

ORIGINAL

LAW OFFICES
ROSE, SUNDBSTROM & BENTLEY, LLP
2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

FREDERICK L. ASCHAUER, JR.
CHRIS H. BENTLEY, P.A.
ROBERT C. BRANNAN
DAVID F. CHESTER
F. MARSHALL DETERDING
JOHN R. JENKINS, P.A.
STEVEN T. MINDLIN, P.A.
CHASITY H. O'STEEN
DAREN L. SHIPPY
WILLIAM E. SUNDBSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON
ROBERT M. C. ROSE, OF COUNSEL
WAYNE L. SCHIEFELBEIN, OF COUNSEL

(850) 877-6555
FAX (850) 656-4029
www.rsbatorneys.com

CENTRAL FLORIDA OFFICE
SANLANDO CENTER
2180 W. STATE ROAD 434, SUITE 2118
LONGWOOD, FLORIDA 32779
(407) 830-6331
FAX (407) 830-8522

REPLY TO CENTRAL FLORIDA OFFICE

MARTIN S. FRIEDMAN, P.A.
VALERIE L. LORD
BRIAN J. STREET

July 10, 2006

VIA HAND DELIVERY

Ms. Blanca Bayo
Commission Clerk and Administrative Services Director
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RECEIVED-FPSC
06 JUL 10 PM 2:32
COMMISSION
CLERK

RE: Docket No. 060260-WS; Lake Placid Utilities, Inc.; Application for Rate Increase in
Highlands County, Florida
Our File No.: 30057.120

Dear Ms. Bayo:

The following are the Utility's responses to the Commission Staff's June 7, 2006,
correspondence identifying deficiencies in the MFRs.

Rule 25-30.437, Florida Administrative Code (F.A.C.), requires that each utility applying for
a rate increase shall provide the information required by Commission Form PSC/ECR 19 (11/93),
entitled "Class B Water and/or Wastewater Utilities Financial, Rate and Engineering Minimum
Filing Requirements." Further, Rule 25-30.110, F.A.C., requires that each utility shall furnish the
Commission with any information concerning the utility's facilities or operation that the
Commission may request and require for determining rates or judging the practices of the utility.
All such data, unless otherwise specified, shall be consistent with and reconcilable with the utility's
annual report to the Commission. The following schedules are deficient pursuant to these rules:

- 1. Schedule A-1, Schedule of Water Rate Base.

Utility Plant in Service Balance Per Books for 2005 does not match the balance recorded in
the 2005 Annual Report. Pursuant to Rule 25-30.110, F.A.C., please provide the reconciliation of
the balances in the 2005 Annual Report and MFR Schedule A-1.

RESPONSE: Please refer to Exhibit "A" attached hereto.

MP _____
JM 5 _____
R _____
R _____
L 1 _____
C 1 _____
A _____
R _____
A _____
C 1 _____
H _____

DOCUMENT NUMBER-DATE
06073 JUL 10 08
FPSC-COMMISSION CLERK

Ms. Blanca Bayo
Commission Clerk and Administrative Services Director
Florida Public Service Commission
July 10, 2006
Page 2

Accumulated Amortization of Acquisition Adjustment does not match the 2005 Annual Report. Pursuant to Rule 25-30.110, F.A.C., please provide the reconciliation of the balances in the 2005 Annual Report and MFR Schedule A-1.

RESPONSE: Please refer to Exhibit "A" attached hereto.

2. Schedule A-4, Annual Additions and Balances.

The beginning balance does not match the test year ending 12/31/95 balance per Order No. PSC-96-0910-FOR-WS. Please provide a reconciliation from the 12/31/95 balance reflected in Order No. PSC-96-0910-FOR-WS to the 1995 balance reflected in MFR Schedule A-4.

RESPONSE: Please refer to Exhibit "B" attached hereto, which consists of 15 copies of revised MFR schedule A-4.

3. Schedule A-5, Schedule of Water Plant in Service by Primary Account.

The 12/31/04 total in this schedule does not match the total recorded in the 2005 Annual Report. Pursuant to Rule 25-30.110, F.A.C., please provide the reconciliation of the balances in the 2005 Annual Report and MFR Schedule A-5.

RESPONSE: Please refer to Exhibit "A" attached hereto.

4. Schedule A-9, Water Accumulated Depreciation by Primary Account.

The utility's 12/31/04 total does not match the total for 2004 recorded in the 2005 Annual Report. Pursuant to Rule 25-30.110, F.A.C., please provide the reconciliation of the balances in the 2005 Annual Report and MFR Schedule A-1.

RESPONSE: Please refer to Exhibit "A" attached hereto.

5. Schedule B-1, Net Operating Statement - Water.

Amortization Expense does not match the 2005 Annual Report. Pursuant to Rule 25-30.110, F.A.C., please provide the reconciliation of the balances in the 2005 Annual Report and MFR Schedule B-1.

RESPONSE: Please refer to Exhibit "A" attached hereto.

6. Schedule B-2, Net Operating Statement - Wastewater

The Amortization Expense does not match the 2005 Annual Report. Pursuant to Rule 25-30.110, F.A.C., please provide the reconciliation of the balances in the 2005 Annual Report and MFR Schedule B-1.

RESPONSE: Please refer to Exhibit "A" attached hereto.

7. Schedule E-1, Rate Schedule.

The utility is required to provide a schedule of present and proposed rates. The utility only provided rates for those meter sizes for which they have customers.

RESPONSE: Please refer to Exhibit "C" attached hereto, which consists of 15 copies of revised MFR schedule E-1.

Rule 25-30.433 (3), F.A.C., requires that used and useful debit deferred taxes shall be offset against used and useful credit deferred taxes, with any resulting net credit deferred balance included in the capital structure calculation and any resulting net debit balance included as a separate line item in the rate base calculation. The following schedules are deficient pursuant to this rule:

8. Schedule D-1, Requested Cost of Capital

RESPONSE: Please refer to Exhibit "D" attached hereto, and revised MFR schedule D-1, 15 copies of which are provided.

9. Schedule D-2, Reconciliation of Capital Structure to Requested Rate Base.

RESPONSE: Please refer to Exhibit "D" attached hereto, and the revised MFR schedule D-2, 15 copies of which are provided.

10. Rule 25-30.440 (2), F.A.C., requires the utility to provide a list of chemicals used for water and wastewater treatment, by type, showing the dollar amount and quantity purchased, the unit prices paid and the dosage rates utilized. The utility failed to provide an estimate of its chemical dosage rates as required by this rule.

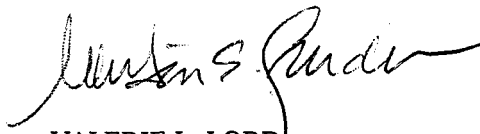
Ms. Blanca Bayo
Commission Clerk and Administrative Services Director
Florida Public Service Commission
July 10, 2006
Page 4

RESPONSE: Please refer to Exhibit "E" attached hereto.

Enclosed also are 15 copies of revised MFR schedules A-1, A-5, A-9 and B-1.

Should you have any questions, please do not hesitate to give me a call.

Very truly yours,

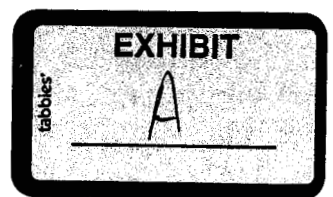


VALERIE L. LORD
MARTIN S. FRIEDMAN
For the Firm

VLL/mp
Enclosures

cc: Katherine Fleming, Esquire, Office of General Counsel (w/o enclosures)
Mr. Marshall Willis, Division of Economic Regulation (w/o enclosures)
Mr. Troy Rendell, Division of Economic Regulation (w/enclosures)
Ms. Tiffany Joyce, Division of Economic Regulation (w/enclosures)
Mr. Stan Reiger, Division of Economic Regulation (w/enclosures)
Mr. Steve Lubertozi (w/enclosures)
Mr. Holly Roth (w/enclosures)
Mr. John Hoy (w/enclosures)
Mr. Patrick C. Flynn (w/enclosures)
Mr. Frank Seidman (w/enclosures)
Thomas E. Unke, CPA (w/enclosures)

M:\1 ALTAMONTE\UTILITIES INC\LAKE PLACID\(.120) 2005 RATE CASE\PSC Clerk 03 (deficiency responses).ltr.wpd



301 Organization	480
302 Franchises	232519
303 Land and Land Rights	123772
304 Structures and Improvements	360578
305 Collecting and Impounding Reservoirs	0
306 Lake, River and Other Intakes	0
307 Wells and Springs	690937
308 Infiltration Galleries and Tunnels	0
309 Supply Mains	0
310 Power Generation Equipment	0
311 Pumping Equipment	1438589
320 Water Treatment Equipment	381065
330 Distribution Reservoirs and Standpipes	1059782
331 Transmission and Distribution Mains	7348101
333 Services	1217606
334 Meters and Meter Installations	1233204
335 Hydrants	676222
336 Backflow Prevention Devices	0
339 Other Plant Miscellaneous Equipment	0
340 Office Furniture and Equipment	69916
341 Transportation Equipment	331270.5
342 Stores Equipment	0
343 Tools, Shop and Garage Equipment	277806
344 Laboratory Equipment	17125
345 Power Operated Equipment	0
346 Communication Equipment	71341
347 Miscellaneous Equipment	0
348 Other Tangible Plant	392372
	15922686

Lake Placid Utilities Inc
DOCKET NO. 060257-WS
RECONCILIATION OF MINIMUM FILING REQUIREMENT TO TRIAL BALANCE
12/31/04 BALANCES from 2005 Annual Report

Annual Report	Description	Amount				
W-A(s)		12/31/2004 Balances	Adjustments	2004 Totals	12/31/2005 Balances	Averages
301	Organization	12,374		12,374	12,374	12,374
302	Franchises	1,250		1,250	1,250	1,250
304	Structures and Improvements	30,224		30,224	46,223	38,223.5
305	Collecting and Impounding Reservoirs	-		-	-	0
306	Lake, River and Other Intakes	-		-	-	0
307	Wells and Springs	20,324	20,324	21,265	21,265	20,794.5
308	Infiltration Galleries and Tunnels	-		-	-	0
309	Supply Mains	-		-	-	0
310	Power Generation Equipment	-		-	-	0
311	Pumping Equipment	78,427	78,427	78,427	78,427	78,427
320	Water Treatment Equipment	9,695		9,695	10,049	9,872
330	Distribution Reservoirs and Standpipes	28,223		28,223	28,223	28,223
331	Transmission and Distribution Mains	49,774		49,774	49,803	49,788.5
333	Services	27,905		27,905	27,905	27,905
334	Meters and Meter Installations	17,214		17,214	17,271	17,242.5
335	Hydrants	1,200		1,200	1,314	1,257
336	Backflow Prevention Devices	-		-	-	0
339	Other Plant Miscellaneous Equipment	-		-	-	0
340	Office Furniture and Equipment	-		-	-	0
341	Transportation Equipment	-		-	-	0
342	Stores Equipment	-		-	-	0
343	Tools, Shop and Garage Equipment	1,126		1,126	1,126	1,126
344	Laboratory Equipment	361		361	361	361
345	Power Operated Equipment	-		-	-	0
346	Communication Equipment	553		553	553	553
347	Miscellaneous Equipment	-		-	-	0
348	Other Tangible Plant	26,362	6,947	33,309	33,403	33,356
	Total	305,012	6,947	311,959	329,547	\$ 320,753
303	Land and Land Rights	2,707		2,707	2,707	\$ 2,707
	Total					
MFR Account Number	Description	Amount				
**Schedule A-1						
Line No. 1	Utility Plant in Service	\$	320,753			
Line No. 2	Utility Land and Land Rights	\$	2,707			

**Note: the instructions for Schedule A-1, specify the use of the average rate base for the test year, thus the average numbers were used from Schedule A-5 (column 4).

Lake Placid Utilities Inc
DOCKET NO. 060257-WS
RECONCILIATION OF MINIMUM FILING REQUIREMENT TO TRIAL BALANCE
Balances on the 2005 Annual Report

Schedule A-5

301.1	Organization	12,374
302.1	Franchises	1,250
303.2	Land & Land Rights	2,707
304.2	Structures & Improvements	30,224
307.2	Wells & Springs	20,324
311.2	Pumping Equipment	78,427
303.3	Land & Land Rights	-
304.3	Structures & Improvements	-
320.3	Water Treatment Equipment	9,695
330.4	Distribution Reservoirs and Standpipes	28,223
331.4	Transmission and Distribution Mains	49,774
333.4	Services	27,905
335.4	Meters & Meter Installations	17,214
335.4	Hydrants	1,200
303.5	Land & Land Rights	-
304.5	Structures & Improvements	-
340.5	Office Furniture & Equipment	-
391.5	Transportation Equipment	-
343.5	Tools, Shop, & Garage Equipment	1,126
344.5	Laboratory Equipment	361
346.5	Communication Equipment	553
348.5	Other Tangible Plant	33,309
		<u>314,666</u>

W-4(a) Column (c)

301	Organization	12,374
302	Franchises	1,250
303	Land and Land Rights	2,707
304	Structures and Improvements	30,224
305	Collecting and Impounding Reservoirs	-
306	Lake, River and Other Intakes	-
307	Wells and Springs	20,324
308	Infiltration Galleries and Tunnels	-
309	Supply Mains	-
310	Power Generation Equipment	-
311	Pumping Equipment	78,427
320	Water Treatment Equipment	9,695
330	Distribution Reservoirs and Standpipes	28,223
331	Transmission and Distribution Mains	49,774
333	Services	27,905
334	Meters and Meter Installations	17,214
335	Hydrants	1,200
336	Backflow Prevention Devices	-
339	Other Plant Miscellaneous Equipment	-
340	Office Furniture and Equipment	-
341	Transportation Equipment	-
342	Stores Equipment	-
343	Tools, Shop and Garage Equipment	1,126
344	Laboratory Equipment	361
345	Power Operated Equipment	-
346	Communication Equipment	553
347	Miscellaneous Equipment	-
348	Other Tangible Plant	26,362
	Subtotal	<u>307,719</u>
	plus 2004 Adjustment to Other Tangible Plant	6,947
	TOTAL WATER PLANT	<u>314,666</u>

Schedule A-9

108.2	Accumulated Depreciation - UPIS	
304.2	Accumulated Depreciation - Structures & Improvements	13,087
307.2	Accumulated Depreciation - Wells & Springs	10,915
311.2	Accumulated Depreciation - Pumping Equipment	28,266
304.3	Accumulated Depreciation - Structures & Improvements	-
320.3	Accumulated Depreciation - Water Treatment Equipment	3,709
330.4	Accumulated Depreciation - Distribution Reservoirs & Stand Pipes	7,477
331.4	Accumulated Depreciation - Transmission and Distribution Mains	12,423
333.4	Accumulated Depreciation - Services	8,390
334.4	Accumulated Depreciation - Meters and Meter Installation	9,376
335.4	Accumulated Depreciation - Hydrants	448
304.5	Accumulated Depreciation - Structures & Improvements	-
340.5	Accumulated Depreciation - Office Furniture & Equipment	-
341.5	Accumulated Depreciation - Transportation Equipment	-
343.5	Accumulated Depreciation - Tools, Shop, & Garage Equipment	385
344.5	Accumulated Depreciation - Laboratory Equipment	241
346.5	Accumulated Depreciation - Communication Equipment	498
348.5	Accumulated Depreciation - Other Tangible Plant	23,276
	WATER- TOTAL ACCUMULATED DEPRECIATION	<u>118,491</u>

W-6(a) Column (c)

304	Structures and Improvements	11,618
305	Collecting and Impounding Reservoirs	-
306	Lake, River and Other Intakes	-
307	Wells and Springs	10,915
308	Infiltration Galleries and Tunnels	-
309	Supply Mains	-
310	Power Generation Equipment	-
311	Pumping Equipment	28,266
320	Water Treatment Equipment	3,749
330	Distribution Reservoirs and Standpipes	7,477
331	Transmission and Distribution Mains	12,423
333	Services	8,339
334	Meters and Meter Installations	9,376
335	Hydrants	448
336	Backflow Prevention Devices	-
339	Other Plant Miscellaneous Equipment	-
340	Office Furniture and Equipment	-
341	Transportation Equipment	-
342	Stores Equipment	-
343	Tools, Shop and Garage Equipment	385
344	Laboratory Equipment	241
345	Power Operated Equipment	-
346	Communication Equipment	498
347	Miscellaneous Equipment	-
348	Other Tangible Plant	16,329
	WATER- SUBTOTAL ACCUMULATED DEPRECIATION	<u>110,064</u>
	* Plus 2004 Adjustment due to Allocation of Accumulated Depreciation of UIF Plant	6,683
	Plus 2004 Adjustment to Accumulated Depreciation	1,744
	WATER- TOTAL ACCUMULATED DEPRECIATION	<u>118,491</u>

* Note- UIF Plant allocation is as follows:

343	Tools, Shop and Garage Equipment	36
346	Communication Equipment	23
348	Other Tangible Plant	6,624
		<u>6,683</u>

Lake Placid Utilities Inc
DOCKET NO. 060257-WS
RECONCILIATION OF MINIMUM FILING REQUIREMENT TO TRIAL BALANCE

12/31/05 Balances
Schedule B-1

Schedule B-1		Annual Report W-3 Column (d)		Schedule B-1	
Line No.	Description			Description	
Line No. 1	Operating Revenues	45,173		Operating Revenues	45,173
	Operating Expenses				
Line No. 2	Operation & maintenance	17,676	401	Operating Expenses	17,676
Line No. 3	Depreciation, Net of CIAC	8,722	403	Net Depreciation Exp	8,722
Line No. 4	Amortization		407	Amortization	
Line No. 5	Taxes other than Income	3,386	408	Taxes other than Income	3,386
Line No. 6	Provision for Income Taxes	(14,339)	409,1&410,1&410.11	Provision for Income Taxes	(14,339)
Line No. 7	Operating Expenses	7,551		Utility Operating Expense	15,786
Line No. 8	Net Operating Income	37,622		Net Operating Income	29,387

Schedule B-2

Schedule B-2		Annual Report S-3 Column (d)		Schedule B-2	
Line No.	Description			Description	
Line No. 1	Operating Revenues	70,362		Operating Revenues	70,362
	Operating Expenses				
Line No. 2	Operation & maintenance	52,976	401	Operating Expenses	52,976
Line No. 3	Depreciation, Net of CIAC	13,194	403	Net Depreciation Exp	13,194
Line No. 4	Amortization		407	Amortization	
Line No. 5	Taxes other than Income	5,271	408	Taxes other than Income	5,271
Line No. 6	Provision for Income Taxes	13,559	409,1&410,1&410.11	Provision for Income Taxes	13,559
Line No. 7	Operating Expenses	85,529		Utility Operating Expense	85,306
Line No. 8	Net Operating Income	(15,167)		Net Operating Income	(14,944)

Lake Placid Utilities

Schedule A-4, Annual Additions and Balances

PSC deficiency description:

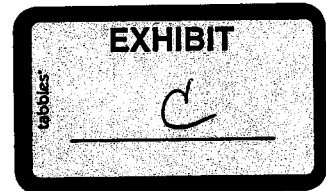
The beginning balance does not match the test year ending 12/31/95 balance per Order No. PSC-96-0910-FOR-WS. Please provide a reconciliation from the 12/31/95 balance reflected in Order No. PSC-96-0910-FOR-WS to the 1995 balance reflected in MFR Schedule A-4.

Summary Conclusion:

The differences between the 1996 order and the 1995 annual report relate to Organization costs accounting actual vs. projected capital costs.

Variance reconciliation:

	Water	Sewer
12/31/95 Balance per PSC-96-0910-FOF-WS	184,302	333,676
12/31/95 Balance per PSC report	<u>196,068</u>	<u>362,249</u>
Variance	11,766	28,573
Organization Costs (Transfers included in filing not adjusted in PSC report)	(8,695)	(16,228)
Net plant additions added in to service above the original estimates in MFR docket 951027-WS	<u>3,071</u>	<u>12,345</u>
	(11,766)	(28,573)



Rate Schedule - Present, Interim, and Final

Florida Public Service Commission

Company: Lake Placid Utilities Inc
 Docket No.: 060257-WS
 Test Year End: December 31, 2005
 Schedule Year Ended: December 31, 2005
 Water [x] or Sewer [x]
 Interim [] or Final [x]
 Historic [x] or Projected []

Schedule: E-1 Revised
 Page 1 of 2
 Preparer: Virchow, Krause

Explanation: Provide a schedule of present and proposed rates. State residential sewer cap, if one exists.

Line No.	(1) Class/Meter Size	(2) Test Year Rates	(3) Interim Rates	(4) Proposed Rates
<u>Water</u>				
1	64101 5/8" Residential Base Charge	\$ 12.59		\$ 12.20
2	- 3/4" Residential Base Charge	18.87		18.30
3	- 1" Residential Base Charge	31.45		30.51
4	- 1 1/2" Residential Base Charge	62.92		61.01
5	- 2" Residential Base Charge	100.67		97.62
6	- 3" Residential Base Charge	201.33		195.24
7	- 4" Residential Base Charge	315.61		305.06
8	- 6" Residential Base Charge	629.15		610.12
9	64103 5/8" Multi-Residential Base Charge	12.59		12.20
10	- 3/4" Multi-Residential Base Charge	18.87		18.30
11	64106 1" Multi-Residential Base Charge	31.45		30.51
12	- 1 1/2" Multi-Residential Base Charge	62.92		61.01
13	- 2" Multi-Residential Base Charge	100.67		97.62
14	- 3" Multi-Residential Base Charge	201.33		195.24
15	64108 4" Multi-Residential Base Charge	315.61		305.06
16	- 6" Multi-Residential Base Charge	629.15		610.12
17	64109 5/8" General Service Base Charge	12.59		12.20
18	- 3/4" General Service Base Charge	18.87		18.30
19	64110 1" General Service Base Charge	31.45		30.51
20	- 1 1/2" General Service Base Charge	62.92		61.01
21	- 2" General Service Base Charge	100.67		97.62
22	- 3" General Service Base Charge	201.33		195.24
23	64119 4" General Service Base Charge	315.61		305.06
24	- 6" General Service Base Charge	629.15		610.12
25				
26				
27	Gallonge Charge per 1,000 Gallons			
28	64101 5/8" Residential Base Charge	2.29		6.34
29	- 3/4" Residential Base Charge	2.29		6.34
30	- 1" Residential Base Charge	2.29		6.34
31	- 1 1/2" Residential Base Charge	2.29		6.34
32	- 2" Residential Base Charge	2.29		6.34
33	- 3" Residential Base Charge	2.29		6.34
34	- 4" Residential Base Charge	2.29		6.34
35	- 6" Residential Base Charge	2.29		6.34
36	64103 5/8" Multi-Residential Base Charge	2.29		6.34
37	- 3/4" Multi-Residential Base Charge	2.29		6.34
38	64106 1" Multi-Residential Base Charge	2.29		6.34
39	- 1 1/2" Residential Base Charge	2.29		6.34
40	- 2" Residential Base Charge	2.29		6.34
41	- 3" Residential Base Charge	2.29		6.34
42	64108 4" Multi-Residential Base Charge	2.29		6.34
43	- 6" Multi-Residential Base Charge	2.29		6.34
44	64109 5/8" General Service Base Charge	2.29		6.34
45	- 3/4" General Service Base Charge	2.29		6.34
46	64110 1" General Service Base Charge	2.29		6.34
47	- 1 1/2" General Service Base Charge	2.29		6.34
48	- 2" General Service Base Charge	2.29		6.34
49	- 3" General Service Base Charge	2.29		6.34
50	64119 4" General Service Base Charge	2.29		6.34
51	- 6" General Service Base Charge	2.29		6.34

Rate Schedule - Present, Interim, and Final

Florida Public Service Commission

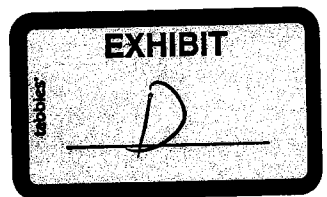
Company: Lake Placid Utilities Inc
 Docket No.: 060257-WS
 Test Year End: December 31, 2005
 Schedule Year Ended: December 31, 2005
 Water [x] or Sewer [x]
 Interim [] or Final [x]
 Historic [x] or Projected []

Schedule: E-1 Revised
 Page 2 of 2
 Preparer: Virchow, Krause

Explanation: Provide a schedule of present and proposed rates. State residential sewer cap, if one exists.

Line No.	(1) Class/Meter Size	(2) Test Year Rates	(3) Interim Rates	(4) Proposed Rates
1	Wastewater(1)			
2				
3	64120 5/8" Residential Flat Charge	23.51	\$ 18.14	25.35
4	64121 5/8" Residential Base Charge	14.29	11.02	15.41
5	- 3/4" Residential Base Charge	21.39	16.53	23.11
6	- 1" Residential Base Charge	35.70	27.56	38.52
7	- 1 1/2" Residential Base Charge	71.37	55.12	77.04
8	- 2" Residential Base Charge	114.20	88.18	123.27
9	- 3" Residential Base Charge	228.39	176.37	246.53
10	- 4" Residential Base Charge	356.86	275.58	385.21
11	- 6" Residential Base Charge	713.74	551.15	770.41
12	64123 5/8" Multi-Residential Base Charge	14.29	11.02	15.41
13	- 3/4" Multi-Residential Base Charge	21.39	16.53	23.11
14	64126 1" Multi-Residential Base Charge	35.70	27.56	38.52
15	- 1 1/2" Multi-Residential Base Charge	71.37	55.12	77.04
16	- 2" Multi-Residential Base Charge	114.20	88.18	123.27
17	- 3" Multi-Residential Base Charge	228.39	176.37	246.53
18	64128 4" Multi-Residential Base Charge	356.86	275.58	385.21
19	- 6" Multi-Residential Base Charge	713.74	551.15	770.41
20	64129 5/8" General Service Base Charge	14.29	11.02	15.41
21	- 3/4" General Service Base Charge	21.39	16.53	23.11
22	64130 1" General Service Base Charge	35.70	27.56	38.52
23	- 1 1/2" General Service Base Charge	71.37	55.12	77.04
24	- 2" General Service Base Charge	114.20	88.18	123.27
25	- 3" General Service Base Charge	228.39	176.37	246.53
26	64139 4" General Service Base Charge	356.86	275.58	385.21
27	- 6" General Service Base Charge	713.74	551.15	770.41
28				
29	Gallage Charge per 1,000 Gallons			
30	64121 5/8" Residential Base Charge	2.59	8.66	12.10
31	- 3/4" Residential Base Charge	2.59	8.66	12.10
32	- 1" Residential Base Charge	2.59	8.66	12.10
33	- 1 1/2" Residential Base Charge	2.59	8.66	12.10
34	- 2" Residential Base Charge	2.59	8.66	12.10
35	- 3" Residential Base Charge	2.59	8.66	12.10
36	- 4" Residential Base Charge	2.59	8.66	12.10
37	- 6" Residential Base Charge	2.59	8.66	12.10
38	64123 5/8" Multi-Residential Base Charge	2.59	8.66	12.10
39	- 3/4" Multi-Residential Base Charge	2.59	8.66	12.10
40	64126 1" Multi-Residential Base Charge	2.59	8.66	12.10
41	- 1 1/2" Multi-Residential Base Charge	2.59	8.66	12.10
42	- 2" Multi-Residential Base Charge	2.59	8.66	12.10
43	- 3" Multi-Residential Base Charge	2.59	8.66	12.10
44	64128 4" Multi-Residential Base Charge	2.59	8.66	12.10
45	- 6" Multi-Residential Base Charge	2.59	8.66	12.10
46	64129 5/8" General Service Base Charge	3.10	10.39	14.52
47	- 3/4" General Service Base Charge	3.10	10.39	14.52
48	64130 1" General Service Base Charge	3.10	10.39	14.52
49	- 1 1/2" General Service Base Charge	3.10	10.39	14.52
50	- 2" General Service Base Charge	3.10	10.39	14.52
51	- 3" General Service Base Charge	3.10	10.39	14.52
52	64139 4" General Service Base Charge	3.10	10.39	14.52
53	- 6" General Service Base Charge	3.10	10.39	14.52

(1) Residential class customers have maximum monthly gallage charge of 6,000 gallons.



Lake Placid

A-18

Line No.	(1) Assets	(2) Test Year 12/31/2005	(3) Prior Year 12/31/2004	Average
24	Accum. Deferred Income Tax	4806	5048	4,927

A-19

Line No.	(1) Equity Capital & Liabilities	(2) Test Year 12/31/2005	(3) Prior Year 12/31/2004	Average
28	Accumulated Deferred Income Taxes	24049	25115	24,582
	Net Accumulated Def. Income Taxes	19,243	20,067	19,655

D-1

Line No.	(1) Class of Capital	(2) Total Capital
8	Accumulated Deferred Income Tax	19,655

D-2

Line No.	(1) Class of Capital	(2) Prior Year 12/31/2004	(3) Test Year 12/31/2005	(4) Average
8	Accumulated Deferred Income Taxes	20,067	19,243	19,655

Requested Cost of Capital

Florida Public Service Commission

Company: Lake Placid Utilities Inc
Docket No.: 060257-WS
Test Year End: December 31, 2005
Schedule Year End: December 31, 2005
Interim [] or Final [x]
Historic [x] or Projected []

Schedule: D-1 Revised
Page 1 of 1
Preparer: Kirsten E. Weeks

Explanation: Provide a schedule which calculates the requested Cost of Capital on a beginning and end of year average basis. If a year-end basis is used, submit an additional schedule reflecting year-end calculations.

Line No.	(1) Class of Capital	(2) Total Capital	(3) Ratio	(4) Cost Rate	(5) Weighted Cost
1	Long Term Debt	\$ 226,702	54.84%	6.81%	3.73%
2	Short Term Debt	20,738	5.02%	2.00%	0.10%
3	Preferred Stock	-	0.00%	0.00%	0.00%
4	Common Equity	165,922	40.14%	11.77%	4.72%
5	Customer Deposits	-	0.00%	6.00%	0.00%
6	Tax Credits - Zero Cost	-	0.00%	0.00%	0.00%
7	Tax Credits - Weighted Cost	-	0.00%	0.00%	0.00%
8	Accumulated Deferred Income Tax	19,655	0.00%	0.00%	0.00%
9	Other (Explain)	-	0.00%	0.00%	0.00%
10	Total	\$ 433,017	100%		8.56%

Note: The cost of equity is based on the leverage formula in effect pursuant to Order No. PSC-050006. Since the equity ratio is greater than 40.00%, a(n) 11.77% cost rate has been used.

Reconciliation of Capital Structure to Rate Base

Florida Public Service Commission

Company: Lake Placid Utilities Inc
 Docket No.: 060257-WS
 Test Year End: December 31, 2005
 Schedule Year End: December 31, 2005
 Utility or Parent
 Interim or Final
 Historic or Projected

Schedule: D-2 Revised
 Page 1 of 1
 Preparer: Kirsten E. Weeks

Explanation: Provide a reconciliation of the simple average capital structure to requested rate base. Explain all adjustments.
 Submit an additional schedule if a year-end basis is used.

Line No.	Class of Capital	(1)	(2)	(3)	(4)	Reconciliation Adjustments		(7)
		Prior Year 12/31/2004	Test Year 12/31/2005	Average	Pro Rata	Prorata %	To Requested Rate Base	
1	Long Term Debt	\$ 135,285,191	\$ 112,803,215	\$ 124,044,203	\$ (124,044,203)	54.84%	\$ 226,702	
2	Short Term Debt	3,926,000	18,768,000	11,347,000	(11,347,000)	5.02%	20,738	
3	Preferred Stock	-	-	-	-	0.00%	-	
4	Common Equity	92,611,247	88,963,597	90,787,422	(90,787,422)	40.14%	165,922	
5	Customer Deposits	-	-	-	-	0.00%	-	
6	Tax Credits - Zero Cost	-	-	-	-	0.00%	-	
7	Tax Credits - Weighted Cost	-	-	-	-	0.00%	-	
8	Accumulated Deferred Income Taxes	20,067	19,243	19,655	-	0.00%	19,655	
9	Other (Explain)	-	-	-	-	0.00%	-	
10	Total	\$ 231,842,505	\$ 220,554,055	\$ 226,198,280	\$ (226,178,625)	100.00%	\$ 433,017	

Supporting Schedules: A-18, A-19, C-7, C-8, D-3, D-4, D-5, D-7

Recap Schedules: D-1

EXHIBIT
E

Lake Placid Utilities, Inc.
Chemical Use Data
Test Year: 2006

<u>County</u>	<u>System Name</u>	<u>Chemical</u>	<u>Water</u>	<u>Wastewater</u>	<u>Unit Price</u>
Highlands	Lake Placid	Sodium hypochlorite	1-2 gpd	9 gpd	\$ 1.15/ gal