



September 27, 2013

VIA OVERNIGHT DELIVERY

Ann Cole, Commission Clerk  
Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

RECEIVED-FPSC  
13 SEP 30 AM 9:46  
COMMISSION  
CLERK

RE: Lake Placid Utilities, Inc.'s Application for Staff Assisted Rate Case  
Our File No.: 30057.211

Dear Ms. Cole:

Enclosed is the Application of Lake Placid Utilities, Inc., for a Staff Assisted Rate Case for its water and wastewater systems in Highlands County, Florida.

Very truly yours,

MARTIN S. FRIEDMAN  
For the firm

MSF/  
Enclosure

cc: Kirsten Markwell (via email, w/enclosure)

FLORIDA PUBLIC SERVICE COMMISSION  
APPLICATION FOR A STAFF ASSISTED RATE CASE

I. General Data

A. Name of utility Lake Placid Utilities, Inc.

B. Address 2335 Sanders Road, Northbrook, IL 60062  
 1. Telephone Nos. (847) 498-6440  
 2. County Highlands County  
 3. General area served Sun'N Lakes Estates of Lake Placid and Dee Ann Estates (sewer only)      Nearest city Lake Placid

C. Authority  
 1. Water certificate no. 414-W      Date received 10/4/1993  
 2. Wastewater certificate no. 347-S      Date received 10/4/1993  
 3. Date utility started operations Water      1969      Wastewater 1969

D. How system was acquired Sale of utility  
 If utility was purchased, give date Jul-93  
 1. Name of seller CFD Incorporated out of receivership      Amount paid \$55,000  
 2. Was seller affiliated with present owners No  
 3. Did you purchase Stock      X      Or assets only

E. Type of legal entity: corporation, partnership, or sole proprietorship Corporation

F. Ownership & officers

<u>Name</u>	<u>Title</u>	<u>Percent Ownership</u>
<u>1. Utilities, Inc.</u>	<u>Owner</u>	<u>100%</u>
<u>2. Jim Japczyk</u>	<u>CFO</u>	<u>None</u>
<u>3. John Hoy</u>	<u>COO</u>	<u>None</u>
<u>4. Lisa Sparrow</u>	<u>President</u>	<u>None</u>
<u>5. John Stover</u>	<u>Vice President</u>	<u>None</u>
<u>6. Steve Lubertozzi</u>	<u>CRO</u>	<u>None</u>

G. List of associated companies and addresses

1. Please see the enclosed document. The business address for all companies is 2335 Sanders Road, Northbrook, IL 60062

H. If you have retained an attorney and/or a consultant to represent the utility for this application, furnish the name(s) and address(es)

Martin S. Friedman  
Sundstrom, Friedman & Fumero, LLP  
766 North Sun Drive, Suite 4030  
Lake Mary, Florida 32746

II. Accounting Data

A. Outside accountant

1. Name N/A  
 2. Firm N/A  
 3. Address N/A  
 4. Telephone N/A

**B. Individual to contact on accounting matters**

1. Name Kirsten Markwell  
2. Telephone (847) 897-6487

**C. Location of books and records**

2335 Sanders Road, Northbrook, IL 60062

**D. Have you filed an annual report with the Commission?**

Date last filed Apr-13

**E. Has your latest semiannual regulatory assessment fee payment been made (January 30 or July 30 whichever is applicable)?**

Yes

**E. Basic rate base data (most recent two years)**

**1. Water**

	<u>2011</u>	<u>2012</u>
Cost of plant in service	\$515,764	\$524,667
Less accumulated depreciation	(179,347)	(205,794)
Less contributed plant	<u>(164,454)</u>	<u>(156,548)</u>
Net owner's investment	<u>\$171,963</u>	<u>\$162,325</u>

**2. Wastewater**

	<u>2011</u>	<u>2012</u>
Cost of plant in service	\$793,508	\$793,024
Less accumulated depreciation	(531,157)	(554,764)
Less contributed plant	<u>(190,181)</u>	<u>(179,970)</u>
Net owner's investment	<u>\$72,170</u>	<u>\$58,289</u>

**G. Basic income statement (most recent two years)**

**1. Water**

	<u>2011</u>	<u>2012</u>
Revenue (by class)		
a. Residential	26,054	26,145
b. Multi-family	17,601	17,425
c. Commercial	12,521	13,476
d. Miscellaneous	<u>(1,130)</u>	<u>492</u>
Total operating revenues	<u>55,046</u>	<u>57,538</u>
Less expenses		
a. Salaries & wages - employees	4,461	6,253
b. Salaries & wages - officers, directors, & majority stockholders	984	761
c. Employee pension & benefits	2,055	2,014
d. Purchased water	-	-
e. Purchased power	2,170	2,413
f. Fuel for power reduction	-	-
g. Chemicals	1,452	832
h. Materials & supplies	407	405
i. Contractual services	17,544	15,555
j. Rents	-	(0)
k. Transportation expenses	864	792
l. Insurance expense	1,028	1,039
m. Regulatory commission expense	8,681	4,998
n. Bad debt expense	28	497
o. Miscellaneous expense	<u>(8,298)</u>	<u>221</u>
p. Depreciation expense	22,497	18,565
q. Property taxes	3,086	2,948
r. Other taxes	2,192	3,769
s. Income taxes	<u>(21,489)</u>	<u>425</u>
Operating income (loss)	<u>17,385</u>	<u>(3,947)</u>

	<u>2011</u>	<u>2012</u>
<b>1. Sewer</b>		
Revenue (by class)		
a. Residential	27,420	26,419
b. Multi-family	20,405	18,819
c. Commercial	24,625	25,136
d. Miscellaneous	242	378
<b>Total operating revenues</b>	<u>72,691</u>	<u>70,751</u>
Less expenses		
a. Salaries & wages - employees	4,499	6,303
b. Salaries & wages - officers, directors, & majority stockholders	993	767
c. Employee pension & benefits	2,073	2,030
d. Purchased water	-	-
e. Purchased power	4,211	3,789
f. Fuel for power reduction	-	-
g. Chemicals	1,464	839
h. Materials & supplies	410	408
i. Contractual services	17,692	15,680
j. Rents	-	(0)
k. Transportation expenses	871	798
l. Insurance expense	1,036	1,048
m. Regulatory commission expense	8,755	5,038
n. Bad debt expense	28	501
o. Miscellaneous expense	(8,368)	222
p. Depreciation expense	119,092	26,893
q. Property taxes	3,112	2,971
r. Other taxes	2,210	3,800
s. Income taxes	(21,670)	428
<b>Operating income (loss)</b>	<u>(63,717)</u>	<u>(763)</u>

**H. Outstanding debt**

	<u>Creditor</u>	<u>Date borrowed</u>	<u>Balance due</u>	<u>Interest rate</u>	<u>Expiration date</u>
1.	JP Morgan	Various	500,000	Libor/Prime	N/A - short term revolver
2.	JP Morgan	Jul-06	180,000,000		0 7/1/2036

NOTE: Lake Placid does not carry debt on the company level, the outstanding debt detailed is at the Utilities Inc. level.

**I. Indicate type of tax return filed**

- Form 1120 - Corporation
- Form 1120S - Subchapter S Corporation
- Form 1065 - Partnership
- Form 1040 - Schedule C - Individual (Proprietorship)

**III. Engineering Data**

**A. Engineering data**

1. Name Julian Coto P.E.
2. Firm Excel Engineering
3. Address 122 Wilshire Blvd. Casselberry, FL 32707
4. Telephone 407-260-2292

**B. Individual to contact on engineering matters**

1. Name Patrick Flynn
2. Telephone (800) 272-1919, ext. 1359

C. Is this utility under citation by the Department of Environmental Protection (DEP) or county health department?  
If yes, please explain.

No

D. List any known service deficiencies and steps taken to remedy problems

None

E. Name of plant operator(s) and DEP operator certificate(s) held

<u>Otto Krucker</u>	<u>Contract Operator</u>	<u>C -water treatment, C - wastewater treatment</u>
<u>Danny Holmes</u>	<u>Contract Operator</u>	<u>C -water treatment, C - wastewater treatment</u>
<u>Don Hamilton</u>	<u>LPUI operator, 1 day/wk</u>	<u>C -water treatment, C - wastewater treatment</u>

F. Is the utility serving customers outside of its certificated area?

If yes, please explain.

No

G. Wastewater

1. Gallons per day capacity of treatment facilities existing 90,000 gpd  
Under construction No Proposed None
2. Type and make of present treatment facilities Extended aeration, Marolf design
3. Approximate average daily flow of treatment plant effluent 17,400 gpd
4. Approximate length of wastewater mains  
Size (diameter) 8"  
Linear feet 3,500 LF (approximately)
5. Number of manholes 20
6. Number of liftstations 4
7. How do you measure treatment effluent? Ultrasonic flow meter
8. Is the treatment plant effluent chlorinated? Yes  
If yes, what is the normal dosage rate? 6-8 gallons/day
9. Tap in fees - wastewater \$817.00 Single family
10. Service availability fees - wastewater None
11. Note DEP treatment plant certificate number and date of expiration  
Number FLA014386 Expiration date 10/18/2015
12. Total gallons treated during most recent twelve months (Jan-Dec '12) 6,438,000
13. Wastewater treatment purchased during most recent twelve months (Jan-Dec '12) None

H. Water

1. Gallons per day capacity of treatment facilities existing 288,000 gpd  
Under construction No **Proposed** None
2. Type of treatment Disinfection
3. Approximate average daily flow of treated water 14,441 gpd
4. Source of water supply Groundwater
5. Types of chemicals used and their normal dosage rates Sodium hypochlorite, 1-2 gallons/day
6. Number of wells in service 2  
Total capacity in gallons per minute (gpm) 400 gpm  
Diameter/depth 6"/392' (#1) and 5"/6"/649' (#2)  
Motor horsepower 15/15  
Pump capacity (gpm) 80/80
7. Reservoirs and/or hydropneumatic tanks  
Description Hydro tank  
Capacity 5,000 gallon
8. High service pumping  
Motor horsepower N/A  
Pump capacity (gpm) N/A

9. How do you measure treatment plant production?	Plant flow meter	
10. Approximate feet of water mains		
Size (diameter)	2"/4"/6"	
Linear feet	275/2,907/3,090	
11. Note any fire flow requirements and imposing government agency		None
12. Number of fire hydrants in service	1	
13. Do you have a meter change out program?	Yes	
14. Meter installation or tap in fees - water	\$383.00	Single family
15. Service availability fees - water	None	
16. Has the existing treatment facility been approved by DEP?		Yes
17. Total gallons pumped during most recent twelve months (Jan-Dec '12)		5,271,000
18. Total gallons sold during most recent twelve months (Jan-Dec '12)		4,581,600
19. Total gallons unaccounted for during most recent twelve months (Jan-Dec '12)		689,400
20. Gallons purchased during most recent twelve months (Jan-Dec '12)		None

Note: \*During the Test Year, 129,000 gallons was used for flushing or lost through line breaks.

IV. Rate Data

A. Individual to contact on tariff matters

1. Name Martin S. Friedman
2. Telephone number (407) 830-6331

B. Schedule of present rates

1. Water

a. Residential

Base - 5/8"	\$13.85
Base - 3/4"	\$20.78
Base - 1"	\$34.63
Base - 1.5"	\$69.26
Base - 2"	\$110.81
Base - 3"	\$221.63
Base - 4"	\$346.30
Base - 6"	\$692.60
Gallonage	\$5.80

b. Multi-residential

Base - 5/8"	\$13.85
Base - 3/4"	\$20.78
Base - 1"	\$34.63
Base - 1.5"	\$69.26
Base - 2"	\$110.81
Base - 3"	\$221.63
Base - 4"	\$346.30
Base - 6"	\$692.60
Gallonage	\$5.80

c. General service

Base - 5/8"	\$13.85
Base - 3/4"	\$20.78
Base - 1"	\$34.63
Base - 1.5"	\$69.26
Base - 2"	\$110.81
Base - 3"	\$221.63
Base - 4"	\$346.30
Base - 6"	\$692.60
Gallonage	\$5.80

<b>2. Wastewater</b>	
<b>a. Residential</b>	<u>Base</u> \$13.94 <u>Gallorage (6K gallon cap)</u> \$5.75 <u>Flat rate for unmetered customer</u> \$27.72
<b>b. Multi-residential</b>	<u>Base - 5/8"</u> \$13.94 <u>Base - 3/4"</u> \$20.90 <u>Base - 1"</u> \$34.82 <u>Base - 1.5"</u> \$69.65 <u>Base - 2"</u> \$111.44 <u>Base - 3"</u> \$222.87 <u>Base - 4"</u> \$348.24 <u>Base - 6"</u> \$696.46 <u>Gallorage</u> \$6.90
<b>c. General service</b>	<u>Base - 5/8"</u> \$13.94 <u>Base - 3/4"</u> \$20.90 <u>Base - 1"</u> \$34.82 <u>Base - 1.5"</u> \$69.65 <u>Base - 2"</u> \$111.44 <u>Base - 3"</u> \$222.87 <u>Base - 4"</u> \$348.24 <u>Base - 6"</u> \$696.46 <u>Dee Ann Estates bulk</u> \$474.62 <u>Gallorage</u> \$6.90 <u>Gallorage - Dee Ann Estates bulk</u> \$5.52

<b>C. Number of customers</b>			
<b>1. Water metered</b>	<b>2011</b>	<b>2012</b>	
a. Residential	93	91	
b. Multi-residential	11	12	
c. General service	8	8	
	<u>113</u>	<u>111</u>	
<b>2. Water unmetered</b>	<b>2011</b>	<b>2012</b>	
a. Residential	N/A	N/A	
b. Multi-residential	N/A	N/A	
c. General service	N/A	N/A	
<b>1. Wastewater</b>	<b>2011</b>	<b>2012</b>	
a. Residential	93	91	
b. Multi-residential	11	12	
c. General service	5	5	
d. Dee Ann Estates	1	1	
	<u>111</u>	<u>109</u>	

**IV. Affirmation**

I, Steven Lubertozi, the undersigned owner, officer, or partner of the above named public utility, doing business in the State of Florida and subject to the control and jurisdiction of the Florida Public Service Commission, certify that the statements set forth herein are true and correct to the best of my information, knowledge, and belief.

Signed \_\_\_\_\_  
 Title CRO

Notice: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.