amortization of Loss		\$ 2,419.66
Rate of Return	8.280%	\$ 2,003.48
Total Annual Amortization		\$ 4,423.13

Attached, please find the revised requested SARC revenue requirement and subsequent rates for the water system.

Lakeside Waterworks, Inc.
Application for SARC – Additional Request
August 26, 2016

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Troy Rendell". The signature is fluid and cursive, with a large initial "T" and "R".

Troy Rendell
Manager of Regulated Utilities
//For Lakeside Waterworks, Inc.

C.W.D.I., Inc. dba Citrus Well Drilling

P.O. Box 369
 Hernando, FL 34442
 Phone 352-726-5454
 Fax 352-726-8788

INVOICE

Date	Invoice #
4/15/2016	17841

Bill To			Ship To			
US Water Services Corp. 4939 Cross Bayou Blvd New Port Richey, FL 34652 Voice: 727-848-8292 Fax: 727-848-7701 E			Shangri-La well abandonment			
P.O. Number		Terms	Due Date	Rep	Ray & Todd's Cell Numbers	
		Due on receipt	4/15/2016	TJT	Ray's 352-302-1481 Todd's 352-302-2348	
Qty	Item	Description			Price	Amount
1	XP 1112	SJRWMD Abandonment Permit #142904-1			120.00	120.00
1	set up fee	Set Up fee to abandon well (includes tremie)			380.00	380.00
78	wd gr12	Bags of Hole Plug (220-98)			24.50	1,911.00
28	wd gr10	Bags of cement grout pumped into well via tremie (98-0)			39.50	1,106.00
The grout was completed on 4/12/16 and 4/13/16 with water management district oversight.						
<p><i>OK @ Lakeside Well #1 well Abandonment per EOP Rules & Res- # 2535-54</i></p>						
Total					\$3,517.00	

U.S. Water[®] Services Corporation

4939 Cross Bayou Blvd.
New Port Richey, FL 34652

Invoice

Invoice #	834134
Date	8/9/2016
Due Date	9/8/2016
Account #	2535
P.O. No.	

Bill To
Lakeside Waterworks, Inc. Attn: Joe Gabay 4939 Cross Bayou Boulevard New Port Richey, FL 34652

All service pricing anticipates payment by Check or ACH. Due to additional costs incurred, services paid by credit card will require an additional "pass through" 3% processing fee in order to be accepted.

Project
2535-67 New Service 12421 Insim Lane

Date	Description	Qty or Hrs	Unit	Rate	Amount
7/22/2016	Installed new water service line at 12421 Insim Lane for new customer. Materials and Labor to Complete Scope of Service	1	LS	1,338.00	1,338.00

*OK @
CERA # 334
@
8-11-16*

Please remit payment to the above address. We appreciate your business!

Total	\$1,338.00
Payments/Credits	\$0.00
Balance Due	\$1,338.00

Phone #	Email Contact
7278488292285	mvinyard@uswatercorp.net

Lakeside Waterworks, Inc.
 Schedule of Water Rate Base
 Test Year Ended 06/30/16

REVISED

Schedule No. 1-A
 Docket No. 160195-WS

Description	Average Test Year Per Utility	Adjustments	Average Adjusted Test Year
1 Plant in Service	\$263,806	-\$14,618	\$249,188
2 Land and Land Rights	0	0	0
3 Non-used and Useful Components	0	0	0
4 Accumulated Depreciation	-118,074	15,937	-102,137
5 CIAC	-14,251	0	-14,251
6 Amortization of CIAC	7,379	0	7,379
7 Working Capital Allowance	<u>6,446</u>	<u>146</u>	<u>6,592</u>
8 Rate Base	<u>\$145,306</u>	<u>\$1,465</u>	<u>\$146,771</u>

Lakeside Waterworks, Inc.
 Adjustments to Rate Base
 Test Year Ended 06/30/16

Schedule No. 1-C
 Docket No. 160195-WS
 REVISED

Explanation	Water	Wastewater
<u>Plant In Service</u>		
1 Retirement of Collapsed Well	(\$15,956)	\$0
2 Retirement of WWTP	\$0	(\$36,689)
3 Service Line Installation - Water	\$1,338	
4 Additional Replacement WWTP	\$0	\$97,103
Total	<u>(\$14,618)</u>	<u>\$60,414</u>
<u>Land</u>		
Total	<u>\$0</u>	<u>\$0</u>
<u>Non-used and Useful</u>		
All components are 100% Used and Useful	<u>\$0</u>	<u>\$0</u>
<u>Accumulated Depreciation</u>		
1 Retirement of Collapsed Well	(\$15,956)	\$0
2 Retirement of WWTP	\$0	(\$36,689)
3 Additional Replacement WWTP	\$0	\$3,237
4 Service Line Installation - Water	\$19	\$0
Total	<u>(\$15,937)</u>	<u>(\$33,452)</u>
<u>CIAC</u>		
1	\$0	\$0
2	\$0	\$0
3	\$0	\$0
Total	<u>\$0</u>	<u>\$0</u>
<u>Accumulated Amortization of CIAC</u>		
1	\$0	\$0
2	\$0	\$0
Total	<u>\$0</u>	<u>\$0</u>
<u>Accumulated Amortization of Neg Acquisition Adjustment</u>		
1	\$0	\$0
2	\$0	\$0
Total	<u>\$0</u>	<u>\$0</u>
<u>Working Capital</u>		
	<u>\$146</u>	<u>\$127</u>

Lakeside Waterworks, Inc.
 Capital Structure
 Test Year Ended 06/30/16

REVISED

Schedule No. 2
 Docket No. 160195-WS

Description	Total Capital	Specific Adjustments	Subtotal Adjusted Capital	Prorata Adjustments	Capital Reconciled to Rate Base	Ratio	Cost Rate	Weighted Cost
Per Utility								
11 Long-term Debt	\$19,566	\$0	\$19,566	\$11,193	\$30,759	10.76%	4.00%	0.43%
12 Short-term Debt	0	0	\$0	\$0	0	0.00%	0.00%	0.00%
13 Preferred Stock	0	0	\$0	\$0	0	0.00%	0.00%	0.00%
14 Common Equity	158,808	0	\$158,808	\$90,847	249,656	87.35%	8.94%	7.81%
15 Customer Deposits	3,430	0	\$3,430	\$1,962	5,392	1.89%	2.00%	0.04%
16 Deferred Income Taxes	<u>0</u>	<u>0</u>	<u>\$0</u>	<u>\$0</u>	<u>0</u>	<u>0.00%</u>	0.00%	<u>0.00%</u>
20 Total Capital	<u>\$181,804</u>	<u>\$0</u>	<u>\$181,804</u>	<u>\$104,002</u>	<u>\$285,807</u>	<u>100.00%</u>		<u>8.28%</u>
						LOW	HIGH	
					RETURN ON EQUITY	<u>7.94%</u>	<u>9.94%</u>	
					OVERALL RATE OF RETURN	<u>7.40%</u>	<u>9.15%</u>	

Lakeside Waterworks, Inc.
Statement of Water Operations
Test Year Ended 06/30/16

Revised Schedule No. 3-A
Docket No. 160195-WS

Description	Test Year Per Utility	Adjustments	Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$59,676</u>	<u>\$0</u>	<u>\$59,676</u>	<u>\$18,917</u> 31.70%	<u>\$78,592</u>
Operating Expenses					
2 Operation & Maintenance	51,567	1,171	52,738	371	53,109
3 Depreciation	5,071	38	5,109		5,109
4 Amortization	-415	4,423	4,008		4,008
5 Taxes Other Than Income	3,370	0	3,369	851	4,221
6 Income Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
7 Total Operating Expense	<u>59,592</u>	<u>5,632</u>	<u>65,224</u>	<u>1,222</u>	<u>66,446</u>
8 Operating Income	<u>\$84</u>	<u>-\$5,632</u>	<u>-\$5,548</u>	<u>\$17,695</u>	<u>\$12,146</u>
9 Rate Base	<u>\$145,306</u>		<u>\$146,771</u>		<u>\$146,771</u>
10 Rate of Return	<u>0.06%</u>		<u>-3.78%</u>		<u>8.28%</u>

Lakeside Waterworks, Inc.
 Adjustment to Operating Income
 Test Year Ended 06/30/16

Revised Schedule 3-C
 Docket No. 160195-WS
 REVISED

Explanation	Water	Wastewater
<u>Operating Revenues</u>		
1	\$0	\$0
2	\$0	\$0
Total	<u>\$0</u>	<u>\$0</u>
<u>Operation and Maintenance Expense</u>		
1 Annualized Accounting Fees	\$1,050	\$825
2 Annualized General Liability	(\$39)	\$29
3 Rate Case Expense Amortization	\$161	\$161
4 Total	<u>\$1,171</u>	<u>\$1,016</u>
<u>Depreciation Expense - Net</u>		
1 Additional Replacement WWTP		\$6,474
2 Service Line Installation - Water	\$38	
3 Total	<u>\$38</u>	<u>\$6,474</u>
<u>Amortization of Loss on Early Retirement</u>		
1 Loss on Well Retirement	\$4,423	\$0
2 Loss on WWTP Retirement	\$0	\$224
3	\$0	\$0
Total	<u>\$4,423</u>	<u>\$224</u>
<u>Taxes Other Than Income</u>		
1	\$0	\$0
4 To reflect appropriate RAFs test year revenues	(\$0)	\$0
Total	<u>(\$0)</u>	<u>\$0</u>
Additional Pro Forma Adjustments		
<u>Operation and Maintenance Expense</u>		
2 Bad Debt Expense on Revenue Increase (2%)	<u>\$371</u>	<u>\$506</u>
<u>TAXES OTHER THAN INCOME TAX</u>		
3 RAF on Revenue Adjustment @ 4.5%	<u>\$851</u>	<u>\$1,112</u>

WATER UTILITY PLANT ACCOUNTS

ACCT. NO.	ACCOUNT NAME	Test Year Plant		Adjusted Balance	Depr Rates Per Rule	Test Year		Adjusted Balance	Test Year Depr Exp	Adjusted Balance	NON-U/U %	NON-U/U Adj to Plant	NON-U/U Adj to Acc. Depr	NON-U/U Adj to depr exp	
		Per Books	Adjustments			Acc Depr	Adjustments								
301	Organization	1,473	0	1,473	2.50%	477	0	477	37	0	37	0.00%	0	#N/A	#N/A
302	Franchises	0	0	0	2.50%	0	0	0	0	0	0	0.00%	0	#N/A	#N/A
303	Land and Land Rights	0	0	0	NA	0	0	0	0	0	0	0.00%	0	0	0
304	Structures and Improvements	10,296	0	10,296	3.70%	3,825	0	3,825	381	0	381	0.00%	0	0	0
305	Collecting and Impounding	0	0	0	2.00%	0	0	0	0	0	0	0.00%	0	0	0
306	Lake River and Other Intakes	0	0	0	2.50%	0	0	0	0	0	0	0.00%	0	0	0
307	Wells and Springs	132,172	-15,956	116,216	3.70%	28,053	-15,937	12,116	1,941	38	1,979	0.00%	0	0	0
308	Infiltration Galleries	0	0	0	2.50%	0	0	0	0	0	0	0.00%	0	0	0
309	Supply Mains	300	0	300	3.13%	215	0	215	9	0	9	0.00%	0	0	0
310	Power Generation Equipment	603	0	603	5.88%	107	0	107	35	0	35	0.00%	0	0	0
311	Pumping Equipment	7,693	0	7,693	5.88%	7,183	0	7,183	452	0	452	0.00%	0	0	0
320	Water Treatment Equipment	10,671	0	10,671	5.88%	10,213	0	10,213	628	0	628	0.00%	0	0	0
330	Distribution Reservoirs	5,829	0	5,829	3.03%	1,515	0	1,515	15	0	15	0.00%	0	0	0
331	Transmission and Distribution Mains	54,604	0	54,604	2.63%	27,802	0	27,802	1,178	0	1,178	0.00%	0	0	0
333	Services	7,675	1,338	9,013	2.86%	7,678	19	7,697	219	38	258	0.00%	0	0	0
334	Meter & Meter Installations	28,989	0	28,989	5.88%	28,946	0	28,946	0	0	0	0.00%	0	0	0
335	Hydrants	0	0	0	2.50%	0	0	0	0	0	0	0.00%	0	0	0
339	Other Plant & Miscellaneous Equipment	3,501	0	3,501	10.00%	2,062	0	2,062	175	0	175	0.00%	0	0	0
340	Office Furniture & Equipment	0	0	0	6.67%	0	0	0	0	0	0	0.00%	0	0	0
340	Computer Equipment	0	0	0	16.67%	0	0	0	0	0	0	0.00%	0	0	0
341	Transportation Equipment	0	0	0	16.67%	0	0	0	0	0	0	0.00%	0	0	0
342	Stores Equipment	0	0	0	5.56%	0	0	0	0	0	0	0.00%	0	0	0
343	Tools, Shop & Garage	0	0	0	6.25%	0	0	0	0	0	0	0.00%	0	0	0
344	Laboratory Equipment	0	0	0	6.67%	0	0	0	0	0	0	0.00%	0	0	0
345	Power Operated Equipment	0	0	0	8.33%	0	0	0	0	0	0	0.00%	0	0	0
346	Communication Equipment	0	0	0	10.00%	0	0	0	0	0	0	0.00%	0	0	0
347	Miscellaneous Equipment	0	0	0	6.67%	0	0	0	0	0	0	0.00%	0	0	0
348	Other Plant & Miscellaneous Equipment	0	0	0	10.00%	0	0	0	0	0	0	0.00%	0	0	0
	INTANGIBLE PLANT	\$1,473	\$0	\$1,473		\$477	\$0	\$477	\$37	\$0	\$37	#N/A	\$0	\$0	\$0
	SOURCE OF SUPPLY & PUMPING	151,064	-15,956	135,108		39,383	-15,937	23,446	2,819	38	2,857	0.00%	0	0	0
	WATER TREATMENT PLANT	10,671	0	10,671		10,213	0	10,213	628	0	628	0.00%	0	0	0
	TRANSMISSION & DISTRIBUTION	100,598	1,338	101,936		68,002	19	68,021	1,587	38	1,625	0.00%	0	0	0
	GENERAL PLANT	0	0	0		0	0	0	0	0	0	#N/A	0	0	0
	TOTALS - WATER	\$263,806	-\$14,618	\$249,188		\$118,074	-\$15,918	\$102,157	\$5,071	\$76	\$5,147	0.00%	\$0	\$0	\$0

RATIO OF NON-USED & USEFUL PLANT **0.00%**

WATER	TEST YEAR	UTILITY ADJUSTMENTS	UTILITY ADJUSTED		ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
			TEST YEAR	ADJUSTMENTS			
PERSONAL PROPERTY	\$684	\$0	\$684	\$0	\$684		\$684
PAYROLL	0	0	0	0	0		0
REGULATORY ASSESSMENT FEES	2,686	0	2,685	0	2,685	851	3,537
OTHER	0	0	0	0	0		0
TOTAL	\$3,370	\$0	\$3,369	\$0	\$3,369	\$851	\$4,221

Test Year RAF 2,686
 Utility Adj Rev 2685.43575
 Adjustment 0.24425

WASTEWATER	TEST YEAR	UTILITY ADJUSTMENTS	UTILITY ADJUSTED		ADJUSTED TEST YEAR	REVENUE INCREASE	REVENUE REQUIREMENT
			TEST YEAR	ADJUSTMENTS			
PERSONAL PROPERTY	\$684	\$0	\$684	\$0	\$684		\$684
PAYROLL	0	0	0	0	0		0
REGULATORY ASSESSMENT FEES	2,440	0	2,440	0	2,440	1,112	3,552
OTHER	0	0	0	0	0		0
TOTAL	\$3,124	\$0	\$3,124	\$0	\$3,124	\$1,112	\$4,236

Test Year RAF 2,440
 Utility Adj Rev 2439.7173
 Adjustment -0.0073

Lakeside Waterworks, Inc.
Water Monthly Service Rates
Test Year Ended 06/30/16

REVISED

Schedule No. 4-A
Docket No. 160195-WS

	Rates Prior to Filing	Utility Requested Final	4-year Rate Reduction
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Residential Service (RS)

Base Facility Charge by Meter Size:

5/8" x 3/4"	\$13.76	\$18.47	\$0.06
3/4"	\$20.64	\$27.71	\$0.09
1"	\$34.40	\$46.19	\$0.16
1-1/2"	\$68.79	\$92.37	\$0.31
2"	\$110.07	\$147.79	\$0.50
3"	\$220.13	\$295.59	\$1.00
4"	\$343.96	\$461.85	\$1.57
6"	\$687.91	\$923.71	\$3.14

Residential & Irrigation Gallonage Charge:

per 1,000 Gallons

0 - 4,000	\$3.47	\$4.94	\$0.02
Over 4,000 gallons	\$4.49	\$7.41	\$0.03

General Service (GS), Commercial Irrigation (CI)

Base Facility Charge by Meter Size:

5/8" x 3/4"	\$13.76	\$18.47	\$0.06
3/4"	\$20.64	\$27.71	\$0.09
1"	\$34.40	\$46.19	\$0.16
1-1/2"	\$68.79	\$92.37	\$0.31
2"	\$110.07	\$147.79	\$0.50
3"	\$220.13	\$295.59	\$1.00
4"	\$343.96	\$461.85	\$1.57
6"	\$687.91	\$923.71	\$3.14

Gallonage Charge, per 1,000 Gallons	\$3.80	\$5.39	\$0.02
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Private Fire Protection

Base Facility Charge by Meter Size:

2"	\$0.00	\$12.32	\$0.04
3"	\$0.00	\$24.63	\$0.08
4"	\$0.00	\$38.49	\$0.13
6"	\$0.00	\$76.98	\$0.26

Typical Residential Bills 5/8" x 3/4" Meter

3,000 Gallons	\$24.17	\$33.29	
5,000 Gallons	\$31.11	\$43.17	
10,000 Gallons	\$50.50	\$72.81	

Revenue Schedule at Present and Proposed Rates

Florida Public Service Commission

Lakeside Waterworks, Inc.
 Docket No. 160195-WS
 Test Year Ended 06/30/16
 Water [X] or Sewer []

REVISED Schedule: E-1w
 Page: 1 of 1
 Preparer: W T Rendell

Explanation: Provide a calculation of revenues at present and proposed rates using the billing analysis. Explain any differences between these revenues and booked revenues. If a rate change occurred during the test year, a revenue calculation must be made for each period.

Line No.	(1) Class/Meter Size	(2) Test Year Bills	(3) TY Cons in 1,000 gal.	(4) Test Year Rate	(5) Test Year Revenue	(6) Adjusted Bills	(7) Adjusted Cons	(8) Rate Prior to Filing	(9) Revenue at Rate Prior	(10) ProForma Block Cons	(11) Repressed Block Cons	(12) Proposed Rate/W/Rpsr	(13) Revenue at Rpsn Rates
1	Residential												
2	5/8" X 3/4"	2,085		12.59	26,244	2,085		13.76	28,683			18.47	38,501
3	3/4"	0		18.88	0	0		20.64	0			27.71	0
4	1"	71		31.47	2,234	71		34.40	2,442			46.19	3,279
5	1-1/2"	0		62.94	0	0		68.79	0			92.37	0
6	2"	0		100.71	0	0		110.07	0			147.79	0
7	3"	0		201.41	0	0		220.13	0			295.59	0
8	4"	0		314.71	0	0		343.96	0			461.85	0
9	<i>Gallonge Charge, per 1,000 gallons</i>												
10	0 - 4,000 gallons		4,407	3.17	13,970	0	4,407	3.47	15,292	0	4,407	4.94	21,771
11	Over 4,000 gallons		1,837	4.11	7,550	0	1,837	4.49	8,248	(257)	1,580	7.41	11,711
12					0		0		0	0	0		0
13	Total Residential	2,156	6,244		49,998	2,156	6,244		54,666	(257)	5,987		75,262
14	Average Bill				23.20				25.36				34.92
15													
16	General Service												
17	5/8" X 3/4"	12	0	12.59	151	12		13.76	165			18.47	222
18	3/4"	0		18.88	0	0		20.64	0			27.71	0
19	1"	0		31.47	0	0		34.40	0			46.19	0
20	1-1/2"	0		62.94	0	0		68.79	0			92.37	0
21	2"	0		100.71	0	0		110.07	0			147.79	0
22	3"	0		201.41	0	0		220.13	0			295.59	0
23	4"	0		314.71	0	0		343.96	0			461.85	0
24	6"	0		629.41	0	0		687.91	0			923.71	0
25	8"	0		-	0	0		-	0			1,477.93	0
26	Gallonge		397	3.48	1,382		397	3.80	1,509	397	397	5.39	2,140
27	Total General Serv	12	397		1,533	12	397		1,674	397	397		2,361
28	Average Bill				127.72				139.48				196.79
29													
30	Irrigation												
31	5/8" X 3/4"	0		-	0	0	NA	-	0			18.47	0
32	<i>Gallonge Charge, per 1,000 gallons</i>												
33	0 - 8,000 gal.		0	-	0	0	0	-	0	0	0	4.94	0
34	Over 8,000 gal.		0	4.11	0	0	0	-	0	0	0	7.41	0
35			0	-	0	0	0	-	0	0	0	-	0
36	Block 4		0	-	0	0	0	-	0	0	0	-	0
37	Total Irrigation	0	0		0	0	0		0	0	0		0
38	Average Bill				-				-				-
39													
40	Fire Protection												
41	2"	0	NA	-	0	0		-	0			12.32	0
42	3"	0	NA	-	0	0		-	0			24.63	0
43	4"	0	NA	-	0	0		-	0			38.49	0
44	6"	0	NA	-	0	0		-	0			76.98	0
45	8"	0	NA	-	0	0		-	0			123.16	0
46	10"	0	NA	-	0	0		-	0			177.04	0
47	Total Fire Protect	0	NA		0	NA			0	NA			0
48	Average Bill				-				-				-
49													
50	Subtot Billed Rev	2,168	6,641		51,531	2,168	6,641		56,339	140	6,384		77,624
51	Unbilled Revenues				0				0				-
52	Guaranteed Revenues				0				0				0
53	Misc. Service Charge				796				796				796
54	Adjustments to Customers				0				0				0
55	Tot Billed Rev				52,328				57,136				78,420
56	Booked Revenue per GL				59,676				59,676				59,676
###	Difference - Index				(7,349)				(2,541)		-4.3%		