

Crystal Card

From: Amy Williams <awilliams@uswatercorp.net>
Sent: Monday, December 09, 2013 2:09 PM
To: Filings@psc.state.fl.us
Subject: Lake Osborne Utility Company - Docket No. 130173-WU
Attachments: LOWW Ltr. 10-01-13 Docket #130173-WU App of Transfer.pdf

Importance: High

FPSC,

Please allow this submission on behalf of Lake Osborne Utility Company in regards to Docket No. 130173-WU.

Any questions or concerns please feel free to contact my office directly at (727) 848-8292 ext. 239

Thank You,

Amy N. Williams

Enterprise Systems - Accounting Admin

U.S. Water Services Corporation

4939 Cross Bayou Blvd.

New Port Richey, FL 34652-3434

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LAKE OSBORNE UTILITY COMPANY

October 31, 2013

Ms. Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RE: FPSC Letter Dated October 1, 2013 Concerning Docket No 130173-WU Application for Approval of Transfer – Deficiency Letter in Response to Our Letter Dated: August 26, 2013

Ms. Cole:

Below are the responses to Mr. Tom Ballinger's Letter:

Deficiencies:

- 1: The Utility has not assumed any non-regulated operations or entities.
- 2: There are no considerations between the parties as it relates to any obligations.
- 3: There were no guaranteed revenue contracts or developer agreements.
- 4: The utility has taken steps to acquire the income tax returns from Aqua. Aqua has agreed to provide these returns upon approval of transfer. The Utility is in agreement.

Additional Information:

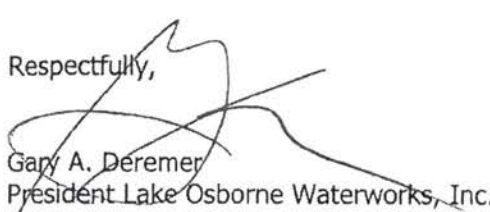
1. Schedules:

Schedule 1.1(d). There was no Scheduled 1.1(d). This letter will serve as Buyer shall not assume any obligations of Seller under any contract, agreement, commitment, lease, certificate, order, notice, permit or other instrument, whether oral, written, express or implied.

2. Other:

Attached is the 3-year budget requested:

Respectfully,



Gary A. Dereemer
President Lake Osborne Waterworks, Inc.
5320 Captains Court
New Port Richey, FL 34652

Lake Osborne Waterworks, Inc.
Proposed Operating Proforma
Revision: 6/3/13
2013 thru 2016

	04/01/13-03/31/14	04/01/14-03/31/15	04/01/15-03/31/16	
	Osborne	Osborne	Osborne	Total for all categories
System Revenues				
Water Revenues:	\$ 298,746.00	\$ 302,032.21	\$ 305,354.56	\$ 906,132.77
Wastewater Revenues:	\$ -	\$ -	\$ -	\$ -
Other Revenues:	\$ 7,158.00	\$ 7,158.00	\$ 7,158.00	\$ 21,474.00
Index on WTR/WST Revenues (Aqua 2012):	\$ 2,987.46	\$ 3,020.32	\$ 3,053.55	\$ 9,061.33
Index = 1.1%	\$ 3,319.07	\$ 3,434.32	\$ 3,471.23	\$ 10,224.61
Proposed Rate Increase Completion 2014	\$ -	\$ 31,500.00	\$ 31,846.50	\$ 63,346.50
Total Utility Revenues:	\$ 312,210.53	\$ 347,144.84	\$ 350,883.83	\$ 1,010,239.20
Operating Expenses:				
USW O & M Customer Service & Billing - Water	\$ 50,220.81	\$ 51,325.67	\$ 52,454.83	\$ 154,001.31
USW O & M Customer Service & Billing - Wastewater	\$ -	\$ -	\$ -	\$ -
Officer Salaries	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 24,000.00
Chemicals	\$ -	\$ -	\$ -	\$ -
Sludge	\$ -	\$ -	\$ -	\$ -
Estimated Bad Debt	\$ 6,244.21	\$ 6,942.90	\$ 7,017.68	\$ 20,204.78
Purchase Water	\$ 238,603.00	\$ 245,761.09	\$ 253,133.92	\$ 737,498.01
Purchased Power	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 4,500.00
Rents (land, etc.)	\$ -	\$ -	\$ -	\$ -
Sunshine Locates	\$ 300.00	\$ 300.00	\$ 300.00	\$ 900.00
Misc. Expenses	\$ 3,122.11	\$ 3,471.45	\$ 3,508.84	\$ 10,102.39
SCADA/Phones	\$ -	\$ -	\$ -	\$ -
Total Direct Operating Expenses	\$ 307,990.13	\$ 317,301.10	\$ 325,915.27	\$ 951,206.50
Net Operating Revenues Before Other Deductions	\$ 4,220.40	\$ 29,843.74	\$ 24,968.56	\$ 59,032.71
Allowances for Other Deductions:				
Legal	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 6,000.00
FPSC Fee:	\$ 14,049.47	\$ 15,621.52	\$ 15,789.77	\$ 45,460.76

Note: 1.1% Utilized as Annual Index.

Anticipate CPI 2.2% Annually

Anticipate CPI 2.2% Annually

Estimated - Trends with Revenue

Anticipated Annual Increase of 3% Annually

Estimated - Trends with Revenue

Lake Osborne Waterworks, Inc.
Proposed Operating Proforma
Revision: 6/3/13
2013 thru 2016

	04/01/13-03/31/14	04/01/14-03/31/15	04/01/15-03/31/16	
	Osborne	Osborne	Osborne	Total for all categories
Other Taxes:	\$ 2,333.00	\$ 2,333.00	\$ 2,333.00	\$ 6,999.00
Assumed Ad Valorem Tax deduction	\$ -	\$ -	\$ -	\$ -
Bank Fees	\$ 50.00	\$ 50.00	\$ 50.00	\$ 150.00
Interest Cost	\$ -	\$ -	\$ -	\$ -
Federal Accounting	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 7,500.00
Total Cost:	\$ 20,932.47	\$ 22,504.52	\$ 22,672.77	\$ 66,109.76
				\$ -
				\$ -
Total Available Funds:	\$ (16,712.07)	\$ 7,339.22	\$ 2,295.79	\$ (7,077.06)
				\$ -
Less Estimated Depreciation/R & R Replacement	\$ -	\$ -	\$ -	\$ -
Net Operations	\$ (16,712.07)	\$ 7,339.22	\$ 2,295.79	\$ (7,077.06)

Prior to Depreciation and Possible CIP

Pending PSC Adj

Depreciation Estimated