

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application to transfer facilities and
water Certificate No. 652-W in Marion County
from Arma Water Service, LLC to Leighton
Estates Utilities, LLC.

DOCKET NO. 20210043-WU
ORDER NO. PSC-2021-0408-PAA-WU
ISSUED: November 1, 2021

The following Commissioners participated in the disposition of this matter:

GARY F. CLARK, Chairman
ART GRAHAM
ANDREW GILES FAY
MIKE LA ROSA
GABRIELLA PASSIDOMO

NOTICE OF PROPOSED AGENCY ACTION
ORDER ESTABLISHING NET BOOK VALUE FOR TRANSFER PURPOSES,
APPROVING AN ACQUISITION ADJUSTMENT, AND REVISING
LATE PAYMENT AND NON-SUFFICIENT FUND CHARGES
AND
ORDER GRANTING APPLICATION TO TRANSFER FACILITIES AND CERTIFICATE
NO. 652-W IN MARION COUNTY FROM ARMA WATER SERVICE, LLC TO
LEIGHTON ESTATES UTILITIES, LLC, AND CONTINUING
EXISTING RATES AND CHARGES

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein, except for granting the transfer application and continuing the existing rates and charges, is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

Background

Arma Water Services, LLC (Arma or Seller) is a Class C water utility providing service to approximately 78 residential customers in Marion County. Wastewater service is provided by individually owned septic tanks. Arma is located in the St. Johns River Water Management District. According to its 2020 Annual Report, Arma had gross revenues of \$31,112 and a net operating loss of \$10,826.

We granted an original water certificate to Arma in 2010.¹ On February 22, 2021, Leighton Estates Utilities, LLC (Buyer or Utility) filed an application for the transfer of Certificate No. 652-W from Arma to the Utility in Marion County.

We have jurisdiction pursuant to Sections 367.071 and 367.081, Florida Statutes (F.S.).

Decision

Application for Transfer

On February 22, 2021, the Buyer filed an application for the transfer of Certificate No. 652-W from Arma. The application is in compliance with Section 367.071, F.S., and applicable rules concerning applications for transfer of certificates. The sale to the Buyer occurred on January 1, 2021, contingent upon our approval, pursuant to Section 367.071(1), F.S.

Noticing, Territory, and Land Ownership

The Utility provided notice of the application pursuant to Section 367.071, F.S., and Rule 25-30.030, F.A.C. No objections to the transfer were filed, and the time for doing so has expired. The application contains a description of the service territory, which is appended to this Order as Attachment A. The Buyer provided a copy of a warranty deed executed January 4, 2021, as evidence that the Utility has rights to long-term use of the land upon which the treatment facilities are located pursuant to Rule 25-30.037(2)(s), F.A.C.

Purchase Agreement and Financing

Pursuant to Rule 25-30.037(2)(g), (h), and (i), F.A.C., the application contains a statement regarding financing and a copy of the Purchase Agreement, which includes the purchase price, terms of payment, and a list of the assets purchased. There are no guaranteed revenue contracts, developer agreements, customer advances, leases, or debt of Arma that must be disposed of with regard to the transfer. The customer deposits were forwarded to the Buyer and credited to customer accounts. According to the Purchase Agreement, the total purchase price for the water assets is \$172,000. According to the Buyer, the sale took place on January 1, 2021, subject to our approval, pursuant to Section 367.071(1), F.S.

Facility Description and Compliance

The Utility's water treatment plant is rated at 65,800 gallons per day. Raw water is drawn from a single well and treated by hypochlorination and is stored in a 5,000 gallon hydropneumatic tank before distribution. The Florida Department of Environmental Protection (DEP) conducted an inspection of the water treatment facility on September 11, 2020, and it was found to be in compliance with the DEP's rules and regulations.

¹Order No. PSC-10-0552-PAA-WU, issued September 3, 2010, in Docket No. 20090366-WU, *In re: Application for certificate to operate water utility in Marion County by Arma Water Service, LLC*.

Financial and Technical Ability

Pursuant to Rule 25-30.037(2)(l) and (m), F.A.C., the Utility provided statements describing its financial and technical ability to provide water service. As referenced in the transfer application, the Buyer will fulfill the commitments, obligations, and representation of the seller with regards to utility matters. We have reviewed the financial statements of Florida Utility Services 1, LLC, owned and managed by Mr. Michael Smallridge, and find that the Buyer has documented adequate resources to support the Utility's water operations. As referenced in the transfer application and specified in previous dockets, Mr. Smallridge was appointed to the Citrus County Water and Wastewater Authority, the local regulatory body for Citrus County, where he served for seven years. Mr. Smallridge also served as the "Class C" representative for the Legislative Study Committee for Investor-Owned Water and Wastewater Utility Systems in 2013. Mr. Smallridge attends yearly training classes through the Florida Rural Water Association and completed the NARUC Utility Rate School in 2001. Further, Mr. Smallridge is the owner and manager of 15 Class C water and wastewater facilities that are regulated by us, and we recently acknowledged Mr. Smallridge's appointed receivership to Sun River Utilities, Inc.² Based on the above, we find that the Buyer has demonstrated the technical and financial ability to provide service to the existing service territory.

Rates and Charges

Arma's rates and charges were last approved in its application for an original water certificate in Marion County in 2010.³ The rates were subsequently amended by one price index rate adjustment in January 2021. Rule 25-9.044(1), F.A.C., provides that, in the case of a change of ownership or control of a utility, the rates, classifications, and regulations of the former owner must continue unless we authorize a change. Therefore, Arma's existing rates and charges as shown on Schedule No. 2, a copy of which is appended to this order as Attachment C, shall remain in effect until we authorize a change.

The Utility has requested to implement two additional miscellaneous service charges. In addition, the existing miscellaneous service charges must be updated to reflect the recent amendment to Rule 25-30.460, F.A.C., pertaining to miscellaneous service charges. This request and update are addressed below.

²Order No. PSC-2021-0316-FOF-WS, issued August 23, 2021, in Docket No. 20210038-WS, *In re: Joint notice of abandonment of water and wastewater systems in Charlotte and DeSoto Counties by Sun River Utilities, Inc. and North Charlotte Waterworks, Inc., effective February 21, 2021.*

³Order No. PSC-10-0552-PAA-WU, issued September 3, 2010, in Docket No. 20090366-WU, *In re: Application for certificate to operate water utility in Marion County by Arma Water Service, LLC. in Broward County, Florida.*

Regulatory Assessment Fees (RAFs) and Annual Reports

The Utility is current on the filing of annual reports and RAFs through December 31, 2020. The Buyer shall be responsible for filing the Utility's annual reports and paying RAFs for 2021 and all future years.

Conclusion

Based on the foregoing, we find that the transfer of the water system and Certificate No. 652-W is in the public interest and approve the transfer effective October 12, 2021. The resultant order shall serve as the Buyer's certificate and shall be retained by the Buyer. The existing rates and charges shall remain in effect until a change is authorized by us in a subsequent proceeding. The tariffs reflecting the transfer shall be effective for services rendered or connections made on or after the stamped approval date on the tariffs pursuant to Rule 25-30.475, F.A.C. The Buyer shall be responsible for filing annual reports and paying RAFs for 2021 and all future years.

Net Book Value (NBV)

Rate base has never been established for the Utility. The purpose of establishing NBV for transfers is to determine whether an acquisition adjustment should be approved. The NBV does not include normal ratemaking adjustments for used and useful plant or working capital. The Utility's NBV has been updated to reflect balances as of January 1, 2021. Our approved NBV is shown on Schedule No. 1.

Utility Plant in Service (UPIS)

The Utility's general ledger reflects a UPIS balance of \$372,047 as of January 1, 2021. We have reviewed UPIS additions since December 31, 2010, and find that services and meters and meter installations were overstated by \$7,812 and \$1,958 respectively. As a result, UPIS shall be decreased by \$9,770. Therefore, the UPIS balance is \$362,277 as of January 1, 2021.

Land

The Utility's general ledger reflects a land balance of \$30,000 as of January 1, 2021. We have verified the warranty deed from October 27, 2009, and confirmed that there have been no additions to land since December 31, 2010. Therefore, the land balance is \$30,000.

Accumulated Depreciation

The Utility's general ledger reflects an accumulated depreciation balance of \$121,439 as of January 1, 2021. In accordance with Rule 25-30.140, F.A.C., we calculated the appropriate accumulated depreciation balance to be \$109,809. As a result, accumulated depreciation shall be decreased by \$11,630.

Contributions-in-Aid-of-Construction (CIAC) and Accumulated Amortization of CIAC

The Utility's general ledger reflects a CIAC balance of \$20,000 and an accumulated amortization of CIAC balance of \$3,456 as of January 1, 2021. We were only able to confirm eight of the 20 new customers claimed by the Utility, and as such decreased the CIAC balance by \$12,000. We also decreased the accumulated amortization of CIAC balance by \$2,943 based on the reduction of CIAC above. Therefore, the CIAC balance is \$8,000 and the accumulated amortization of CIAC balance is \$513, as of January 1, 2021.

Net Book Value

The Utility's general ledger reflects a NBV of \$264,064 as of January 1, 2021. Based on the adjustments described above, the NBV is \$274,981. This NBV and the National Association of Regulatory Utility Commissioners, Uniform System of Accounts (NARUC USOA) balances for UPIS and accumulated depreciation as of January 1, 2021 are shown on Schedule No. 1, a copy of which is appended to this order as Attachment B. A negative acquisition adjustment shall be recognized for rate making purposes and is addressed below.

Conclusion

Based on the above, we find that the NBV of the Utility's water system for transfer purposes is \$274,981, as of January 1, 2021. Within 90 days of the date of the final order, the Buyer shall be required to notify us in writing that it has adjusted its books in accordance with this decision. The adjustments shall be reflected in the Utility's 2021 Annual Report when filed.

Acquisition Adjustment

An acquisition adjustment results when the purchase price differs from the original cost of the assets' NBV, adjusted to the time of the acquisition. Pursuant to Rule 25-30.0371(3), F.A.C., if the purchase price is equal to or less than 80 percent of NBV, a negative acquisition adjustment shall be included in rate base and will be equal to 80 percent of NBV, less the purchase price. Pursuant to Rule 25.30.0371(4)(b)1., F.A.C., if the purchase price is greater than 50 percent of net book value, the negative acquisition adjustment shall be amortized over a 7-year period. The calculation of the acquisition adjustment is shown in Table 1.

Table 1
Calculation of Negative Acquisition Adjustment

Net book value as of January 1, 2021	\$274,981
80 percent of net book value	\$219,985
Purchase price	\$172,000
Negative acquisition adjustment	\$47,985

Therefore, pursuant to Rule 25-30.0371(3), F.A.C., a negative acquisition adjustment of \$47,985 is recognized for ratemaking purposes. Beginning with the date of issuance of the order approving the transfer, the negative acquisition adjustment shall be amortized over a 7-year period, in accordance with Rule 25-30.0371(4)(b)1, F.A.C.

Miscellaneous Service Charges

Late Payment Charge

The Utility is requesting a \$5.00 late payment charge to recover the cost of labor, supplies, and postage associated with processing late payment notices. The Utility currently does not have a late payment charge. The purpose of this charge is not only to provide an incentive for customers to make timely payment, thereby reducing the number of delinquent accounts, but also to place the cost burden of processing delinquent accounts solely upon those who are cost causers. Section 367.091, F.S., authorizes us to establish, increase, or change a rate or charge other than monthly rates or service availability charges.

The Utility calculated the actual costs for its late payment charges to be \$5.33. The Utility indicated that it will take approximately 5 minutes per account to research, compile, and produce late notices. The delinquent customer accounts will be processed by the administrative employee, which results in labor cost of \$4.68 ($\$58.50 \times 0.08\text{hr}$).⁴ In addition, the Utility included material cost of \$.65 for paper, envelopes, and postage, which results in total costs of \$5.33 ($\$4.68 + \$.65$). This calculation is consistent with prior decisions where we have allowed 5-15 minutes per account per month for the administrative labor associated with processing delinquent customer accounts.⁵ However, the Utility is requesting only a charge of \$5.00. The Utility's calculation for its actual costs associated with a late payment charge is shown in Table 2. The Utility's proposed late payment charge is reasonable and is approved.

Table 2
Late Payment Charge Cost Justification

Activity	Cost
Labor	\$4.68
Materials	\$0.12
Postage	\$0.53
Total Cost	\$5.33

⁴Labor Rate (Billing Manager - \$25.03 + Customer Service Representative - \$16.79 + Billing Representative - \$16.68 = \$58.50)

⁵Order Nos. PSC-16-0041-TRF-WU, issued January 25, 2016, in Docket No. 20150215-WU, *In re: Request for approval of tariff amendment to include miscellaneous service charges for the Earlene and Ray Keen Subdivisions, the Ellison Park Subdivision and the Lake Region Paradise Island Subdivision in Polk County, by Keen Sales, and Utilities, Inc.*, and PSC-15-0569-PAA-WS, issued December 16, 2015, in Docket No. 20140239-WS, *In re: Application for staff-assisted rate case in Polk County by Orchid Springs Development Corporation.*

Non-Sufficient Funds Charge (NSF)

Section 367.091, F.S., requires that rates, charges, and customer service policies be approved by us. The Utility is hereby authorized to collect NSF charges consistent with Section 68.065, F.S., which allows for the assessment of charges for the collection of worthless checks, drafts, or orders of payment. As currently set forth in Section 68.065(2), F.S., the following NSF charges may be assessed:

- (1) \$25, if the face value does not exceed \$50;
- (2) \$30, if the face value exceeds \$50 but does not exceed \$300;
- (3) \$40, if the face value exceeds \$300; or
- (4) 5 percent of the face amount of the check, whichever is greater.

Approval of NSF charges is consistent with our prior decisions.⁶ Furthermore, NSF charges place the cost on the cost-causer, rather than requiring that the costs associated with the return of the NSF checks be spread across the general body of the ratepayers. As such, the Utility shall be authorized to collect NSF charges.

Modifications Consistent with Amended Rule 25-30.460, F.A.C.

Effective June 24, 2021, Rule 25-30.460, F.A.C., was amended to remove initial connection and normal reconnection charges.⁷ The definitions for initial connection charges and normal reconnection charges were subsumed in the definition of the premises visit charge. It was envisioned that the utility tariffs would be reviewed by Commission staff on a prospective basis to ensure conformance with the amended rule. The Utility's miscellaneous service charges consist of initial connection and normal reconnection charges. These charges are the same as the premises visit charge. Therefore, it is appropriate at this time for the Utility to remove the initial connection and normal reconnection charges and update the definition for the premises visit charge to comply with amended Rule 25-30.460, F.A.C.

Conclusion

The Utility's request to add a \$5.00 late payment charge and NSF charges to its miscellaneous service charges are approved. In addition, the miscellaneous service charges shall be revised to conform to the recent revision to Rule 25-30.460, F.A.C. The miscellaneous service

⁶Order Nos. PSC-2020-0086-PAA-WU, issued March 24, 2020, in Docket No. 20190114-WU, *In re: Application for staff-assisted rate case in Alachua County, and request for interim rate increase by Gator Waterworks, Inc.*; PSC-2018-0334-PAA-WU, issued June 28, 2018, in Docket No. 20170155-WU, *In re: Application for grandfather water certificate in Leon County and application for pass through increase of regulatory fees, by Seminole Waterworks, Inc.*; PSC-14-0198-TRF-SU, issued May 2, 2014, in Docket No. 20140030-SU, *In re: Request for approval to amend Miscellaneous Service charges to include all NSF charges by Environmental Protection Systems of Pine Island, Inc.*; and PSC-13-0646-PAA-WU, issued December 5, 2013, in Docket No. 20130025-WU, *In re: Application for increase in water rates in Highlands County by Placid Lakes Utilities, Inc.*

⁷Order No. PSC-2021-0201-FOF-WS, issued June 4, 2020, in Docket No. 20200240-WS, *In re: Proposed amendment of Rule 25-30.460, F.A.C., Application for Miscellaneous Service Charges.*

charges are shown on Schedule No. 3, a copy of which is appended to this order as Attachment D. The Utility shall file a proposed customer notice to reflect the Commission-approved charges. The approved charges shall be effective on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved charge shall not be implemented until Commission staff has approved the proposed customer notice and the notice has been received by customers. The Utility shall provide proof of the date notice was given no less than 10 days after the date of the notice.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the application to transfer the water system and Certificate No. 652-W in Marion County from Arma Water Service, LLC to Leighton Estates Utilities, LLC is approved effective October 12, 2021. This order will serve as the Buyer's certificate and shall be retained by the Buyer. It is further

ORDERED that the Utility's existing rates and charges, except the late payment and not sufficient funds charges, shall remain in effect until we authorize a change in a subsequent proceeding. The tariffs reflecting the transfer are effective for services rendered or connections made on or after the stamped approval date on the tariffs. It is further

ORDERED that the Utility shall be allowed to impose a late payment charge of \$5.00. It is further

ORDERED that the Utility shall be allowed to impose not sufficient funds charges as set forth herein. It is further

ORDERED that the Utility shall remove the initial connection and normal reconnection charges and update the definition for the premises visit charge to comply with amended Rule 25-30.460, F.A.C. It is further

ORDERED that the Utility shall file revised tariffs reflecting these new and amended charges. The revised tariffs shall be effective for payments made on or after the stamped approval date on the tariff sheets. The approved charges shall not be implemented until Commission staff has approved the proposed customer notice and the notice has been received by customers. The Utility shall provide proof of the date notice was given no less than 10 days after the date of the notice. It is further

ORDERED that Leighton Estates Utilities, LLC, shall be responsible for filing annual reports and paying RAFs for 2021 and all future years. It is further

ORDERED that the Utility's UPIS balance as of January 1, 2021, is \$362,277. It is further

ORDERED that the Utility's land balance as of January 1, 2021, is \$30,000. It is further

ORDERED that the Utility's accumulated depreciation balance as of January 1, 2021, is \$109,809. It is further

ORDERED that the Utility's CIAC balance as of January 1, 2021, is \$8,000, and accumulated amortization of CIAC balance as of January 1, 2021, is \$513. It is further

ORDERED that the net book value of the Utility, for transfer purposes, is \$274,981, as of January 1, 2021. It is further

ORDERED that a negative acquisition adjustment of \$47,985 is recognized for ratemaking purposes. Beginning with the date of issuance of this Order, the negative acquisition adjustment shall be amortized over a 7-year period, in accordance with Rule 25-30.0371(4)(b)1, F.A.C. It is further

ORDERED that within 90 days of the date of the final order, the Buyer shall notify us in writing that it has adjusted its books in accordance with our decision. The adjustments shall be reflected in Leighton Estates Utilities, LLC's 2021 Annual Report. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed administratively upon Commission staff's verification that the Buyer has notified us in writing that it has adjusted its books in accordance with our decision.

ORDER NO. PSC-2021-0408-PAA-WU
DOCKET NO. 20210043-WU
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By ORDER of the Florida Public Service Commission this 1st day of November, 2021.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

SPS

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

As identified in the body of this order, our action herein, except for granting the transfer of the certificates and continuing existing rates and charges, is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on November 22, 2021. If such a petition is filed, mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing. In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

Any party adversely affected by the Commission's final action in this matter may request: (1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court in the case of an electric, gas, or telephone utility or the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Office of Commission Clerk and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

LEIGHTON ESTATES UTILITIES, LLC
WATER SERVICE AREA
MARION COUNTY

A portion of Section 23, Township 16 South, Range 21 East, more particularly described as follow:

The SW quarter of the NE quarter;

The NW quarter of the SE quarter;

The North 600 feet of the SW quarter of the SE quarter.

FLORIDA PUBLIC SERVICE COMMISSION

Authorizes

Leighton Estates Utilities, LLC

Pursuant to

Certificate Number 652-W

To provide water services in Marion County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Order of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, concealed or revoked by Order of the Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
PSC-10-0552-PAA-WU	09/03/2010	20090366-WU	Original Certificate
*	*	20210043-WU	Transfer

Schedule 1
Leighton Estates Utilities, LLC
Water System

Schedule of Net Book Value as of January 1, 2021

<u>Description</u>	<u>Balance</u> <u>Per Utility</u>	<u>Adjustments</u>		<u>Comm.</u>
Utility Plant in Service	\$372,047	(\$9,770)	A	\$362,277
Land & Land Rights	30,000	0		30,000
Accumulated Depreciation	(121,439)	11,630	B	(109,809)
CIAC	(20,000)	12,000	C	(8,000)
Amortization of CIAC	<u>3,456</u>	<u>(2,943)</u>	D	<u>513</u>
Total	<u>\$264,064</u>	<u>\$10,917</u>		<u>\$274,981</u>

**Leighton Estates Utilities, LLC
Water System**

Explanation of Adjustments to Net Book Value as of January 1, 2021

Explanation	Amount
A. UPIS To remove plant additions.	(\$9,770)
B. Accumulated Depreciation To reflect the appropriate amount of accumulated depreciation.	11,630
C. CIAC To remove new customer additions.	12,000
D. Accumulated Amortization of CIAC To reflect the appropriate amount of accumulated amortization of CIAC.	<u>(2,943)</u>
Total Adjustments to Net Book Value as of January 1, 2021.	<u>\$10,917</u>

**Leighton Estates Utilities, LLC
Water System**

Schedule of Account Balances as of January 1, 2021

Account No.	Description	UPIS	Accumulated Depreciation
301	Organization	\$6,200	\$1,628
304	Structures & Improvements	12,600	4,235
307	Wells & Springs	24,700	7,471
309	Supply Mains	6,300	2,067
311	Pumping Equipment	19,800	5,676
320	Water Treatment Equipment	36,480	22,029
330	Distribution Reservoirs	2,400	763
331	Transmission and Distribution Mains	231,997	56,761
333	Services	12,200	3,660
334	Meter and Meter Install.	5,600	3,034
339	Other Plant and Misc.	1,800	945
340	Office Furniture & Equip.	<u>2,200</u>	<u>1,540</u>
		<u>\$362,277</u>	<u>\$109,809</u>

Schedule 2
Leighton Estates Utilities, LLC.
Monthly Water Rates

Residential and General Service

Base Facility Charge by Meter Size

5/8" x 3/4"	\$22.00
1"	\$55.00
1 1/2"	\$110.00
2"	\$176.00
Charge Per 1,000 gallons	\$1.66

Initial Customer Deposits

Residential and General Service

5/8" x 3/4"	\$50.00
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Service Availability Charges

Customer Connection (Tap-in) Charge

5/8" x 3/4" meter service	\$875.00
1" meter service	\$875.00
1 1/2" meter service	\$875.00
2" meter service	\$875.00
Over 2" meter service	\$875.00

Meter Installation Charge

5/8" x 3/4"	\$125.00
All other meter sizes"	Actual Cost

Schedule 3
Leighton Estates Utilities, LLC.

Existing
Miscellaneous Service Charges

	<u>Normal Hours</u>	<u>After Hours</u>
Initial Connection Charge	\$25.00	\$50.00
Normal Reconnection Charge	\$25.00	\$50.00
Violation Reconnection Charge	\$25.00	\$50.00
Premises Visit Charge (in lieu of disconnection)	\$25.00	\$50.00

New
Miscellaneous Service Charges

	<u>Normal Hours</u>	<u>After Hours</u>
Premises Visit Charge	\$25.00	\$50.00
Violation Reconnection Charge	\$25.00	\$50.00
Late Payment Charge		\$5.00
NSF Charges	Pursuant to Section 68.065, F.S.	