

ORIGINAL

Docket No. 060368-WS

Application to Increase Rates and Charges
For a "Class A" Utility

COUNTY SUMMARY
Highlands County, Florida

Volume 2

Containing Selected Consolidated
Financial, Rate and Engineering
Minimum Filing Requirements For Systems:

- Lake Josephine Water
- Leisure Lakes Water and Sewer
- Sebring Lakes Water

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CMP _____
 COM 5
 CTR _____
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 OPC 1
 RCA 1
 SCR _____
 SGA _____
 SEC 1
 OTH _____

For Historical Test Year Ending December 31, 2005
Projected Rate Year Ending December 31, 2007
Year-End Balances and 13-Month Averages

Aqua Utilities Florida, Inc.

DOCUMENT NUMBER-DATE

11005 NOV 30 08

FPSC-COMMISSION CLERK

Highlands County Summary

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Schedule of Water Rate Base

Florida Public Service Commission

Highlands County Total
 Docket No. 060368-WS
 Test Year Ending December 31 of
 Historical 2005, Projected 2006, 2007

Number of Water Systems: 3

Schedule: A-1
 Page: 1 of 1
 Preparer: Robert M. Griffin

Explanation: Provide the calculation of the average Water rate base for the test year, showing all adjustments.
 All non-used and useful items should be reported as Plant Held For Future Use.

(1) Line No. Description	(2) Historical Base Year 2005		(4)	(5) Intermediate Year 2006		(6) Projected Test Year 2007		(8)	(9) Supporting Schedules
	Average Balance Per Books	Adjustments	Adjusted Average Balance	Adjustments	Adjusted Average Balance	Adjustments	Adjusted Average Balance		
1 Utility Plant in Service	800,911	467,667	1,268,578	230,560	1,499,139	544,069	2,043,207	A-5	
2 Utility Land & Land Rights	29,800	(2,088)	27,712	(2,262)	25,450	0	25,450	A-5	
3 Less: Non-Used & Useful Plant	0	(14,729)	(14,729)	(494)	(15,223)	(3,231)	(18,454)	A-7	
4 Construction Work in Progress	0	0	0	0	0	0	0		
5 Less: Accumulated Depreciation	(222,082)	(193,242)	(415,324)	(53,240)	(468,564)	(50,130)	(518,695)	A-9	
6 Less: CIAC	(541,854)	(189,868)	(731,721)	(59,453)	(791,174)	(7,520)	(798,694)	A-12	
7 Accumulated Amortization of CIAC	169,192	107,964	277,156	56,253	333,409	27,193	360,602	A-14	
8 Acquisition Adjustments	0	0	0	0	0	0	0		
9 Less: Accum. Amort. of Acq. Adjustments	0	0	0	0	0	0	0		
10 Less: Advances For Construction	0	0	0	0	0	0	0	A-16	
11 Working Capital Allowance	0	61,018	61,018	(1,974)	59,043	37,575	96,618	A-17	
12 Total Rate Base	<u>235,968</u>	<u>236,721</u>	<u>472,689</u>	<u>169,390</u>	<u>642,080</u>	<u>547,955</u>	<u>1,190,035</u>		

Schedule of Sewer Rate Base

Florida Public Service Commission

Highlands County Total
 Docket No. 060368-WS
 Test Year Ending December 31 of
 Historical 2005, Projected 2006, 2007

Number of Sewer Systems: 1

Schedule: A-2
 Page: 1 of 1
 Preparer: Robert M. Griffin

Explanation: Provide the calculation of the average Sewer rate base for the test year, showing all adjustments.
 All non-used and useful items should be reported as Plant Held For Future Use.

(1) Line No. Description	(2) Historical Base Year 2005		(4)	(5)	(6)	(7) Projected Test Year 2007		(9)
	Average Balance Per Books	(3) Adjustments	Adjusted Average Balance	Adjustments	Adjusted Average Balance	Adjustments	Adjusted Average Balance	Supporting Schedules
1 Utility Plant in Service	0	335,173	335,173	21,345	356,518	49,702	406,220	A-6
2 Utility Land & Land Rights	0	2,200	2,200	0	2,200	0	2,200	A-6
3 Less: Non-Used & Useful Plant	0	(31,491)	(31,491)	(1,525)	(33,016)	(5,717)	(38,733)	A-7
4 Construction Work in Progress	0	0	0	0	0	0	0	
5 Less: Accumulated Depreciation	0	(206,997)	(206,997)	(11,812)	(218,809)	(6,576)	(225,385)	A-10
6 Less: CIAC	0	(238,836)	(238,836)	(1,500)	(240,336)	(826)	(241,162)	A-12
7 Accumulated Amortization of CIAC	0	183,191	183,191	11,857	195,048	11,842	206,890	A-14
8 Acquisition Adjustments	0	0	0	0	0	0	0	
9 Less: Accum. Amort. of Acq. Adjustments	0	0	0	0	0	0	0	
10 Less: Advances For Construction	0	0	0	0	0	0	0	A-16
11 Working Capital Allowance	0	26,543	26,543	(914)	25,629	10,844	36,473	A-17
12 Total Rate Base	0	69,782	69,782	17,451	87,233	59,270	146,503	

Schedule of Water Net Operating Income

Florida Public Service Commission

Highlands County Total

Number of Water Systems: 3

Schedule: B-1

Docket No. 060368-WS

Page: 1 of 1

Schedule Year Ended December 31 of:

Preparer: Jack Schreyer

Historical 2005, Projected 2006, 2007

Explanation: Provide the calculation of net operating income for the test year. If amortization (Line 4) is related to any amount other than an acquisition adjustment, submit an additional schedule showing a description and calculation of charge.

Line No.	(1) Description	(2) Per Books 2005	(3) Utility Test Year Adjustment	(4) Adjusted Test Year 2005	(5) Adjustments 2005-06	(6) Adjusted Intermd. Yr 2006	(7) Adjustments 2006-07	(8) Adjusted Rate Year 2007	(9) Requested Revenue Adjustment	(10) Requested Annual Revenues	(11) Supporting Schedules
1	OPERATING REVENUES	199,337	(1,929)	197,408	10,707	208,115	2,682	210,797	420,723	631,521	B-4
2	Operation & Maintenance	254,248	8,154	262,401	39,417	301,818	87,620	389,438	6,213	395,652	B-5
3	Depreciation, net of CIAC Amort.	5,573	8,011	13,583	6,399	19,982	27,859	47,842	0	47,842	B-13
4	Amortization	0	0	0	1,344	1,344	0	1,344	0	1,344	
5	Taxes Other Than Income	21,182	(1,299)	19,883	1,000	20,884	12,953	33,837	18,933	52,770	B-15
6	Provision for Income Taxes	(31,502)	28,492	(3,010)	(24,234)	(27,244)	(54,683)	(81,927)	123,360	41,432	C-1
7	OPERATING EXPENSES	<u>249,500</u>	<u>43,358</u>	<u>292,858</u>	<u>23,926</u>	<u>316,784</u>	<u>73,749</u>	<u>390,533</u>	<u>148,506</u>	<u>539,039</u>	
8	NET OPERATING INCOME	<u>(50,163)</u>	<u>(45,287)</u>	<u>(95,450)</u>	<u>(13,219)</u>	<u>(108,669)</u>	<u>(71,067)</u>	<u>(179,736)</u>	<u>272,218</u>	<u>92,482</u>	
9	RATE BASE	<u>235,968</u>	<u>236,721</u>	<u>472,689</u>	<u>169,390</u>	<u>642,080</u>	<u>547,955</u>	<u>1,190,035</u>	<u>0</u>	<u>1,190,035</u>	A-1
10	RATE OF RETURN	<u>-21.26%</u>		<u>-20.19%</u>						<u>7.77%</u>	

Requested Revenue Increase: 199.6%

Schedule of Sewer Net Operating Income

Florida Public Service Commission

Highlands County Total

Number of Sewer Systems: 1

Schedule: B-2

Docket No. 060368-WS

Page: 1 of 1

Schedule Year Ended December 31 of:

Preparer: Jack Schreyer

Historical 2005, Projected 2006, 2007

Explanation: Provide the calculation of net operating income for the test year. If amortization (Line 4) is related to any amount other than an acquisition adjustment, submit an additional schedule showing a description and calculation of charge.

Line No.	(1) Description	(2) Per Books 2005	(3) Utility Test Year Adjustment	(4) Adjusted Test Year 2005	(5) Adjustments 2005-06	(6) Adjusted Intermd. Yr 2006	(7) Adjustments 2006-07	(8) Adjusted Rate Year 2007	(9) Requested Revenue Adjustment	(10) Requested Annual Revenues	(11) Supporting Schedules
1	OPERATING REVENUES	75,453	(85)	75,367	903	76,271	274	76,544	45,496	122,040	B-4
2	Operation & Maintenance	58,575	2,404	60,979	3,104	64,083	27,812	91,895	672	92,567	B-6
3	Depreciation, net of CIAC Amort.	0	187	187	1,334	1,520	2,632	4,153	0	4,153	B-14
4	Amortization	0	0	0	1,269	1,269	0	1,269	0	1,269	
5	Taxes Other Than Income	5,007	(376)	4,631	(76)	4,555	1,722	6,278	2,047	8,325	B-15
6	Provision for Income Taxes	4,447	(27)	4,420	(2,742)	1,678	(12,753)	(11,075)	15,930	4,854	C-1
7	OPERATING EXPENSES	<u>68,029</u>	<u>2,188</u>	<u>70,217</u>	<u>2,888</u>	<u>73,105</u>	<u>19,414</u>	<u>92,519</u>	<u>18,649</u>	<u>111,168</u>	
8	NET OPERATING INCOME	<u>7,424</u>	<u>(2,273)</u>	<u>5,150</u>	<u>(1,985)</u>	<u>3,165</u>	<u>(19,140)</u>	<u>(15,975)</u>	<u>26,847</u>	<u>10,873</u>	
9	RATE BASE	<u>0</u>	<u>69,782</u>	<u>69,782</u>	<u>17,451</u>	<u>87,233</u>	<u>59,270</u>	<u>146,503</u>		<u>146,503</u>	A-2
10	RATE OF RETURN	<u>-</u>		<u>7.38%</u>						<u>7.42%</u>	

Requested Revenue Increase: 59.4%

Schedule of Requested Cost of Capital

Florida Public Service Commission

Highlands County Total
 Docket No. 060368-WS
 Test Year Ending: 12/31/07
 Historical [] Projected [X]

Number of Water Systems: 3
 Number of Sewer Systems: 1

Schedule: D-1
 Page: 1 of 1
 Preparer: Jack Schreyer

Explanation: Provide a schedule which calculates the requested Cost of Capital on a 13-month average basis.
 If a year-end basis is used submit an additional schedule reflecting year-end calculations.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Class of Capital	Reconciled To Requested Rate Base	Ratio	Cost Rate	Weighted Cost Rate	Cost	Supporting Schedules
WATER							
1	Long-Term Debt	434,617	36.52%	6.00%	2.19%	26,077	D-2
2	Short-Term Debt	0	0.00%		0.00%	0	D-2
3	Preferred Stock	0	0.00%		0.00%	0	D-2
4	Common Stock	651,926	54.78%	10.12%	5.54%	65,975	D-2
5	Customer Deposits	7,379	0.62%	6.00%	0.04%	443	D-2
6	Accumulated Deferred Income Taxes	96,113	8.08%	0.00%	0.00%	0	D-2
7	Total	<u>1,190,035</u>	<u>100.00%</u>		<u>7.77%</u>	<u>92,495</u>	
SEWER							
8	Long-Term Debt	50,922	34.76%	6.00%	2.09%	3,055	D-2
9	Short-Term Debt	0	0.00%	0.00%	0.00%	0	D-2
10	Preferred Stock	0	0.00%	0.00%	0.00%	0	D-2
11	Common Stock	76,384	52.14%	10.12%	5.28%	7,730	D-2
12	Customer Deposits	1,476	1.01%	6.00%	0.06%	89	D-2
13	Accumulated Deferred Income Taxes	17,721	12.10%	0.00%	0.00%	0	D-2
14	Total	<u>146,503</u>	<u>100.00%</u>		<u>7.42%</u>	<u>10,874</u>	

Rate Schedule - Proposed Rates

Florida Public Service Commission

Highlands County Total
 Docket No. 060368-WS
 Test Year End: 12/31/2005
 Water [X] Sewer [X]

Number of Water Systems: 3
 Number of Sewer Systems: 1

Schedule: E-1
 Page: 1 of 1
 Preparer: Jack Schreyer

Explanation: Provide a schedule of present and proposed interim rates

Line No.	(1) Class/Meter Size	(2)	(3) Proposed County Rates	(4) Class/Meter Size	(5)	(6) Proposed County Rates
WATER				SEWER		
1	Residential			Residential		
2	5/8" X 3/4"		28.82	5/8" X 3/4"		13.86
3	3/4"		43.23	3/4"		20.78
4	1"		72.05	1"		34.64
5	1-1/2"		144.10	1-1/2"		69.28
6	2"		230.56	2"		110.85
7	3"		461.13	3"		221.70
8	4"		720.51	4"		346.41
9	6"		1,441.02	6"		692.83
10	8"		2,305.63	8"		1,108.52
11	10"		3,314.34	10"		1,593.50
12	Gallorage charge					
13	Block 1		5.71	Gallorage cap (gallons)		6,000
14	Block 2		7.14	Gallorage charge		11.42
15	Block 3		-			
16	General Service			General Service		
17	5/8" X 3/4"		28.82	5/8" X 3/4"		13.86
18	3/4"		43.23	3/4"		20.78
19	1"		72.05	1"		34.64
20	1-1/2"		144.10	1-1/2"		69.28
21	2"		230.56	2"		110.85
22	3"		461.13	3"		221.70
23	4"		720.51	4"		346.41
24	6"		1,441.02	6"		692.83
25	8"		2,305.63	8"		1,108.52
26	10"		3,314.34	10"		1,593.50
27	Gallorage charge		5.71	Gallorage charge		13.70
28	Fire Protection			Flat Rate		
29	2"		57.64	Res. Wastewater Only		29.10
30	3"		115.28	Sprinkler Heads		-
31	4"		180.13	Reuse		-
32	6"		360.26			
33	8"		576.41			
34	10"		828.59			

Projected Test Year Revenue Calculation

Florida Public Service Commission

Highlands County Total Number of Water Systems: 3
 Docket No. 060368-WS
 Schedule Year End: 12/31/2007
 Water [X] or Sewer []

Schedule: E-13w
 Page: 1 of 1
 Preparer: Jack Schreyer

Explanation: If a projected test year is used, provide a schedule of historical and projected bills and consumption by classification. Include a calculation of each projection factor on a separate schedule, if necessary. List other classes or meter sizes as applicable.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Line No.	Class/Meter Size		Proj. Test Year 2007 Bills			Proj. Test Year 2007 Consump.	WgtdAvg Present Rates	Proj. 2007 Revenue at Pres. Rates	Conserv. Gallons	Proposed County Rates	Projected 2007 Rev. Req.
1	Residential										
2	5/8" X 3/4"		10,941			46,423	8.83	96,660		28.82	315,320
3	3/4"		0			0	-	0		43.23	0
4	1"		0			0	-	0		72.05	0
5	1-1/2"		0			0	-	0		144.10	0
6	2"		0			0	-	0		230.56	0
7	3"		0			0	-	0		461.13	0
8	4"		0			0	-	0		720.51	0
9	Gallorage										
10	Block 1					46,423	2.24	104,069	32,759	5.71	187,054
11	Block 2					0	-	0	13,664	7.14	97,558
12	Block 3					0	-	0	0	-	0
13	Total Residential		10,941			46,423		200,729	46,423		599,931
14	Average Bill							18.35			54.83
15	Commerical										
16	5/8" X 3/4"		102			4,601	9.11	929		28.82	2,940
17	3/4"		0			0	-	0		43.23	0
18	1"		0			0	-	0		72.05	0
19	1-1/2"		0			0	-	0		144.10	0
20	2"		3			0	72.89	219		230.56	692
21	3"		0			0	-	0		461.13	0
22	4"		0			0	-	0		720.51	0
23											
24	Gallorage					4,601	1.74	8,006	4,601	5.71	26,272
25	Total Commercial		105			4,601		9,154	4,601		29,903
26	Average Bill							87.18			284.79
27	Multi-Family										
28	5/8" X 3/4"		0			0	-	0		28.82	0
29	3/4"		0			0	-	0		43.23	0
30	1"		0			0	-	0		72.05	0
31	1-1/2"		0			0	-	0		144.10	0
32	2"		0			0	-	0		230.56	0
33	3"		0			0	-	0		461.13	0
34	4"		0			0	-	0		720.51	0
35											
36	Gallorage					0	-	0	0	5.71	0
37	Total Multi-Family		0			0		0	0		0
38	Average Bill							0.00			0.00
39	Fire Protection										
40	2"		0			0	-	0		57.64	0
41	3"		0			0	-	0		115.28	0
42	4"		0			0	-	0		180.13	0
43	6"		0			0	-	0		360.26	0
44	8"		0			0	-	0		576.41	0
45	10"		0			0	-	0		828.59	0
46	Per Hydrant		0			0	-	0		-	0
47	Total Fire Protection		0			0		0			0
48	Average Bill							0.00			0.00
49	Subtotals		11,046			51,024		209,882			629,834
50	Misc. Service Charge							915			1,470
51	Total Revenue							210,797			631,304

Projected Test Year Revenue Calculation

Florida Public Service Commission

Highlands County Total
 Docket No. 060368-WS
 Schedule Year End: 12/31/2007
 Water [] or Sewer [X]

Number of Sewer Systems: 1

Schedule: E-13s
 Page: 1 of 1
 Preparer: Jack Schreyer

Explanation: If a projected test year is used, provide a schedule of historical and projected bills and consumption by classification. Include a calculation of each projection factor on a separate schedule, if necessary. List other classes or meter sizes as applicable.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Line No.	Class/Meter Size		Proj. Test Year 2007 Bills		Proj. Test Year 2007 Usage		WgtdAvg Present Rates	Proj. 2007 Revenue at Pres. Rates	Proposed Year 2007 Usage	Proposed County Rates	Projected 2007 Rev. Req.
1	Residential										
2	5/8" X 3/4"		3,357		6,614		16.30	54,719		13.86	46,528
3	3/4"		0		0		-	0		20.78	0
4	1"		0		0		-	0		34.64	0
5	1-1/2"		0		0		-	0		69.28	0
6	2"		0		0		-	0		110.85	0
7	3"		0		0		-	0		221.70	0
8	4"		0		0		-	0		346.41	0
9	Gallorage cap (gallons)									6,000	
10	Capped Usage				6,614		3.30	21,825	6,614	11.42	75,532
11	Usage Above Cap				205				204		0
12											0
13	Total Residential		3,357		6,818			76,544	6,818		122,060
14	Average Bill							22.80			36.36
15	Commerical										
16	5/8" X 3/4"		0		0		-	0		13.86	0
17	3/4"		0		0		-	0		20.78	0
18	1"		0		0		-	0		34.64	0
19	1-1/2"		0		0		-	0		69.28	0
20	2"		0		0		-	0		110.85	0
21	3"		0		0		-	0		221.70	0
22	4"		0		0		-	0		346.41	0
23											
24	Gallorage				0		-	0	0	13.70	0
25	Total Commercial		0		0			0	0		0
26	Average Bill							0.00			0.00
27	Multi-Family										
28	5/8" X 3/4"		0		0		-	0		13.86	0
29	3/4"		0		0		-	0		20.78	0
30	1"		0		0		-	0		34.64	0
31	1-1/2"		0		0		-	0		69.28	0
32	2"		0		0		-	0		110.85	0
33	3"		0		0		-	0		221.70	0
34	4"		0		0		-	0		346.41	0
35											
36	Gallorage				0		-	0	0	13.70	0
37	Total Multi-Family		0		0			0	0		0
38	Average Bill							0.00			0.00
39	Flat Rate										
40	Res. Wastewater Only		0		0		-	0		29.10	0
41	Sprinkler Heads		0		0		-	0		-	0
42	Reuse		0		0		-	0		-	0
43	Total Flat Rate - Other		0		0			0			0
44	Subtotals		3,357		6,818			76,544	6,818		122,060
45	Misc. Service Charge							0			0
46	Total Revenue							76,544			122,060