

STATE OF FLORIDA

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TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC
REGULATION
(850) 413-6900

Public Service Commission

January 12, 2004

Mr. Ray Eubanks
Bureau of State Planning
Division of Resource Planning and Management
Department of Community Affairs
2550 Shumard Oak Boulevard
Tallahassee, FL 32399-2100

Re: PSC Docket No. 031087-WU; Application for Certificate to provide Water Service in Polk County by The Colinas Group, Inc. receivers for Lazy S Utilities, Inc.

Dear Mr. Eubanks:

Enclosed is a copy of the application of The Colinas Group, Inc. for a certificate to provide water service in Polk County. Pursuant to the Memorandum of Understanding between the Department of Community Affairs (DCA) and the Public Service Commission (PSC), the DCA has agreed to provide input on need for service and comprehensive plan consistency on applications for amendments or original certificates filed with the PSC.

The filing of The Colinas Group, Inc. is the eighty-first filing to receive this treatment. The staff requests that a response be received by Febuary 27, 2004. Please note that the response should be addressed to the Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0850, with the docket numbers highlighted for reference by the Commission. The case has been protested. However, it has not been set for hearing. The DCA will be updated by staff should a hearing be necessary.

AUS
CAF
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COM
CTR
ECR
GCL
OPC
MMS
SEC
OTH

DOCUMENT NUMBER-DATE

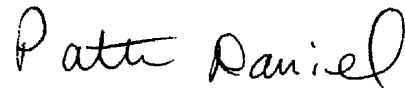
01175 JAN 27 03

FPSC-COMMISSION CLERK

Letter to Mr. Eubanks
January 12, 2004
Page 2

The staff of the Commission is looking forward to receiving the additional input from the DCA regarding the application. If there are any questions, please feel free to contact Richard Redemann at 850/413-6999.

Sincerely,

A handwritten signature in cursive script that reads "Patti Daniel".

Patti Daniel, Supervisor
Bureau of Certification

PD/rpr
Enclosure
C:\wp9\031087b.doc

cc: Division of Economic Regulation (Redemann)
General Counsel (Vining)
Division of the Commission Clerk and Administrative Services

ORIGINAL

**The Colinas Group, Inc.
Receivers for the Lazy S Utility Company
2033 E. Edgewood Drive
Lakeland, FL 33803
863-669-9141
December 2, 2003**

Director, Division of the Commission Clerk
and Administrative Services
Public Service Commission
2540 Shumard Boulevard
Tallahassee, FL 32399-0850

031087-WU

RECEIVED FPSC
03 DEC -3 AM 11:47
COMMISSION
CLERK

Re: Lazy S Utility Company

Director:

Enclosed for processing is the original and five copies of the Application for an Original Certificate for an Existing System Requesting Initial Rates and Charges. This is for the Lazy S Utility water system in Polk County.

Please be advised that we have been receivers since February of 2003. The financial records prior to that time are unavailable. As receivers we have properly sampled the water in the system, paired numerous leaks and have 98% of the customers making payments. This is an economically depressed area with many people on fixed incomes. We have also shut off service in cases where payments of some sort were not received. Rates in February were increased from \$10 or \$20 per month to a standard flat rate of \$35.50. We have also collected a deposit of \$35.50 from most of the users. Others took and option to pay \$6.00 per month for six months. Total collected from customers \$31,150 in eight months.

03 DEC -3 AM 10:10:06
ELECTRICITY

All water is supplied by the City of Lakeland.

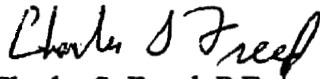
We will need an updated list of all other utilities in the county in order to properly notify all other utilities in the county.

This utility has no assets. There is no equipment, office furniture or stationary. The meters are old and have long since ceased being an asset.

DISTRIBUTION CENTER
03 DEC -3 AM 10:15

Enclosed is a check in the amount of \$375. The balance will be paid next month.

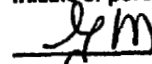
Very truly yours,



Charles S. Freed, P.E.
for the receivers of the Lazy S Utility Company

Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward deposit information to Records.

Initials of person who forwarded check:



DOCUMENT NUMBER-DATE

12298 DEC-3 03

FPSC-COMMISSION CLERK

TO: CUSTOMERS OF THE FORMER LAZY S UTILITY COMPANY

The former owners of the Lazy S Utility Company, Inc. have filed notice that they can no longer operate the water utility system. Without proper operation and maintenance on the water system a health problem could occur. On February 7, 2003 the Circuit Court appointed The Colinas Group, Inc., a Florida Corporation, as Receiver.

The receiver has been charged with operating the utility in a manner so as to effectively and efficiently provide water service to the Utilities customers in accordance with the rules and regulations of the State of Florida and Polk County. In order to make current water payments to the City of Lakeland, and maintain the system, the following rates have been established :

1. The base bill for each customer will be **\$35.50 per month** for the first 8,000 gallons of water used. Water used over the 8,000 gallons will be billed at:
 \$2.05 per 1000 gallons for the next 5,000 gallons
 \$2.50 per 1000 gallons for the next 5,000 gallons and
 \$2.75 per 1000 gallons for any usage over 18,000 gallons
2. There shall be a deposit due of one months user charge of **\$35.50** to establish an account. Meters will be read as close to the same time each month as possible. Bills will be mailed within four days of the meter reading. The customer will have **20 calendar days to pay the bill**. After which the account will be deemed late and a **\$3.50 late charge** will be added to the bill. Should the bill remain unpaid for **20 additional days** the customer will receive a notice to terminate service and the water will be cutoff. When service is cutoff the entire bill must be paid before the service will be reconnected. There will be a **\$20.00 reconnect fee** which will be on the next months bill. Any meter that is tampered with or otherwise disconnected by other that the receivers shall be charged **\$50.00 plus the cost of any materials needed for the repair**. Only employees of the receiver or persons under contract to the receiver shall repair the meters.
3. A **\$30.00 charge** will be imposed on all returned checks.
4. Checks or money orders should be made Payable to **'The Colinas Group - Receiver'** and mailed to **2033 E. Edgewood Drive, Suite 5, Lakeland, FL 33803**.

The above rates will begin with the April 2003 bills. The March bills will be approximately **\$20.00**.

To provide the most accurate billing **ALL** meters will eventually have to be replaced The cost of installing meters is **\$150.00**. When a new meter is required the customer may make a one time payment of **\$150.00** or have the cost spread over twenty four months. The meters that are not working will be the first to be replaced.

Should a customer question the meter reading it will be reread. If the reading is correct the customer will be charged **\$15.00**. Should the reading be inaccurate the reread is free and the customers bill adjusted.

For questions regarding the operation or billing please call **863-669-9141** between the **8:30 am and 5:30 pm**. For emergency service after hours you may call **863-294-3536**. We will make every effort to provide safe drinking water at the lowest possible cost while making improvements as funds are available.

The deposits shall be placed in an interest bearing escrow account. It will be returned to the customer (with interest) after having a good payment record for two years.

Thank you, David Blount and Charles Freed Receivers.
Please help save a precious natural resource by repairing all leaks.

DOCUMENT NUMBER-DATE

12298 DEC-98

FPSC-COMMISSION CLERK

**APPLICATION FOR ORIGINAL CERTIFICATE
FOR A PROPOSED OR EXISTING SYSTEM REQUESTING
INITIAL RATES AND CHARGES
(Pursuant to Section 367.045, Florida Statutes)**

To: **Director, Division of the Commission Clerk & Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850**

The undersigned hereby makes application for original certificate(s) to operate a water X and/or wastewater _____ utility in Polk County, Florida, and submits the following information:

PART I APPLICANT INFORMATION

A) The full name (as it appears on the certificate), address and telephone number of the applicant:

The Colinas Group, Inc. Receivers for the Lazy S Utility Co.

Name of utility

(863) 669-9141

Phone No.

(863) 669-1742

Fax No.

2033 E. Edgewood Dr. Suite 5

Office street address

Lakeland

FL

33803

City

State

Zip Code

Mailing address if different from street address

Internet address if applicable

B) The name, address and telephone number of the person to contact concerning this application:

Charles S. Freed

() 863-669-9141

Name

Phone No.

2033 E. Edgewood Dr. Suite 5

Street address

Lakeland, FL

33803

City

State

Zip Code

C) Indicate the organizational character of the applicant: (circle one)

Corporation Partnership Sole Proprietorship

Other _____
(Specify)

D) If the applicant is a corporation, indicate whether it has made an election under Internal Revenue Code Section 1362 to be an S Corporation:

Yes No _____

E) If the applicant is a corporation, list names, titles and addresses of corporate officers, directors, partners, or any other person(s) or entities owning an interest in the applicant's business organization. (Use additional sheet if necessary).

Charles Freed is the only member of the Corporation

_____ to have an interest in the REceivership.

_____ A partner in the Receivership is David Blount

_____ 4416 Burlington Dr. Winter Haven, FL 33880

_____ 863-294-3536

F) If the applicant is not a corporation, list names and addresses of all persons or entities owning an interest in the organization. (Use additional sheet if necessary.)

PART II NEED FOR SERVICE

This is an existing potable water service

A) Exhibit A - A statement regarding the need for service in the proposed territory, such as anticipated (or actual) development in the area. Identify any other utilities within the area proposed to be served which could potentially provide such service in the area and the steps the applicant took to ascertain whether such other service is available.

B) Exhibit _____ - A statement that to the best of the applicant's knowledge, the provision of service will be consistent with the water and wastewater sections of the local comprehensive plan, as approved by the Department of Community Affairs at the time the application is filed. If the provision of service is inconsistent with such plan, provide a statement demonstrating why granting the certificate would be in the public interest.

PART III SYSTEM INFORMATION

A) WATER

- (1) Exhibit _____ - A statement describing the proposed type(s) of water service to be provided (i.e., potable, non-potable or both).

All potable water

- (2) Exhibit _____ - The number of equivalent residential connections (ERCs) proposed to be served, by meter size and customer class. If development will be in phases, separate this information by phase. In addition, if the utility is in operation, provide the current number of ERCs by meter size and customer class.

Potential for 225 spaces X 0.67 (small mobile homes)

- (3) Description of the types of ^{150 ERC's} customers anticipated (i.e., single family, mobile homes, clubhouse, commercial, etc.):

Mobile homes older

- (4) In the case of an existing utility, provide the permit number and the date of approval of facilities by the Department of Environmental Protection (DEP) or the agency designated by DEP to issue permits:

N/A

- (5) Indicate the design capacity of the treatment plant in terms of equivalent residential connections (ERCs) and gallons per day (gpd). If development will be in phases, separate this information by phase.

Water supplied by the City of Lakeland
N/A (ERCs) _____ (GPD)

- (6) Indicate the type of treatment: N/A
-

- (7) Indicate the design capacity of the transmission and distribution lines in terms of ERCs and gpd. If development will be in phases, separate this information by phase.

155

- (8) Provide the date the applicant began or plans to begin serving customers:

1960 Cira

- (9) Exhibit _____ - Evidence, in the form of a warranty deed, that the utility owns the land where the water facilities are or will be located. If the utility does not own the land, a copy of the agreement which provides for the long term continuous use of the land, such as a 99-year lease. The Commission may consider a written easement or other cost-effective alternative.

Unavailable at this time.

The applicant may submit a contract for the purchase and sale of land with an unexecuted copy of the warranty deed provided the applicant files an executed and recorded copy of the deed, or executed copy of the lease, within thirty days after the order granting the certificate.

B) WASTEWATER N/A

- (1) Exhibit _____ - The number of equivalent residential connections (ERCs) proposed to be served, by meter size and customer class. If development will be in phases, separate this information by phase. In addition, if the utility is in operation, provide the current number of ERCs by meter size and customer class.

- (2) Description of the types of customers anticipated (i.e., single family, mobile homes, clubhouse, commercial, etc.):

- (3) In the case of an existing utility, provide the permit number and the date of approval of facilities by the Department of Environmental Protection (DEP) or the agency designated by DEP to issue permits:

- (4) Indicate separately the design capacity of the treatment plant and effluent disposal system in terms of equivalent residential connections (ERCs) and gallons per day (GPD). If development will be in phases, separate this information by phase.

- (5) Indicate the method of treatment and disposal (percolation pond, spray field, etc.):

(6) Exhibit _____ - If the applicant does not propose to use reuse as a means of effluent disposal, provide a statement that describes, with particularity, the reasons for not using reuse.

(7) Indicate the design capacity of the collection lines in terms of ERCs and GDP. If development will be in phases, separate this information by phase.

(8) Provide the date the applicant began or plans to begin serving customers:

(9) Exhibit _____ - Evidence, in the form of a warranty deed, that the utility owns the land where the utility treatment facilities are or will be located. If the utility does not own the land, a copy of the agreement which provides for the long term continuous use of the land, such as a 99-year lease.

The Commission may consider a written easement or other cost-effective alternative. The applicant may submit a contract for the purchase and sale of land with an unexecuted copy of the warranty deed, provided the applicant files an executed and recorded copy of the deed, or executed copy of the lease, within thirty days after the order granting the certificate.

PART IV FINANCIAL AND TECHNICAL INFORMATION

A) Exhibit _____ - A statement regarding the financial and technical ability of the applicant to provide reasonably sufficient and efficient service. N/A

B) Exhibit _____ - A detailed financial statement (balance sheet and income statement), certified if available, of the financial condition of the applicant, showing all assets and liabilities of every kind and character. The income statement shall be for the preceding calendar or fiscal year. If an applicant has not operated for a full year, then the income statement shall be for the lesser period. The financial statement shall be prepared in accordance with Rule 25-30.115, Florida Administrative Code. If available, a statement of the source and application of funds shall also be provided.

C) Exhibit _____ - See enclosed spread sheet - A list of all entities, including affiliates, upon which the applicant is relying to provide funding to the utility, and an explanation of the manner and amount of such funding, which shall include their financial statements and any financial agreements with the utility. This requirement shall not apply to any person or entity holding less than 10 percent ownership interest in the utility.

N/A

D) Exhibit ____ - A schedule showing the projected cost of the proposed system (or actual cost of the existing system) by uniform system of accounts (USOA) account numbers pursuant to Rule 25-30.115, F.A.C. In addition, provide the capacity of each component of the system in ERCs and gallons per day. If the utility will be built in phases, this schedule shall apply to the design capacity of the first phase only. Provide a separate exhibit for the water and sewer systems.

Unavailable

E) Exhibit _____ - A schedule showing the projected operating expenses of the proposed system by USOA account numbers when 80 percent of the designed capacity of the system is being utilized. If the utility will be built in phases, this schedule shall apply to the design capacity of the first phase only. In addition, if the utility has been in existence for at least one year, provide actual operating expenses for the most recent twelve months. Provide a separate exhibit for the water and sewer systems.

Expanses only available for 8 months
See attached spread sheet

F) Exhibit _____ - A schedule showing the projected capital structure, including the methods of financing the construction and operation of the utility until the utility reaches 80 percent of the designed capacity of the system(s).

None planned

G) Exhibit _____ - A cost study, including customer growth projections, which supports the proposed rates, miscellaneous service charges, customer deposits and service availability charges. A sample cost study is enclosed with the application package. Provide a separate cost study for the water and sewer systems.

N/A

H) Exhibit ____ - If the base facility and usage rate structure (as defined in Rule 25-30.437(6), F.A.C.) is not utilized for metered service, provide an alternative rate structure and a statement supporting why the alternative is appropriate.

Unable to locate many meters

I) Exhibit _____ - If a different return on common equity other than the current equity leverage formula established by order of the Public Service Commission pursuant to Section 367.081(4), F.S. is utilized, provide competent substantial evidence supporting the use of a different return on common equity. Information on the current equity leverage formula may be obtained by contacting the accounting section at the listed number.

N/A

PART V ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC)

Please note the following:

N/A

A) Utilities obtaining initial certificates pursuant to Rule 25-30.033, F.A.C., are authorized to accrue AFUDC for projects found eligible pursuant to Rule 25-30.116(1), F.A.C.

B) A discounted monthly AFUDC rate calculated in accordance with Rule 25-

30.116(3), F.A.C., shall be used to insure that the annual AFUDC charged does not exceed authorized levels.

- C) The date the utility shall begin to charge the AFUDC rate shall be the date the certificate of authorization is issued to the utility so that such rate can apply to initial construction of the utility facilities.

PART VI TERRITORY DESCRIPTION AND MAPS

A) TERRITORY DESCRIPTION

Exhibit B - An accurate description, using township, range and section references as specified in Rule 25-30.030(2), Florida Administrative Code. If the water and wastewater service territories are different, provide separate descriptions.

B) TERRITORY MAPS

Exhibit C - One copy of an official county tax assessment map or other map showing township, range and section with a scale such as 1"=200' or 1"=400' on which the proposed territory is plotted by use of metes and bounds or quarter sections and with a defined reference point of beginning. If the water and wastewater service territories are different, provide separate maps.

C) SYSTEM MAPS

Exhibit D - One copy of detailed map(s) showing proposed lines, facilities and the territory proposed. **Additionally, identify any existing lines and facilities.** Map(s) should be of sufficient scale and detail to enable correlation with a description of the territory to be served. Provide separate maps for water and wastewater systems.

PART VII NOTICE OF ACTUAL APPLICATION

- A) Exhibit _____ - An affidavit that the notice of actual application was given in accordance with Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030, Florida Administrative Code, by regular mail to the following:

- (1) the governing body of the municipality, county, or counties in which the system or the territory proposed to be served is located;
- (2) the privately owned water and wastewater utilities that hold a certificate granted by the Public Service Commission and that are located within the

county in which the utility or the territory proposed to be served is located;

- (3) if any portion of the proposed territory is within one mile of a county boundary, the utility shall notice the privately owned utilities located in the bordering counties and holding a certificate granted by the Commission;
- (4) the regional planning council;
- (5) the Office of Public Counsel;
- (6) the Public Service Commission's Director of the Division of the Commission Clerk and Administrative Services;
- (7) the appropriate regional office of the Department of Environmental Protection;
- (8) and the appropriate water management district.

Copies of the Notice and a list of entities noticed shall accompany the affidavit.
THIS MAY BE A LATE-FILED EXHIBIT

- B) Exhibit _____ - An affidavit that the notice of actual application was given in accordance with Rule 25-30.030, Florida Administrative Code, by regular mail or personal delivery to each customer of the system. A copy of the notice shall accompany the affidavit. **THIS MAY BE A LATE-FILED EXHIBIT.**
- C) Exhibit _____ - Immediately upon completion of publication, an affidavit that the notice of actual application was published once in a newspaper of general circulation in the territory in accordance with Rule 25-30.030, Florida Administrative Code. A copy of the proof of publication shall accompany the affidavit. **THIS MAY BE A LATE-FILED EXHIBIT.**

PART VIII FILING FEE

Indicate the filing fee enclosed with the application:

\$ 750.00 (for water) and \$ _____ (for wastewater).

Note: Pursuant to Rule 25-30.020, Florida Administrative Code, the amount of the filing fee as follows:

- (1) For applications in which the utility has the capacity to serve up to 500 ERC's, the filing fee shall be **\$750.**

- (2) For applications in which the utility has the capacity to serve from 501 to 2,000 ERC's the filing fee shall be **\$1,500**.
- (3) For applications in which the utility has the capacity to serve from 2,001 ERC's to 4,000 ERC's the filing fee shall be **\$2,250**.
- (4) For applications in which the utility has the capacity to serve more than 4,000 ERC's the filing fee shall be **\$3,000**.

PART IX TARIFF

Exhibit D - The original and two copies of water and/or wastewater tariff(s) containing all rates, classifications, charges, rules and regulations. Sample tariffs are enclosed with the application package.

PART X AFFIDAVIT

I Charles Freed (applicant) do solemnly swear or affirm that the facts stated in the forgoing application and all exhibits attached thereto are true and correct and that said statements of fact thereto constitutes a complete statement of the matter to which it relates.

BY: Charles S. Freed
Applicant's Signature

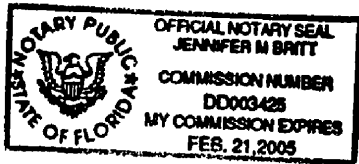
Charles S. Freed
Applicant's Name (Typed)

Applicant's Title *

Subscribed and sworn to before me this 2nd day of December month in the year of 2003 by Charles S. Freed who is personally known to me _____ or produced identification FDL# F630-151-34212-0.

Type of Identification Produced
Jennifer M. Britt
Notary Public's Signature

Jennifer M. Britt
Print, Type or Stamp Commissioned Name of Notary Public



* If applicant is a corporation, the affidavit must be made by the president or other officer authorized by the by-laws of the corporation to act for it. If applicant is a partnership or association, a member of the organization authorized to make such affidavit shall execute same.

APPLICATION FOR ORIGINAL CERTIFICATE

INSTRUCTIONS FOR COMPLETING ACCOUNTING INFORMATION

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Schedule 1A.	Pro Forma Water Plant. (NARUC Accounts 301-348)
Schedule 1B.	Pro Forma Wastewater Plant.(NARUC Accounts 351-398)
Schedule 2.	Pro Forma Balance Sheet based on projections at 100% of design capacity.
Schedule 3A.	Pro Forma Expenses for Water Utility based on projections at 80% of design capacity.
Schedule 3B.	Pro Forma Expenses for Wastewater Utility based on projections at 80% of design capacity.
Schedule 4.	Service Availability Charge Analysis. (Optional)
Schedule 5.	Cost justification for Meter Installation Fees.
Schedule 6.	Cost justification for Miscel. Service Charges.
Schedule 7.	Revenue Proof (Water and Wastewater).
Schedule 8.	Questionnaire.

Sample Utilities, Inc.
Pro Forma Water Utility Plant
FYE 12/31/XXXX

<u>Acct.</u> <u>No.</u>		
301.	Organization	\$ 25,000
302.	Franchises	3,000
303.	Land and Land Rights	10,000
304.	Structures and Improvements	3,500
307.	Wells and Springs	27,000
311.	Pumping Equipment	60,000
320.	Water Treatment Equipment	70,415
331.	Transmission and Distribution Mains	150,000
340.	Office Furniture and Equipment	<u>4,500</u>
	Total Water Utility Plant	<u>\$353,415</u>

Treatment Capacity	140,000 GPD	400 ERCs
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Line Capacity		400 ERCs
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ERC = 350 GPD

Sample Utilities, Inc.
Pro Forma Wastewater Utility Plant
FYE 12/31/XXXX

<u>Acct.</u> <u>No.</u>		
351.	Organization	\$ 25,000
352.	Franchises	3,000
353.	Land and Land Rights	10,000
354.	Structures and Improvements	15,000
360.	Collection Wastewater - Force	196,524
370.	Receiving Wells	75,000
380.	Treatment & Disposal Equipment	125,000
390.	Office Furniture and Equipment	<u>4,500</u>
	Total Wastewater Utility Plant	<u>\$454,024</u>

Treatment Capacity	112,000 GPD	400 ERCs
Line Capacity		400 ERCs
		ERC = 280 GPD

Company _____

Pro Forma Wastewater Utility Plant

Date _____

Acct. No.	N/A	
351.	Organization	\$ _____
352.	Franchises	\$ _____
353.	Land and Land Rights	\$ _____
354.	Structures and Improvements	\$ _____
360.	Collection Wastewater - Force	\$ _____
361.	Collection Wastewater - Gravity	\$ _____
362.	Special Collecting Structures	\$ _____
363.	Services to Customers	\$ _____
364.	Flow Measuring Devices	\$ _____
365.	Flow Measuring Installations	\$ _____
370.	Receiving Wells	\$ _____
380.	Treatment and Disposal Equipment	\$ _____
381.	Plant Wastewater	\$ _____
382.	Outfall Wastewater Lines	\$ _____
389.	Other Plant and Miscellaneous Equipment	\$ _____
390.	Office Furniture and Equipment	\$ _____
391.	Transportation Equipment	\$ _____
393.	Tools, Shop and Garage Equipment	\$ _____
395.	Power Operated Equipment	\$ _____
398.	Other Tangible Plant	\$ _____
		\$ _____

Treatment Capacity _____ GPD _____ ERCs

Line Capacity _____ ERCs

ERC = _____ GPD

Sample Utilities, Inc.
Pro Forma Balance Sheet (at 100% of Design Capacity)
FYE 12/31/XXXX

Assets

<u>Acct. No.</u>		
101.	Utility Plant in Service	\$ 807,439 ^{1/}
108.	Accumulated Depreciation	(128,284) ^{2/}
131.	Cash	<u>11,967</u>
	Total Assets	<u>\$691,122</u>

Equity and Liabilities

201.	Stock or Equity	\$ 200,000
215.	Retained Earnings	826
232.	Notes Payable	20,000
235.	Customer Deposits	3,000
271.	Contributions in Aid of Construction (CIAC)	509,000
272.	Accumulated Amortization of CIAC	<u>(41,704)</u>
	Total Equity and Liabilities	<u>\$691,122</u>

^{1/} Schedule 1A, \$353,415 + Schedule 1B, \$454,024

^{2/} The composite depreciation rates were determined using Rule 25-30.140, F.A.C.

Company Lazy S Receivers

Pro Forma Balance Sheet

Date November 30, 2003Assets and Other Debits

<u>Acct. No.</u>		
101.	Utility Plant In Service	\$ <u>-0-</u>
103.	Property Held For Future Use	\$ <u>-0-</u>
104.	Utility Plant Purchased or Sold	\$ <u>-0-</u>
105.	Construction Work in Progress	\$ <u>-0-</u>
108.	Accumulated Depreciation and Amortization of Utility Plant in Service	\$ <u>-0-</u>
114.	Utility Plant Acquisition Adjustments	\$ <u>-0-</u>
115.	Accumulated Amortization of Utility Plant Acquisition Adjustments	\$ <u>-0-</u>
121.	Nonutility Property	\$ <u>-0-</u>
122.	Accumulated Depreciation and Amortization of Nonutility Property	\$ <u>-0-</u>
124.	Utility Investments	\$ <u>-0-</u>
131.	Cash	\$ <u>4,484</u>
132.	Special Deposits	\$ <u>-0-</u>
141.	Customer Accounts Receivable	\$ <u>2,000</u>
143.	Accumulated Provision of Uncollectible Accounts—CR	\$ <u>< 3,000 ></u>
151.	Plant Material and Supplies	\$ <u>-0-</u>
174.	Miscellaneous Current and Accrued Assets	\$ <u>-0-</u>
186.	Miscellaneous Deferred Debits	\$ <u>-0-</u>
190.	Accumulated Deferred Income Taxes	\$ <u>-0-</u>
	Total Assets and Other Debits	\$ <u>9,484</u>

3924

Pro Forma Balance Sheet, continued

Equity Capital

<u>Acct. No.</u>		
201.	Common Stock Issued	\$ <u>-0-</u>
204.	Preferred Stock Issued	\$ <u>-0-</u>
211.	Other Paid In Capital	\$ <u>-0-</u>
215.	Retained Earnings	\$ <u>-0-</u>
218.	Proprietary Capital	\$ <u>-0-</u>

Liabilities and Other Credits

224.	Long Term Debt	\$ <u>-0-</u>
231.	Accounts Payable	\$ <u>22,209</u>
232.	Notes Payable	\$ <u>-0-</u>
235.	Customer Deposits	\$ <u>3,425</u>
236.	Accrued Taxes	\$ <u>-0-</u>
237.	Accrued Interest	\$ <u>-0-</u>
241.	Miscellaneous Current and Accrued Liab.	\$ <u>-0-</u>
252.	Advances for Construction	\$ <u>-0-</u>
253.	Other Deferred Credits	\$ <u>-0-</u>
255.	Accumulated Deferred Investment Tax Credits	\$ <u>-0-</u>
265.	Miscellaneous Operating Reserves	\$ <u>-0-</u>
271.	Contributions in Aid of Construction (CIAC)	\$ <u>-0-</u>
272.	Accumulated Amortization of CIAC	\$ <u>-0-</u>
281.	Accumulated Deferred Income Taxes - Accelerated Amortization	\$ <u>-0-</u>
282.	Accumulated Deferred Income Taxes - Liberalized Depreciation	\$ <u>-0-</u>
283.	Accumulated Deferred Income Taxes - Other	\$ <u>-0-</u>
	Total Equity, Liabilities and Other Credits	\$ <u>25,634</u>

Lazy S Utility Expenses

Acct #	Account Name	January	February	March	April	May	June	July	August	Sept.	October	Nov.	Dec.	Year Total
603	Salaries & Wages													0.00
610	Purchased Water				2,808.45	3,037.62	3,030.93	3,109.55	2,780.01	2,863.65	3,466.78			21,096.99
615	Purchased Power													0.00
620	Materials & Supplies			6.00	75.52	243.41	159.48							484.41
630	Contractual Services			60.00		188.85	150.00	517.00	48.00					973.85
635	Administrative Services			50.00				1,000.00	200.00					1,250.00
640	Rents			100.00		14.16								114.16
650	Transportation Expense													0.00
655	Insurance Expense					611.00								611.00
665	Regulatory Commission Expense													0.00
670	Bad Debt Expense													0.00
675	Miscellaneous Expense													0.00
680	Postage Expense			48.10	85.50	74.00	40.85	37.00	39.30	44.40	40.70	74.00		483.85
685	Printing Expense										47.00			47.00
690	Stationary Expense			126.90	88.80	173.83	9.48	155.11		61.45				595.37
403	Depreciation Expense													0.00
405	Water Testing Expense		30.00	30.00	30.00	30.00			285.00					385.00
407	Amortization Expense - Other													0.00
408	Taxes Other Than Income													0.00
409	Income Taxes													0.00
Total Expenses		0.00	30.00	421.00	3,068.27	4,382.67	3,390.74	4,818.66	3,332.31	2,969.50	3,664.48	74.00	0.00	26,041.63

11/29/03

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Sample Utilities, Inc.
Pro Forma Schedule of Expenses for Water Utility
FYE 12/31/XXXX

<u>Acct. No.</u>		
601.	Salaries and Wages - Employees	\$ 3,000
603.	Salaries and Wages - Other	15,000
604.	Employees Pensions and Benefits	1,200
615.	Purchased Power	3,000
618.	Chemicals	4,000
620.	Materials and Supplies	1,200
630.	Contractual Services	4,000
650.	Transportation Expense	900
655.	Insurance Expense	3,500
675.	Miscellaneous Expense	100
403.	Depreciation Expense	14,455
407.	Amortization Expense - Other	(3,000)
408.	Taxes Other Than Income	<u>4,000</u>
	Total Expenses	<u>\$ 51,355</u>
	Average cost per customer per month	<u>\$ 13.37</u>

Note:

These expenses should reflect the cost of operating the utility at 80% of design capacity.
(400 x 80% = 320)

Actual rates to be calculated by Commission staff using the base facility charge rate structure.

A return on investment will be determined and added to these expenses for rate making.

Sample Utilities, Inc.
Pro Forma Schedule of Expenses for Wastewater Utility
FYE 12/31/XXXX

<u>Acct. No.</u>		
701.	Salaries and Wages - Employees	\$ 3,000
703.	Salaries and Wages - Other	15,000
704.	Employees Pensions and Benefits	1,200
711.	Sludge Removal Expense	1,200
715.	Purchased Power	3,000
718.	Chemicals	4,000
720.	Materials and Supplies	1,500
730.	Contractual Services	4,000
750.	Transportation Expense	1,000
755.	Insurance Expense	3,000
775.	Miscellaneous Expense	200
403.	Depreciation Expense	17,616
407.	Amortization Expense	(4,000)
408.	Taxes Other Than Income	<u>3,500</u>
	Total Expenses	<u>\$ 54,216</u>
	Average cost per customer per month	<u>\$ 14.12</u>

Note:

These expenses should reflect the cost of operating the utility at 80% of design capacity.
(400 x 80% = 320)

Actual rates to be calculated by Commission staff using the base facility charge rate structure.

A return on investment will be determined and added to these expenses for rate making.

Company _____
Pro Forma Schedule of Expenses for Wastewater Utility
 Date _____

<u>Acct. No.</u>	N/A		\$ _____
701.		Salaries and Wages - Employees	\$ _____
703.		Salaries and Wages - Other	\$ _____
704.		Employees Pensions and Benefits	\$ _____
710.		Purchased Wastewater Treatment	\$ _____
711.		Sludge Removal Expense	\$ _____
715.		Purchased Power	\$ _____
716.		Fuel for Power Production	\$ _____
718.		Chemicals	\$ _____
720.		Materials and Supplies	\$ _____
730.		Contractual Services	\$ _____
740.		Rents	\$ _____
750.		Transportation Expense	\$ _____
755.		Insurance Expense	\$ _____
765.		Regulatory Commission Expense	\$ _____
770.		Bad Debt Expense	\$ _____
775.		Miscellaneous Expense	\$ _____
403.		Depreciation Expense	\$ _____
407.		Amortization Expense	\$ _____
408.		Taxes Other Than Income	\$ _____
409.		Income Taxes	\$ _____
		Total Expenses	\$ _____
		Average cost per customer per month	\$ _____

Cost Justification for Meter Installation Fees

	5/8 x 3/4"	1"	1-1/2"	Other
Meter	\$ <u>32.50</u>	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>
Meter Box	<u>10.50</u>	<u> </u>	<u> </u>	<u> </u>
Fitting and Curb Stop	<u>37.75 w/backflow</u>	<u> </u>	<u> </u>	<u> </u>
Labor @ \$ <u>15.00</u> per hour	<u>22.50</u>	<u> </u>	<u> </u>	<u> </u>
Overhead @ \$ <u>20.00</u> per hour	<u>30.00</u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$133.25</u>	<u>\$ </u>	<u>\$ </u>	<u>\$ </u>

Cost Justification for Miscellaneous Service Charges

	<u>Charge During Regular Business Hours</u>	<u>Charge After Regular Business Hours</u>
Initial Connection:	<u>\$20.00</u>	<u> </u>
Normal Reconnection:	<u>20.00</u>	<u> </u>
Violation Reconnection:	<u>20.00 + cost of materials</u>	<u> </u>
Premise Visit Charge:	<u>-0-</u>	<u> </u>

Note:

A request for approval of miscellaneous service charges must be accompanied by supporting cost justification which clearly reflects the costs incurred to provide the particular miscellaneous service and the requested charges are reasonable fees as required by our rules.

Revenue Proof for Water Utility

Requested Rates - Residential - Monthly

Base Facility Charge

5/8 x 3/4"	Meter		\$ 6.00
1"	Meter		15.00
1 - 1/2"	Meter		30.00
2"	Meter		48.00
3"	Meter		96.00
4"	Meter		150.00
<u>Charge per 1,000 gallons</u>			\$ 1.00

320 ERCs x 12 months x \$6.00	=	\$23,040
320 ERCs x 350 GPD x 365 days x 1.00/1,000	or	
112,000 GPD x 365 days x \$1.00/1,000	=	<u>\$40,800</u>
Water Revenue at 80% of Design Capacity		<u>\$63,920</u>

Note:

The requested rates are designed to cover operating expenses at 80% of design capacity and allow a fair rate of return on rate base.

Revenue Proof for Wastewater Utility

Requested Rates - Residential - Monthly

Base Facility Charge (All Meter Sizes)		\$ 7.50
Charge per 1,000 gallons (Maximum 10,000 gallons)	N/A	\$ 1.30

320 ERCs x 12 months x \$7.50	=	\$28,800
320 ERCs x 280 GPD x 365 days x 1.30/1,000	or	
89,600 GPD x 365 days x \$1.30/1,000	=	<u>\$42,515</u>
Water Revenue at 80% of Design Capacity		<u>\$71,315</u>

Flat rate of \$35.50 per month

115 x 35.5 = \$4,082.50

Note:

The requested rates are designed to cover operating expenses at 80% of design capacity and allow a fair rate of return on rate base.

Questionnaire

1. Number of connections anticipated:

<u>Water</u>	<u>1st year</u>	<u>2nd year</u>	<u>3rd year</u>
Residential 5/8 x 3/4 " meter	<u>2</u>	<u>2</u>	<u>2</u>
Residential _____ " meter	<u>0</u>	<u>0</u>	<u>0</u>
Multiple dwelling units	<u>0</u>	<u>0</u>	<u>0</u>
Commercial	<u>0</u>	<u>0</u>	<u>0</u>
Fire Protection	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>2</u>	<u>2</u>	<u>2</u>

<u>Wastewater</u>	<u>1st year</u>	<u>2nd year</u>	<u>3rd year</u>
N/A			
Residential	_____	_____	_____
Multiple dwelling units	_____	_____	_____
Commercial	_____	_____	_____
Total	_____	_____	_____

2. Describe the anticipated type of customers, i.e., mobile homes, condominiums, single family, retirement areas, golf courses, pools, clubhouses, industrial, etc.

MOBILE homes possibly an occasional single family unit

3. How many years will it take for the utility to reach design capacity? 1

4. Give the approximate date you anticipate having your first connection.
existing Circa 1960

5. Do you anticipate future expansion or additional phases of construction?
 No additional phases several lots to be _____ (Yes or No)
 filled in.

Questionnaire, continued

6. Describe briefly any developer agreements you anticipate and enclose a copy of any existing agreements, i.e., contributions of lines, etc.

N/A

Attachment No. _____

7. Attach a copy of the deed for the land on which the plant facilities are located.

N/A

Attachment No. _____

8. Provide number and date of issuance of any permit(s) obtained from Florida Department of Environmental Protection for construction of water or wastewater facilities.

None

9. Estimated gallons of water to be sold per month, at 80% of design capacity, by customer class:

Residential 5/8 x 3/4 " meter	<u>900,000</u>
Residential _____ " meter	<u>-0-</u>
Multiple dwelling units	<u>-0-</u>
Commercial	<u>-0-</u>
Fire Protection	<u>-0-</u>

10. Describe the water treatment system, i.e., number of wells, storage capacity, type of water treatment.

Water supplied by the City of Lakeland.

Questionnaire, continued

11. Estimated gallons of wastewater to be treated per month, at 80% of design capacity, by customer class:

Residential	900,000
Multiple dwelling units	-0-
Commercial	-0-

12. Describe the wastewater treatment system, i.e., ponds, type of wastewater treatment, etc.

Septic Tanks

13. Provide evidence that the utility will have adequate financial backing.

N/A

Attachment No. _____

EXHIBIT A

**NEED FOR SERVICE
TO THE
LAZY S UTILITY SERVICE AREA**

The Lazy S Utility Company has been in service since 1960 (Cira). It serves approximately 115 trailers in an area of approximately 142 acres. The system is served with water by the City of Lakeland through a master meter. Polk County has no service in the aea. There are no sewers available to serve the area.. The Lazy S service area abuts the City of Lakeland service area. Prior to the utility going into receivership the county and the city had been ask to take over, own and operate the system. No action was taken.

EXHIBIT B

DESCRIPTION OF THE LAZY S UTILITY SERVICE AREA

Commencing at the northwest corner of Section 26, Township 28 South, Range 23 East thence south a distance of 25 feet to the south right-of-way line of Ariana Street also being THE POINT OF BEGINNING, thence easterly along the south right-of-way line of Ariana Street to the northeast corner of the of the west $\frac{1}{2}$ of the east $\frac{1}{2}$ of said section, thence southerly a distance of 1225', thence easterly a distance of 670' to the east line of the northwest $\frac{1}{4}$ of said section, thence southerly along the east line of the northwest $\frac{1}{4}$ of said section a distance of 1430' to the south line of the northwest $\frac{1}{4}$ of Section 26, Town 28 South, Range 23 East, thence west on the south line of said section to the west of the section, thence north along the west line of said section to the south right-of-way line of Ariana Street also the POINT OF BEGINNING. Being 142 acres more or less.