

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of
WEST LAKELAND WASTEWATER, INC.
for a limited proceeding in
Polk County, Florida

DOCKET NO. _____

070466-SU

COMMISSION
CLERK

07 JUL 20 PM 2:50

RECEIVED-FPSC

APPLICATION FOR LIMITED PROCEEDING RATE INCREASE

Applicant, WEST LAKELAND WASTEWATER, INC. (the *Utility*), by and through its undersigned attorneys and pursuant to Section 367.0822, Florida Statutes, and Chapter 25-30.445, Florida Administrative Code, files this Application for a limited proceeding rate increase in Polk County, Florida.

Preliminary Matters

The following information is provided pursuant to Rule 25-30.445, Florida Administrative Code:

(1) The name of the Utility and its principal place of business is:

West Lakeland Wastewater, Inc.
2903 Brooks Street
Lakeland, FL 33803

(2) The name and address of the person authorized to receive notices and

CMP _____

COM _____

communications in respect to this application is:

CTR _____

ECR _____

GCL 1

OPC 1

RCA _____

SCR _____

SGA _____

SEC _____

OTH CLK

F. Marshall Deterding, Esquire
Rose, Sundstrom & Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, FL 32301
Telephone: (850) 877-6555
Facsimile: (850) 656-4029

(3) The Utility is a Florida corporation incorporated in Florida on June 7, 2001. The names

and addresses of the persons owning more than 5% of the Utility's stock are:

Suzzane A. Britt 50%
Sam Averett 50%

P.O. Box 266
Eaton Park, FL 33840

(4) The Utility has never had a rate proceeding since coming under the jurisdiction of the Florida Public Service Commission. The Utility's rates were last reviewed by the Commission upon transfer of the Utility's system from ABCA, Inc. to West Lakeland Wastewater, Inc. approved in Docket No. 010382-SU.

(5) The address within the service area where the application is available for customer inspection during the time the rate application is pending is:

West Lakeland Wastewater, Inc.
2903 Brooks Street
Lakeland, FL 33803

(6) The Affidavit of Suzzane A. Britt, President of the Utility, stating that the Utility will comply with Rule 25-30.446, F.A.C., and is attached as **Exhibit "A"**.

(7) The appropriate filing fee of \$500.00 is filed herewith in accordance with Rule 25-30.020, F.A.C..

Additional Information

The following additional information is provided pursuant to Rule 25-30.445(5), (6) and (7), Florida Administrative Code:

(8) The purpose of this Limited Proceeding is for the Utility to recover the cost of customer billing. The City of Lakeland's electric utility has been providing billing services to the Utility, under its previous and current ownership, since 1999. The City of Lakeland has recently decided to discontinue providing those services to the Utility and as such, the Utility has had to contract for such services from a third party who will perform the meter reading and billing on a monthly basis. The Utility has received a proposal for the provision of such services at a cost significantly higher than that previously charged by the City of Lakeland's electric utility, because of the requirement of separate

meter reading, separate mailing, and separate accounting, none of which were required under the City of Lakeland arrangement. The resulting cost constitutes an increase of \$9,900.00 on an annual basis over the previous expense, or almost 15% of the Utility's gross revenues.

(9) This limited proceeding is not being undertaken to recover costs incurred by a governmental authority or agency and does not involve changes in rate base components and as such the provisions of Section 25-30.445(5)(b) and (c) are not applicable.

(10) The Utility is requesting recovery of increased operating expenses. As such, an itemized description of the expenses, including the costs and supporting documentation, is contained within the schedules and three attachments included in **Exhibit "B"** hereto.

(11) The only known item that will create a cost savings or other revenue impact from the implementation of the requested costs for recovery items, is the elevation of the old billing costs being replaced by the new provider costs for these services, and those cost savings are enumerated in the schedules and attachments to **Exhibit "B."**

(12) A calculation of the revenue increase needed, including regulatory assessment fees is included in Schedule No. 2 of **Exhibit "B."**

(13) Annualized revenues for the most recent 12 month period using the rates in effect at the time the Utility filed this application for calendar year 2006 is included as Schedule 4 of **Exhibit "B"**. That schedule reflects this calculation by customer class and meter size, since there is only one customer class (residential) and only one meter size (5/8" x 3/4").

(14) The Utility has not had a general rate increase since it came under the jurisdiction of the Florida Public Service Commission. This Limited Proceeding involves one increase in cost. However, while that increase in cost is substantial, especially to a small Utility such as this one, it does not constitute a 30% increase, but rather approximately a 15% increase in rates.

(15) Since the Utility has never had a general rate increase or Limited Proceeding process before the Public Service Commission, the expense recovery sought herein is not offset by customer growth since the Utility's most recent rate proceeding, and will not be offset by future customer growth expected to occur within the year of the date the new rates are implemented. This is by definition true since the change for this service is on a per customer billed basis, and the Utility's customer growth is negligible in any case.

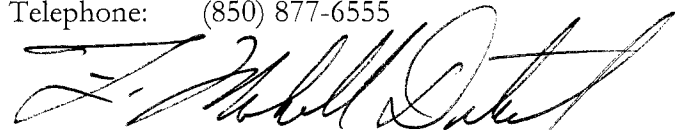
(16) Because of the substantial increase in cost for customer billing, the Utility will begin utilization of the new contract provider of these services immediately upon approval of the rates to cover such costs by the Florida Public Service Commission. The Utility is utilizing part time labor for this service.

WHEREFORE, the Utility requests that the Florida Public Service Commission do the following:

1. Accept jurisdiction of this Application to grant an increase in wastewater rates to West Lakeland Wastewater, Inc..
2. Provide immediate rate relief to the Utility since this additional cost is currently being incurred by the Utility and the Utility was already in a significant loss position.

Respectfully submitted this 20th day of July, 2007, by:

ROSE, SUNDSTROM & BENTLEY, LLP
2548 Blairstone Pines Drive
Tallahassee, FL 32301
Telephone: (850) 877-6555



F. MARSHALL DETERDING
For the Firm

AFFIDAVIT OF SUZZANE A. BRITT

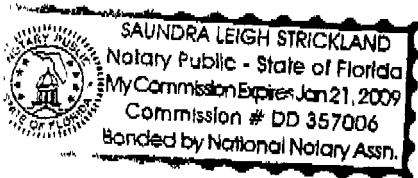
STATE OF FLORIDA

COUNTY OF POLK

BEFORE ME, personally appeared SUZZANE A. BRITT, who is the President of West Lakeland Wastewater, Inc., who states that West Lakeland Wastewater, Inc. will comply with the noticing requirements of Rule 25-30.446, Florida Administrative Code.

Suzanne A. Britt
SUZZANE A. BRITT

Sworn to and subscribed before me this 20 day of July, 2007, by Suzzane A. Britt, President of West Lakeland Wastewater, Inc., who is personally known to me or has produced _____ as identification.



Saundra Leigh Strickland
NOTARY PUBLIC - STATE OF FLORIDA
Printed Name: Saundra Leigh Strickland
My Commission Expires: January 21, 2009



West Lakeland Wastewater, Inc.
Limited Proceeding
Special Report
June 14, 2007



Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
PAUL E. DECHARIO, C.P.A.
KATHERINE U. JACKSON, C.P.A.
ROBERT H. JACKSON, C.P.A.
CHERYL T. LOSEE, C.P.A.
ROBERT C. NIXON, C.P.A.
JEANETTE SUNG, C.P.A.
HOLLY M. TOWNER, C.P.A.
JAMES L. WILSON, C.P.A.

2560 GULF-TO-BAY BOULEVARD
SUITE 200
CLEARWATER, FLORIDA 33765-4432
(727) 791-4020
FACSIMILE
(727) 797-3602
e-mail
cpas@cjnw.net

June 14, 2007

Officers and Directors
West Lakeland Wastewater, Inc.

In accordance with your request, we have prepared the accompanying Special Report of West Lakeland Wastewater, Inc. consisting of the schedules listed in the preceding Index.

This report is intended solely for use as part of a Limited Proceeding rate application to be filed with the Florida Public Service Commission and should not be used for any other purpose.

Because this Special Report was not audited by us, we do not express an opinion or any other form of assurance on it.

Cronin Jackson Nixon & Wilson
CRONIN, JACKSON, NIXON & WILSON

West Lakeland Wastewater, Inc.
Limited Proceeding
Special Report

Index

<u>Schedule No.</u>	<u>Page(s)</u>	<u>Description</u>
		Accountant's Letter
1	1	Present and Proposed Rates
2	2	Calculation of Rate Increase
3	3	Schedule of Billing Cost Increase
4	4	Schedule of annualized revenue for the year ended December 31, 2006

West Lakeland Wastewater, Inc.
 Limited Proceeding
 Schedule of Present and Proposed Rates

Line No.		Present Rates	Proposed Increase	Proposed Rates
1	<u>Residential</u>			
2	<u>Base facility charges (\$ 2.90 increase)</u>			
3	5/8 x 3/4"	\$ 9.81	\$ 2.90	\$ 12.71
4	Gallorage charge - per 1,000 gallons	3.26		3.26
5	<u>General Service</u>			
6	<u>Base facility charges (\$ 2.90 increase)</u>			
7	5/8 x 3/4"	9.81	2.90	12.71
8	1"	14.71	2.90	17.61
9	1-1/2"	24.51	2.90	27.41
10	2"	49.03	2.90	51.93
11	3"	78.44	2.90	81.34
12	4"	156.87	2.90	159.77
13	6"	245.13	2.90	248.03
14	8"	490.24	2.90	493.14
15	Gallorage charge - per 1,000 gallons	3.89		3.89

West Lakeland Wastewater, Inc.
Limited Proceeding
Calculation of Percentage Rate Increase And Increase to the Gallonage Charges

<u>Line No.</u>		<u>Sewer</u>	<u>Schedule Reference</u>
1	Yearly increase in billing cost	\$ 9,900	3
2	Divide by Regulatory Assessment Fee expansion factor	<u>0.955</u>	
3	Total Increase	10,366	
4	Divide by total bills	<u>3,576</u>	4
5	Increase per bill	<u>\$ 2.90</u>	

West Lakeland Wastewater, Inc.
 Limited Proceeding
 Increase in Billing Cost

Line No.	Month	No. of Bills	Previous Cost per Bill (1)	Total Billing Cost	Current Cost per Bill (2)	Total Billing Cost
1	May	300	\$ 0.85	\$ 255.00	\$ 3.60	\$ 1,080.00
2	June	300	0.85	255.00	3.60	1,080.00
3	July	300	0.85	255.00	3.60	1,080.00
4	August	300	0.85	255.00	3.60	1,080.00
5	September	300	0.85	255.00	3.60	1,080.00
6	October	300	0.85	255.00	3.60	1,080.00
7	November	300	0.85	255.00	3.60	1,080.00
8	December	300	0.85	255.00	3.60	1,080.00
9	January, 2007	300	0.85	255.00	3.60	1,080.00
10	February	300	0.85	255.00	3.60	1,080.00
11	March	300	0.85	255.00	3.60	1,080.00
12	April	<u>300</u>	0.85	<u>255.00</u>	3.60	<u>1,080.00</u>
13	Total	<u>3,600</u>		<u>\$ 3,060.00</u>		<u>\$ 12,960.00</u>
14	Current yearly billing cost		\$ 12,960.00			
15	Previous yearly billing cost		<u>3,060.00</u>			
16	Increase		<u>\$ 9,900.00</u>			

17 Notes: (1) Previous cost per Attachment 1.

18 (2) Current cost per bill per Attachment 2.

West Lakeland Wastewater, Inc.
 Limited Proceeding
 Schedule of Annualized Revenue
 For the Year Ended December 31, 2006

<u>Line No.</u>		<u>No. of Bills/Gallons (000)</u>	<u>Present Rates</u>	<u>Annualized Revenue</u>
1	<u>Sewer</u>			
2	<u>Residential Service</u>			
3	Base Facility Charges			
4	All Meter Sizes	3,576	\$ 9.81	\$ 35,081
5	Gallorage charges	10,254	3.26	<u>33,428</u>
6	Total Residential Revenue			<u>68,509</u>
7	Total Annualized Sewer Revenue			<u>\$ 68,509</u>
8	Notes: (1) Revenue was last increased per 2006 Index Adjustment			
9	effective January 5, 2007.			

This message has been scanned for known viruses.

From: Harris, Andrea
 To: elm0315@aol.com
 Cc: Alspaugh, Linda, Pepper, Dan, Meeks, Mark, Dale, Jody, Lewis, Roger, Colbert, Alvin
 Subject: VLSWR_Bill_Register_12012005-12312005.txt; VLSWR_Bill_Register_12012005-12312005
 Date: Tue, 3 Jan 2006 15:17:41 -0500
 Files: WLW_cuton_cutoffs_report_12012005-12312005.txt (4K) VLSWR_Bill_Register_12012005-12312005.txt (132K)
 VLSWR_Bill_Register_12012005-12312005.xls (164K)

Good Afternoon,
 Attached you will find the December 2005 bill registers and all information justifying the payment. If there are any questions, please feel free to contact me at 834-1334.

Sincerely,
 Andrea Harris
 Billing Department Team Leader

Copy of Check Request:
 SEWER BILLINGS - DECEMBER 2005 5,621.57
 LESS BAD DEBT WRITE OFFS -140.69
 PLUS REINSTATED 0.00
 HANDLING FEE= 302 @ 0.85 (256.70)
 REPAYMENT (FINAL) (2,382.59)
 TOTAL DUE 2,841.59

Write Offs:
 VLSWR 3131498 -31.78
 3186799 -33.4
 3307377 -75.51
 VLSWR Total -140.69

Recovery:
 n/a

Reinstate:
 n/a

<<VLSWR_Bill_Register_12012005-12312005.txt>>
 <<VLSWR_Bill_Register_12012005-12312005.xls>>

Dec Revenue

Paid On Full

Yeah!

**SEVERN
TRENT
SERVICES**

West Lakeland Wastewater Utility

PERFORMANCE CAPABILITIES

INTRODUCTION:

Severn Trent Environmental Services, Inc., which is part of Severn Trent Plc. Severn Trent-Environmental Services provides a full array of services to water and wastewater utilities more than 175 clients in over 20 Florida Counties, in addition to billing and bill printing services in Florida, Texas, Arizona, the Carolina's, Virginia, Connecticut and several other States.

The Severn Trent group of companies employs approximately 14,000 employees through its subsidiary group of companies, has a net worth exceeding \$3.5 billion and annual revenues in excess of \$2.4 billion.

Severn Trent brings to its customers the stability and strength of a multi-billion dollar, global corporation, with the commitment and attention to detail of a small, local company through its network of regional offices. Our philosophy fosters community outreach, total quality management, and dedication to maintaining the highest possible standards. This enables our customers to reap the benefits of a highly customized and reliable approach and the efficiency gained through our depth of capabilities.

LONG- TERM RELIABLE SERVICE

Severn Trent- operates a centralized Billing and Bill Printing/Mailing Service, through networked facilities in Sarasota, Florida. The Utility CIS/Billing system resides on the company's IBM AS/400 system. The system currently has 100 +

on-line remotely located users with the capacity for another 75 on-line users.

The utility billing software developed by Severn Trent has provided reliability for over 20 years to more than 30 municipal and private water/wastewater utilities. This system has been continuously enhanced to reflect changing customer expectations and can be readily tailored to meet specific needs. The Severn Trent Utility CIS/Billing system calculates over 115,000 utility bills per month for municipal or private utilities.

Our largest utility installation is provided to AquaSource Utilities. We provide Utility CIS/Billing services for over 72,000 AquaSource customers in Florida and other States. AquaSource has over ten separate customer service centers connected over the Internet to the Severn Trent CIS/Billing System. We also provide services to small municipal and privately owned utility systems. Our smallest client has only 75 customers; we have several clients that have customer bases of around 500.

CIS/BILLING SERVICES

Severn Trent provides an Internet accessed customer information system and billing software service to the water and wastewater industry. Reasons why our clients have chosen Severn Trent-Avatar for their CIS/Billing needs include:

- A CIS/Billing system that is easy to use and easy to train on, everyone should find the system "understandable";

**SEVERN
TRENT
SERVICES**

**West Lakeland
Wastewater Utility**

- A flexible system that responds to the specific requirements of the various clients, their various tariffs and their various rate regulatory bodies;
- Billing is under the client's control and not subject to a series of pre-determined billing parameters, the client determines how and when to bill its customers;
- Internet accessible, the software is resident on high-security current technology IBM A/S 400 data processing equipment in a professionally managed IT environment, all upgrades and enhancements are performed by our programmers;
- Interface to all types of handheld meter reading devices for the uploading of meter readings;
- Automated Collection and Termination features;
- Reports are generated and sent via E-Mail.
- ACH (Automated Clearing House) debit posting (we refer to this service as "E-Z Pay") for customer payment convenience;
- Lockbox ready, our billing system accommodates many of the current lock-box payment remittance houses and their procedures;
- Customer deposit billing;
- Client groupings by districts, States and regions;
- Interface to the general ledger packages of all accounting software applications;
- Automated account and payment entry through OCR bill coding;
- Credit card and check presentment over the phone;
- Industry standard capabilities to capture, validate, measure and transform usage data;
- Rapid installation, training and conversion.

BILL PRINTING SERVICES

Severn Trent's utility bill printing capabilities include post card and full size, laser printed invoice style bills. Bill forms are designed to meet the Client's specifications and can include multiple colors or multiple shades of the same color. Severn Trent's printers are capable of printing multiple character types including an OCR scan line for customer and account information. The Bill Printing/Mailing Service currently produces and mails over 2,500,000 bills per year.

The full size bills are foiled and stuffed using in-house equipment. This equipment is also capable of inserting additional pre-printed materials in the billing. Our postal bar coding and correction software, will allow for the most advantageous rate using Zip+4 bar-coding.

Severn Trent has proven to many municipal and private utility customers that we can provide a



West Lakeland Wastewater Utility

high quality Retail Bill Printing, Inserting, and Mailing Service that meets the needs of the utility and it's customers.

We have the proven capabilities to meet demands and a history of successfully providing these services to utilities in Florida and other states.

CORPORATE COMMITMENT:

The following organizational staff structure is in place for the performance of billing and bill printing services.

Client Manager

Michael Murphy, Vice President

Mike oversees management and operations of all Severn Trent-Avatar Utility Services Billing and Bill Printing Contracts as well as the day-to-day business operations and business and accounting functions of the company.

Project-Manager

Larry Daszynski, Manager of Billing Services

Larry is responsible for the overall operation and performance of the IBM AS/400 system with a telecommunication network of 75 terminals/PCs attached to system. His operation is responsible for the customer billing for more than 30 utilities.

BUSINESS INFORMATION:

Severn Trent's United States parent company is Severn Trent (DEL), Inc. The ultimate parent company is Severn Trent Plc.

limited liability corporation who's Federal Employer Identification Number (FEIN) is 76-0624421.

The primary corporate business office of Severn Trent- is 4837 Swift Road, Suite 100, Sarasota, Florida 34231. The telephone number is (941) 925-3088. The Severn Trent Billing Service is located at 2140 Gulf Gate Drive, Sarasota, Florida 34231. The telephone number is (941) 921-5209.



**West Lakeland
Wastewater Utility**

Budget Pricing \$ 3.60 per Bill

Note

This price is for budget purposes only and does not indicate a firm commitment and is not contractually binding

Including

Laser Printed Bill, (including U.S. postage)

Data Input Meter Reading

Opening of mail

Data Input of Customer
Payments

Preparation and Deposit of
Customers Payments

Customer Service

Note

Conversion of existing data will be a one off
\$500 fee



West Lakeland Wastewater, Inc.
Attn: Suzzane Britt, President
P O Box 2303
Eaton Park, FL 33840-2303

TERMINATION NOTICE

Via Certified Mail Return Receipt Requested

January 13, 2006

Dear Ms. Britt,

On the eleventh day of October 1999, the City of Lakeland, by and through its Electric Department ("Lakeland Electric") entered into an agreement with ABCA, Inc., (now known as West Lakeland Wastewater, Inc.), to provide contract billing services for it's wastewater customers. We have determined to discontinue this service effective 90 days after your receipt of this notice.

Pursuant to paragraph 6 of this agreement, Lakeland Electric hereby provides the required 90 days notice of its intent to discontinue billing services for West Lakeland Wastewater, Inc.

As part of winding up the services, Lakeland will immediately cease using the accrual method of accounting for your accounts and begin processing them on a cash basis as stated in paragraph 3 of the agreement. Lakeland Electric shall remit payment for total wastewater charges collected, as opposed to charges billed, less all pertinent fees, service or otherwise. At the end of the 90 day period, we will provide you with an accounting of any outstanding accounts. In the final month, we will deduct from our payments to you the amount of any past due or delinquent accounts in which we previously advanced the amount billed to you but we have yet to collect. To the extent we receive payments after the 90 day period; we will remit payment to you within 30 days.

Respectfully,

Alvin Colbert
Revenue Manager

Re: Certified Mail #7002 0510 0000 7810 2841

Jason Porter

727-797-3602

501 E. Lemon St. ♦ Lakeland, Florida 33801
Phone: 863.834.6300 ♦ Fax: 863.834.6344

