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Southlake Utilities, Inc.

Florida Public Service Commission
Docket No. 080597-WS

Application to Increase Rates and Charges
For a "Class B" Utility
in
Lake County, Florida

December 2008

Guastella Associates, Inc.

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DOCUMENT NUMBER - DATE

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FPSC-COMMISSION CLERK

Southlake Utilities, Inc.

Docket No. 080597-WS

Application to Increase Rates and Charges
For a "Class B" Utility
In
Lake County Florida

VOLUME I

Containing

Financial, Rate and Engineering
Minimum Filing Requirements

For Historical Base Year Ended December 31, 2007
Projected Test Year Ending December 31, 2008
Simple Average Balances

GUASTELLA ASSOCIATES, INC.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

Southlake Utilities, Inc.
RATE BASE SCHEDULES

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Schedule of Water Rate Base

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Interim [] Final [X]
 Historical [] Projected [X]

Schedule: A-1
 Page: 1 of 2
 Preparer: Guastella Associates

Description: Provide the calculation of the 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)	(2)	(3)	(4)	(5)	(6)	(7)	
Line No.	Description	Adjusted Balance 12/31/2007	Utility Adjustments	Adjusted Balance 12/31/2008	Utility Adjustments	Average Balance 12/31/2008	Supporting Schedule(s)
1	Utility Plant in Service	\$7,011,442	\$66,850	\$7,078,292	(\$33,425)	\$7,044,867	A-5
2	Utility Land & Land Rights	133,286	0	133,286	0	133,286	A-5
3	Less: Non-Used & Useful Plant	0	0	0	0	0	A-7
4	Construction Work in Progress	778,064	0	778,064	0	778,064	
5	Less: Accumulated Depreciation	(870,163)	(201,627)	(1,071,790)	100,814	(970,976)	A-9
6	Less: CIAC	(3,939,479)	(13,512)	(3,952,991)	6,756	(3,946,235)	A-12
7	Accumulated Amortization of CIAC	827,836	125,541	953,376	(62,770)	890,606	A-14
8	Acquisition Adjustments	0	0	0	0	0	
9	Accum. Amort. Of Acq. Adjustments	0	0	0	0	0	
10	Advances For Construction (prepaid CIAC)	(123,121)	0	(123,121)	0	(123,121)	A-16
11	Avg Unamortized (non-annual) Project Cos	0	117,088	117,088	0	117,088	
12	Working Capital Allowance	68,090	1,671	69,761	0	69,761	A-17
13	Total Rate Base	\$3,885,954	\$96,010	\$3,981,964	\$11,375	\$3,993,339	

Schedule of Water Rate Base

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Interim Final
 Historical Projected

Schedule: A-1
 Page: 2 of 2
 Preparer: Guastella Associates

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

Line No.	(1) Description	(2) Per Book Balance 12/31/2007	(3) Utility Adjustments	(4) Adjusted Balance 12/31/2007	(5) Supporting Schedule(s)
1	Utility Plant in Service	\$7,011,442		\$7,011,442	A-5
2	Utility Land & Land Rights	133,286		133,286	A-5
3	Less: Non-Used & Useful Plant	0	0	0	A-7
4	Construction Work in Progress	778,064		778,064	
5	Less: Accumulated Depreciation	(870,163)		(870,163)	A-9
6	Less: CIAC	(3,939,479)		(3,939,479)	A-12
7	Accumulated Amortization of CIAC	827,836		827,836	A-14
8	Acquisition Adjustments	0		0	
9	Accum. Amort. Of Acq. Adjustments	0		0	
10	Advances For Construction (prepaid CIAC)	(123,121)		(123,121)	A-16
11	Working Capital Allowance	0	68,090	68,090	A-17
12	Total Rate Base	\$3,817,864	\$68,090	\$3,885,954	

Schedule of Sewer Rate Base

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Interim [] Final [X]
 Historical [] Projected [X]

Schedule: A-2
 Page: 1 of 2
 Preparer: Guastella Associates

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

Line No.	(1) Description	(2) Adjusted Balance 12/31/2007	(3) Utility Adjustments	(4) Adjusted Balance 12/31/2008	(5) Utility Adjustments	(6) Average Balance 12/31/2008	(7) Supporting Schedule(s)
1	Utility Plant in Service	\$7,287,302	\$54,997	\$7,342,299	(\$27,498)	\$7,314,800	A-6
2	Utility Land & Land Rights	558,446	0	558,446	0	558,446	A-6
3	Less: Non-Used & Useful Plant	0	0	0	0	0	A-7
4	Construction Work in Progress	0	0	0	0	0	
5	Less: Accumulated Depreciation	(1,458,018)	(263,580)	(1,721,598)	131,790	(1,589,808)	A-10
6	Less: CIAC	(5,341,309)	(23,280)	(5,364,589)	11,640	(5,352,949)	A-12
7	Accumulated Amortization of CIAC	1,450,736	227,098	1,677,834	(113,549)	1,564,285	A-14
8	Acquisition Adjustments	0	0	0	0	0	
9	Accum. Amort. Of Acq. Adjustments	0	0	0	0	0	
10	Advances For Construction (prepaid CIAC)	(295,893)	0	(295,893)	0	(295,893)	A-16
11	Avg Unamortized (non-annual) Project Cost	0	67,088	67,088	0	67,088	
12	Working Capital Allowance	104,103	7,581	111,684	0	111,684	A-17
13	Total Rate Base	\$2,305,367	\$69,903	\$2,375,270	\$2,383	\$2,377,653	

Schedule of Sewer Rate Base

Florida Public Service Commission

Southlake Utilities, Inc.

Docket No. 080597-WS

Base Year Ended 12/31/07

Interim Final

Historical Projected

Schedule: A-2

Page: 2 of 2

Preparer: Guastella Associates

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

Line No.	(1) Description	(2) Per Book Balance 12/31/2007	(3) Utility Adjustments	(4) Adjusted Balance 12/31/2007	(5) Supporting Schedule(s)
1	Utility Plant in Service	\$7,287,302		\$7,287,302	A-6
2	Utility Land & Land Rights	558,446		558,446	A-6
3	Less: Non-Used & Useful Plant	0	0	0	A-7
4	Construction Work in Progress	0		0	
5	Less: Accumulated Depreciation	(1,458,018)		(1,458,018)	A-10
6	Less: CIAC	(5,341,309)		(5,341,309)	A-12
7	Accumulated Amortization of CIAC	1,450,736		1,450,736	A-14
8	Acquisition Adjustments	0		0	
9	Accum. Amort. Of Acq. Adjustments	0		0	
10	Advances For Construction (prepaid CIAC	(295,893)		(295,893)	A-16
11	Working Capital Allowance	0	104,103	104,103	A-17
12	Total Rate Base	\$2,201,264	\$104,103	\$2,305,367	

Schedule of Adjustments to Rate Base

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Base Year Ended 12/31/07
Interim Final
Historical Projected

Schedule: A-3
Page: 1 of 4
Preparer: Guastella Associates

Description: Provide a detailed description of all adjustments to rate base per books, with a total for each rate base line item.

Line No.	Description	Water	Reference
ADJUSTMENT TO YEAR-END BASE YEAR ENDED 12/31/07			
1	NON-USED AND USEFUL PLANT		
2	Adjust rate base to exclude future use plant.	<u>\$0</u>	A-7
3			
4	WORKING CAPITAL ALLOWANCE		
5	Adjust rate base for working capital based on the		
6	formula method.	<u>\$68,090</u>	A-17

Schedule of Adjustments to Rate Base

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Interim [] Final [X]
 Historical [] Projected [X]

Schedule: A-3
 Page: 2 of 4
 Preparer: Guastella Associates

Provide a detailed description of all adjustments to rate base per books, with a total for each rate base line item.

Line No.	Description	Water	Reference
ADJUSTMENT TO AVERAGE TEST YEAR ENDING 12/31/08			
1	UTILITY PLANT IN SERVICE		
2	Adjustment for plant needed to serve customer growth.		
3	Mains	27,551	
4	Services	2,849	
5	Meters	3,474	
6		<u>33,874</u>	
7	Adjustment for System Mapping Project.	32,976	<u>\$66,850</u> A-5
8			
9			
10	Adjustment for 13 Month Average		<u>(\$33,425)</u> A-5
11			
12	NON-USED AND USEFUL PLANT		
13	Adjust rate base to exclude future use plant (difference from prior period).		<u>\$0</u> A-7
14			
15	ACCUMULATED DEPRECIATION		
16	Adjustment for test year depreciation.		
17	Annual Accrual	(201,627)	
18	Retirements	0	<u>(\$201,627)</u> A-9
17			
18	Adjustment for 13 Month Average		<u>\$100,814</u> A-9
19			
20	CONTRIBUTIONS IN AID OF CONSTRUCTION		
21	Adjustment for CIAC contributed associated with customer growth.		
22	Plant Capacity Fees	(10,392)	
23	Meter Installation Fees	(3,120)	
24			<u>(\$13,512)</u> A-12
25			
26	Adjustment for 13 Month Average		<u>\$6,756</u> A-12
27			
28	ACCUMULATED AMORTZATION OF CIAC		
29	Adjustment for test year amortization.		<u>\$125,541</u> A-14
30			
31	Adjustment for 13 Month Average		<u>(\$62,770)</u> A-14
32			
33	AVERAGE UNAMORTIZED BALANCE (NON-ANNUAL PROJECT COSTS)		
34		Period (Years)	Amount
35	Rate Case Costs	4	134,175
36	CUP Renewal Costs	3	100,000
37	Average unamortized balance		<u>\$117,088</u>
38			
39	WORKING CAPITAL ALLOWANCE		
40	Adjust rate base for working capital based on the		<u>\$1,671</u> A-17
41	formula method (difference from prior period).		

Schedule of Adjustments to Rate Base

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Interim Final
 Historical Projected

Schedule: A-3
 Page: 3 of 4
 Preparer: Guastella Associates

Description: Provide a detailed description of all adjustments to rate base per books, with a total for each rate base line item.

Line No.	Description	Sewer	Reference
ADJUSTMENT TO YEAR-END BASE YEAR ENDED 12/31/07			
1	NON-USED AND USEFUL PLANT		
2	Adjust rate base to exclude future use plant.	<u>\$0</u>	A-7
3			
4	WORKING CAPITAL ALLOWANCE		
5	Adjust rate base for working capital based on the		
6	formula method.	<u>\$104,103</u>	A-17

Schedule of Adjustments to Rate Base

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Interim [] Final [X]
 Historical [] Projected [X]

Schedule: A-3
 Page: 4 of 4
 Preparer: Guastella Associates

Descriptio Provide a detailed description of all adjustments to rate base per books, with a total for each rate base line item.

Line No.	Description		Sewer	Reference
ADJUSTMENT TO AVERAGE TEST YEAR ENDING 12/31/08				
1	UTILITY PLANT IN SERVICE			
2	Adjustment for plant needed to serve customer growth.			
3	Force Mains	6,480		
4	Gravity Mains	13,097		
5	Services	2,445		
6		<u>22,022</u>		
7	Adjustment for System Mapping Project.	32,975	<u>\$54,997</u>	A-6
8				
9	Adjustment for 13 Month Average		<u>(\$27,498)</u>	A-6
10				
11	NON-USED AND USEFUL PLANT			
12	Adjust rate base to exclude future use plant (difference from prior period).		<u>\$0</u>	A-7
13				
14	ACCUMULATED DEPRECIATION			
15	Adjustment for test year depreciation.			
16	Annual Accrual	(263,580)		
17	Retirements	0	<u>(\$263,580)</u>	A-10
16				
17	Adjustment for 13 Month Average		<u>\$131,790</u>	A-10
18				
19	CONTRIBUTIONS IN AID OF CONSTRUCTION			
20	Adjustment for CIAC contributed associated with customer growth.			
21	Plant Capacity Fees	(23,280)		
22			<u>(\$23,280)</u>	A-12
23				
24	Adjustment for 13 Month Average		<u>\$11,640</u>	A-12
25				
26	ACCUMULATED AMORTZATION OF CIAC			
27	Adjustment for test year amortization.		<u>\$227,098</u>	A-14
28				
29	Adjustment for 13 Month Average		<u>(\$113,549)</u>	A-14
30				
31	AVERAGE UNAMORTIZED BALANCE (NON-ANNUAL PROJECT COSTS)			
32		Period (Years)	Amount	Avg Balance
33	Rate Case Costs	4	134,175	67,088
34	Average unamortized balance			<u>\$67,088</u>
35				
36	WORKING CAPITAL ALLOWANCE			
37	Adjust rate base for working capital based on the		<u>\$7,581</u>	A-17
38	formula method (difference from prior period).			

**Schedule of Water & Sewer Plant in Service
Annual Balances Subsequent to Last Established Rate Base**

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Test Year Ending 12/31/08

Schedule: A-4
Page: 1 of 1
Preparer: Guastella Associates

Description: Provide the annual balance of the original cost of plant in service for water and sewer separately, for all years since either rate base was last established by this Commission; or the date of inception of utility service if rate base has not been established previously by this Commission; and yearly additions, retirements, and adjustments by dollar amount up to the end of the test year. Provide an additional page if necessary. If a projected test year is used, include the projected annual additions and/or retirements specifically identifying those amounts.

Line No.	Description	Water Balance	Sewer Balance
1	12/31/00 Balance - Established during		
2	proceeding of Docket No. 981609-WS		
3	12/31/00 Per Books	\$712,974	\$1,919,957
4	Adjust Land to Appraisal Value	(44,975)	(294,280)
5	Record plant installed by Outside Developers	<u>1,059,368</u>	<u>1,049,057</u>
6	12/31/00 Adjusted Balance	1,727,367	2,674,734
7	2001 Additions	47,305	179,781
8	2001 Retirements	<u>0</u>	<u>0</u>
9	12/31/01 Balance	1,774,672	2,854,515
10	2002 Additions	334,875	362,853
11	2002 Retirements	<u>0</u>	<u>0</u>
12	12/31/02 Balance	2,109,547	3,217,368
13	2003 Additions	1,212,001	518,832
14	2003 Retirements	<u>0</u>	<u>0</u>
15	12/31/03 Balance	3,321,548	3,736,200
16	2004 Additions	303,342	290,808
17	2004 Retirements	<u>(22,822)</u>	<u>0</u>
18	12/31/04 Balance	3,602,068	4,027,008
19	2005 Additions	1,949,111	2,831,488
20	2005 Retirements	<u>0</u>	<u>0</u>
21	12/31/05 Balance	5,551,179	6,858,496
22	2006 Additions	532,133	479,272
23	2006 Retirements	<u>(4,726)</u>	<u>(19,890)</u>
24	12/31/06 Balance	6,078,586	7,317,878
25	2007 Additions	1,066,139	527,870
26	2007 Retirements	<u>0</u>	<u>0</u>
27	12/31/07 Balance	7,144,725	7,845,747
28	2008 Additions	33,874	22,022
29	2008 Retirements	<u>0</u>	<u>0</u>
30	12/31/08 Balance	<u><u>\$7,178,599</u></u>	<u><u>\$7,867,769</u></u>

Supporting Schedules: A-5, A-6

Schedule of Water Plant in Service By Primary Account

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [X] Projected [X]

Schedule: A-5
 Page: 1 of 3
 Preparer: Guastella Associates

Description: Provide the ending balances and average of plant in service for the prior year and the test year by primary account.
 Also show non-used & useful amounts by account.

Line No.	(1) Account No. and Name	(2) Prior Year 12/31/07	(3) Year End 12/31/2008	(4) Test Year Average	(5) (6) (7) (8) Non-Used & Useful			
					(5) %	(6) Test Year	(7) %	(8) Interim
1	INTANGIBLE PLANT							
2	301.1 Organization	\$250	\$250	\$250		\$0		\$0
3	302.1 Franchises	62,993	62,993	62,993		0		0
4	339.1 Other Plant & Misc. Equipment	0	0	0		0		0
5	SOURCE OF SUPPLY & PUMPING PLANT							
6	303.2 Land & Land Rights	0	0	0		0		0
7	304.2 Structures & Improvements	0	0	0	0.00%	0	0.00%	0
8	305.2 Collect. & Impound Reservoirs	0	0	0	0.00%	0	0.00%	0
9	306.2 Lake, River & Other Intakes	0	0	0	0.00%	0	0.00%	0
10	307.2 Wells & Springs	1,455,360	1,455,360	1,455,360	0.00%	0	0.00%	0
11	308.2 Infiltration Galleries & Tunnels	0	0	0	0.00%	0	0.00%	0
12	309.2 Supply Mains	0	0	0	0.00%	0	0.00%	0
13	310.2 Power Generation Equipment	18,985	18,985	18,985	0.00%	0	0.00%	0
14	311.2 Pumping Equipment	0	0	0	0.00%	0	0.00%	0
15	339.2 Other Plant & Misc. Equipment	0	0	0	0.00%	0	0.00%	0
16	WATER TREATMENT PLANT							
17	303.3 Land & Land Rights	133,286	133,286	133,286		0		0
18	304.3 Structures & Improvements	705,767	705,767	705,767	0.00%	0	0.00%	0
19	311.3 Pumping Equipment	79,934	79,934	79,934	0.00%	0	0.00%	0
20	320.3 Water Treatment Equipment	14,861	14,861	14,861	0.00%	0	0.00%	0
21	339.3 Other Plant & Misc. Equipment	0	0	0	0.00%	0	0.00%	0
22	TRANSMISSION & DISTRIBUTION PLANT							
23	303.4 Land & Land Rights	0	0	0		0		0
24	304.4 Structures & Improvements	0	0	0		0		0
25	330.4 Distr. Reservoirs & Standpipes	1,190,779	1,190,779	1,190,779	0.00%	0	0.00%	0
26	331.4 Transm. & Distribution Mains	2,610,446	2,637,996	2,624,221	0.00%	0	0.00%	0
27	333.4 Services	269,967	272,816	271,391		0		0
28	334.4 Meters & Meter Installations	329,121	332,595	330,858		0		0
29	335.4 Hydrants	230,299	230,299	230,299		0		0
30	339.4 Other Plant & Misc. Equipment	8,182	8,182	8,182		0		0
31	GENERAL PLANT							
32	303.5 Land & Land Rights	0	0	0		0		0
33	304.5 Structures & Improvements	0	0	0		0		0
34	340.5 Office Furniture & Equipment	23,792	23,792	23,792		0		0
35	341.5 Transportation Equipment	0	0	0		0		0
36	342.5 Stores Equipment	0	0	0		0		0
37	343.5 Tools, Shop & Garage Equipment	679	679	679		0		0
38	344.5 Laboratory Equipment	0	0	0		0		0
39	345.5 Power Operated Equipment	9,457	9,457	9,457		0		0
40	346.5 Communication Equipment	0	0	0		0		0
41	347.5 Miscellaneous Equipment	0	0	0		0		0
42	348.5 Other Tangible Plant	570	33,546	17,058		0		0
43	TOTAL	\$7,144,728	\$7,211,578	\$7,178,153		\$0		\$0

Schedule of Water Plant in Service By Primary Account

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 060597-W5
 Test Year Ending 12/31/08
 Historical [] Projected [X]

Schedule: A-5
 Page: 2 of 3
 Preparer: Guastella Associates

Description: Provide the month ending balances for each month of the test year and the ending balance for the prior year.

Line No.	(1) Account No. and Name	(2) Prior Year-End 12/31/07	(3) 1/31/2008	(4) 2/29/2008	(5) 3/31/2008	(6) 4/30/2008	(7) 5/31/2008	(8) 6/30/2008	(9) 7/31/2008	(10) 8/31/2008	(11) 9/30/2008	(12) 10/31/2008	(13) 11/30/2008	(14) Test Year End 12/31/2008	(15) Simple Avg Balance
1	INTANGIBLE PLANT														
2	301.1 Organization	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
3	302.1 Franchises	62,993	62,993	62,993	62,993	62,993	62,993	62,993	62,993	62,993	62,993	62,993	62,993	62,993	62,993
4	339.1 Other Plant & Misc. Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	SOURCE OF SUPPLY & PUMPING PLANT														
6	303.2 Land & Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	304.2 Structures & Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	305.2 Collect. & Impound Reservoirs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	306.2 Lake, River & Other Intakes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	307.2 Wells & Springs	1,455,360	1,455,360	1,455,360	1,455,360	1,455,360	1,455,360	1,455,360	1,455,360	1,455,360	1,455,360	1,455,360	1,455,360	1,455,360	1,455,360
11	308.2 Infiltration Galleries & Tunnels	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	309.2 Supply Mains	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	310.2 Power Generation Equipment	18,985	18,985	18,985	18,985	18,985	18,985	18,985	18,985	18,985	18,985	18,985	18,985	18,985	18,985
14	311.2 Pumping Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	339.2 Other Plant & Misc. Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	WATER TREATMENT PLANT														
17	303.3 Land & Land Rights	133,286	133,286	133,286	133,286	133,286	133,286	133,286	133,286	133,286	133,286	133,286	133,286	133,286	133,286
18	304.3 Structures & Improvements	705,767	705,767	705,767	705,767	705,767	705,767	705,767	705,767	705,767	705,767	705,767	705,767	705,767	705,767
19	311.3 Pumping Equipment	79,934	79,934	79,934	79,934	79,934	79,934	79,934	79,934	79,934	79,934	79,934	79,934	79,934	79,934
20	320.3 Water Treatment Equipment	14,861	14,861	14,861	14,861	14,861	14,861	14,861	14,861	14,861	14,861	14,861	14,861	14,861	14,861
21	339.3 Other Plant & Misc. Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	TRANSMISSION & DISTRIBUTION PLANT														
23	303.4 Land & Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	304.4 Structures & Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	330.4 Dist. Reservoirs & Standpipes	1,190,779	1,190,779	1,190,779	1,190,779	1,190,779	1,190,779	1,190,779	1,190,779	1,190,779	1,190,779	1,190,779	1,190,779	1,190,779	1,190,779
26	331.4 Transm. & Distribution Mains	2,610,446	2,612,741	2,613,889	2,616,185	2,617,333	2,619,629	2,620,777	2,623,073	2,624,221	2,626,517	2,629,961	2,633,405	2,637,996	2,624,221
27	333.4 Services	269,967	270,204	270,323	270,560	270,679	270,916	271,035	271,273	271,391	271,629	271,985	272,341	272,816	271,391
28	334.4 Meters & Meter Installations	329,121	329,411	329,555	329,845	329,990	330,279	330,424	330,713	330,858	331,148	331,582	332,016	332,595	330,858
29	335.4 Hydrants	230,299	230,299	230,299	230,299	230,299	230,299	230,299	230,299	230,299	230,299	230,299	230,299	230,299	230,299
30	339.4 Other Plant & Misc. Equipment	8,182	8,182	8,182	8,182	8,182	8,182	8,182	8,182	8,182	8,182	8,182	8,182	8,182	8,182
31	GENERAL PLANT														
32	303.5 Land & Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	304.5 Structures & Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34	340.5 Office Furniture & Equipment	23,792	23,792	23,792	23,792	23,792	23,792	23,792	23,792	23,792	23,792	23,792	23,792	23,792	23,792
35	341.5 Transportation Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36	342.5 Stores Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
37	343.5 Tools, Shop & Garage Equipment	679	679	679	679	679	679	679	679	679	679	679	679	679	679
38	344.5 Laboratory Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
39	345.5 Power Operated Equipment	9,457	9,457	9,457	9,457	9,457	9,457	9,457	9,457	9,457	9,457	9,457	9,457	9,457	9,457
40	346.5 Communication Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
41	347.5 Miscellaneous Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42	348.5 Other Tangible Plant	570	33,546	33,546	33,546	33,546	33,546	33,546	33,546	33,546	33,546	33,546	33,546	33,546	17,058
43															
44	TOTAL	\$7,144,728	\$7,180,527	\$7,181,939	\$7,184,761	\$7,186,173	\$7,188,996	\$7,190,407	\$7,193,230	\$7,194,641	\$7,197,464	\$7,201,698	\$7,205,932	\$7,211,578	\$7,178,153
	Monthly Customer Growth		2	1	2	1	2	1	2	1	2	3	3	4	24
	Transm. & Distribution Mains	\$1,147.95	2,296	1,148	2,296	1,148	2,296	1,148	2,296	1,148	2,296	3,444	3,444	4,592	27,551
	Services	\$118.72	237	119	237	119	237	119	237	119	237	356	356	475	2,849
	Meters & Meter Installations	\$144.73	289	145	289	145	289	145	289	145	289	434	434	579	3,474
															33,874

Schedule of Water Plant in Service By Primary Account

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-W5
 Base Year Ended 12/31/07
 Historical Projected

Schedule: A-5
 Page: 3 of 3
 Preparer: Guastella Associates

Description: Provide the month ending balances for each month of the test year and the ending balance for the prior year

Line No.	(1) Account No. and Name	(2) Prior Year-End 12/31/06	(3) 1/31/2007	(4) 2/28/2007	(5) 3/31/2007	(6) 4/30/2007	(7) 5/31/2007	(8) 6/30/2007	(9) 7/31/2007	(10) 8/31/2007	(11) 9/30/2007	(12) 10/31/2007	(13) 11/30/2007	(14) Test Year End 12/31/2007	(15) Simple Avg Balance
1	INTANGIBLE PLANT														
2	301.1 Organization	\$250												\$250	\$250
3	302.1 Franchises	62,993												62,993	62,993
4	339.1 Other Plant & Misc. Equipment	0												0	0
5	SOURCE OF SUPPLY & PUMPING PLANT														
6	303.2 Land & Land Rights	0												0	0
7	304.2 Structures & Improvements	0												0	0
8	305.2 Collect. & Impound Reservoirs	0												0	0
9	306.2 Lake, River & Other Intakes	0												0	0
10	307.2 Wells & Springs	1,433,859												1,455,360	1,444,609
11	308.2 Infiltration Galleries & Tunnels	0												0	0
12	309.2 Supply Mains	0												0	0
13	310.2 Power Generation Equipment	18,985												18,985	18,985
14	311.2 Pumping Equipment	0												0	0
15	339.2 Other Plant & Misc. Equipment	0												0	0
16	WATER TREATMENT PLANT														
17	303.3 Land & Land Rights	133,286												133,286	133,286
18	304.3 Structures & Improvements	682,090												705,767	693,929
19	311.3 Pumping Equipment	72,391												79,934	76,162
20	320.3 Water Treatment Equipment	14,861												14,861	14,861
21	339.3 Other Plant & Misc. Equipment	0												0	0
22	TRANSMISSION & DISTRIBUTION PLANT														
23	303.4 Land & Land Rights	0												0	0
24	304.4 Structures & Improvements	0												0	0
25	330.4 Distr. Reservoirs & Standpipes	1,097,623												1,190,779	1,144,201
26	331.4 Transm. & Distribution Mains	1,833,642												2,610,446	2,222,044
27	333.4 Services	191,105												269,967	230,536
28	334.4 Meters & Meter Installations	310,885												329,121	320,003
29	335.4 Hydrants	185,049												230,299	207,674
30	339.4 Other Plant & Misc. Equipment	8,182												8,182	8,182
31	GENERAL PLANT														
32	303.5 Land & Land Rights	0												0	0
33	304.5 Structures & Improvements	0												0	0
34	340.5 Office Furniture & Equipment	22,682												23,792	23,237
35	341.5 Transportation Equipment	0												0	0
36	342.5 Stores Equipment	0												0	0
37	343.5 Tools, Shop & Garage Equipment	679												679	679
38	344.5 Laboratory Equipment	0												0	0
39	345.5 Power Operated Equipment	9,457												9,457	9,457
40	346.5 Communication Equipment	0												0	0
41	347.5 Miscellaneous Equipment	0												0	0
42	348.5 Other Tangible Plant	570												570	570
43	TOTAL	\$6,078,589	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,144,728	\$6,611,659

Schedule of Sewer Plant in Service By Primary Account

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [X] Projected [X]

Schedule: A-6
 Page: 1 of 3
 Preparer: Guastella Associates

Description: Provide the ending balances and average of plant in service for the prior year and the test year by primary account
 Also show non-used & useful amounts by account.

Line No.	(1) Account No. and Name	(2) Prior Year 12/31/07	(3) Year End 12/31/2008	(4) Test Year Average	(5) %	(6) Non-Used & Useful		(8) Interim
						(7) Test Year	%	
1	INTANGIBLE PLANT							
2	351.1 Organization	\$250	\$250	\$250		\$0		\$0
3	352.1 Franchises	50,438	50,438	50,438		0		0
4	389.1 Other Plant & Misc. Equipment	0	0	0		0		0
5	COLLECTION PLANT							
6	354.2 Structures & Improvements	0	0	0		0		0
7	360.2 Collection Sewers - Force	591,306	597,786	594,546	0.00%	0	0.00%	0
8	361.2 Collection Sewers - Gravity	1,195,058	1,208,154	1,201,606	0.00%	0	0.00%	0
9	362.2 Special Collecting Structures	335,140	335,140	335,140	0.00%	0	0.00%	0
10	363.2 Services to Customers	223,133	225,579	224,356		0		0
11	364.2 Flow Measuring Devices	0	0	0		0		0
12	365.2 Flow Measuring Installations	0	0	0		0		0
13	389.2 Other Plant & Misc. Equipment	0	0	0		0		0
14	SYSTEM PUMPING PLANT							
15	354.3 Structures & Improvements	0	0	0		0		0
16	370.3 Receiving Wells	0	0	0		0		0
17	371.3 Pumping Equipment	188,776	188,776	188,776	0.00%	0	0.00%	0
18	389.3 Other Plant & Misc. Equipment	0	0	0		0		0
19	TREATMENT & DISPOSAL PLANT							
20	353.4 Land and Land Rights	558,446	558,446	558,446		0		0
21	354.4 Structures & Improvements	2,754,164	2,754,164	2,754,164	0.00%	0	0.00%	0
22	355.4 Power Generation Equipment	58,923	58,923	58,923	0.00%	0	0.00%	0
23	380.4 Treatment & Disposal Equipment	1,632,754	1,632,754	1,632,754	0.00%	0	0.00%	0
24	381.4 Plant Sewers	181,286	181,286	181,286		0		0
25	382.4 Outfall Sewer Lines	0	0	0		0		0
26	389.4 Other Plant & Misc. Equipment	42,652	42,652	42,652		0		0
27	GENERAL PLANT							
28	354.5 Structures & Improvements	0	0	0		0		0
29	390.5 Office Furniture & Equipment	22,890	22,890	22,890		0		0
30	391.5 Transportation Equipment	0	0	0		0		0
31	392.5 Stores Equipment	0	0	0		0		0
32	393.5 Tools, Shop & Garage Equipment	0	0	0		0		0
33	394.5 Laboratory Equipment	0	0	0		0		0
34	395.5 Power Operated Equipment	9,457	9,457	9,457		0		0
35	396.5 Communication Equipment	0	0	0		0		0
36	397.5 Miscellaneous Equipment	0	0	0		0		0
37	398.5 Other Tangible Plant	1,075	34,050	17,563		0		0
38	TOTAL	\$7,845,748	\$7,900,745	\$7,873,247		\$0		\$0

Schedule of Sewer Plant in Service By Primary Account

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [] Projected [X]

Schedule: A-6
 Page: 2 of 3
 Preparer: Guastella Associates

Description: Provide the month ending balances for each month of the test year and the ending balance for the prior year

Line No.	(1) Account No. and Name	(2) Prior Year-End 12/31/07	(3) 1/31/2008	(4) 2/29/2008	(5) 3/31/2008	(6) 4/30/2008	(7) 5/31/2008	(8) 6/30/2008	(9) 7/31/2008	(10) 8/31/2008	(11) 9/30/2008	(12) 10/31/2008	(13) 11/30/2008	(14) Test Year End 12/31/2008	(15) Simple Avg Balance
1	INTANGIBLE PLANT														
2	351.1 Organization	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
3	352.1 Franchises	50,438	50,438	50,438	50,438	50,438	50,438	50,438	50,438	50,438	50,438	50,438	50,438	50,438	50,438
4	389.1 Other Plant & Misc. Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	COLLECTION PLANT														
6	354.2 Structures & Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	360.2 Collection Sewers - Force	591,306	591,846	592,116	592,656	592,926	593,466	593,736	594,276	594,546	595,086	595,896	596,706	597,786	594,546
8	361.2 Collection Sewers - Gravity	1,195,058	1,196,149	1,196,695	1,197,786	1,198,332	1,199,423	1,199,969	1,201,060	1,201,606	1,202,697	1,204,334	1,205,971	1,208,154	1,201,606
9	362.2 Special Collecting Structures	335,140	335,140	335,140	335,140	335,140	335,140	335,140	335,140	335,140	335,140	335,140	335,140	335,140	335,140
10	363.2 Services to Customers	223,133	223,337	223,439	223,643	223,745	223,948	224,050	224,254	224,356	224,560	224,865	225,171	225,579	224,356
11	364.2 Flow Measuring Devices	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	365.2 Flow Measuring Installations	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	389.2 Other Plant & Misc. Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	SYSTEM PUMPING PLANT														
15	354.3 Structures & Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	370.3 Receiving Wells	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	371.3 Pumping Equipment	188,776	188,776	188,776	188,776	188,776	188,776	188,776	188,776	188,776	188,776	188,776	188,776	188,776	188,776
18	389.3 Other Plant & Misc. Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	TREATMENT & DISPOSAL PLANT														
20	353.4 Land and Land Rights	558,446	558,446	558,446	558,446	558,446	558,446	558,446	558,446	558,446	558,446	558,446	558,446	558,446	558,446
21	354.4 Structures & Improvements	2,754,164	2,754,164	2,754,164	2,754,164	2,754,164	2,754,164	2,754,164	2,754,164	2,754,164	2,754,164	2,754,164	2,754,164	2,754,164	2,754,164
22	355.4 Power Generation Equipment	58,923	58,923	58,923	58,923	58,923	58,923	58,923	58,923	58,923	58,923	58,923	58,923	58,923	58,923
23	380.4 Treatment & Disposal Equipment	1,632,754	1,632,754	1,632,754	1,632,754	1,632,754	1,632,754	1,632,754	1,632,754	1,632,754	1,632,754	1,632,754	1,632,754	1,632,754	1,632,754
24	381.4 Plant Sewers	181,286	181,286	181,286	181,286	181,286	181,286	181,286	181,286	181,286	181,286	181,286	181,286	181,286	181,286
25	382.4 Outfall Sewer Lines	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26	389.4 Other Plant & Misc. Equipment	42,652	42,652	42,652	42,652	42,652	42,652	42,652	42,652	42,652	42,652	42,652	42,652	42,652	42,652
27	GENERAL PLANT														
28	354.5 Structures & Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	390.5 Office Furniture & Equipment	22,890	22,890	22,890	22,890	22,890	22,890	22,890	22,890	22,890	22,890	22,890	22,890	22,890	22,890
30	391.5 Transportation Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	392.5 Stores Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	393.5 Tools, Shop & Garage Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	394.5 Laboratory Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34	395.5 Power Operated Equipment	9,457	9,457	9,457	9,457	9,457	9,457	9,457	9,457	9,457	9,457	9,457	9,457	9,457	9,457
35	396.5 Communication Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36	397.5 Miscellaneous Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
37	398.5 Other Tangible Plant	1,075	34,050	34,050	34,050	34,050	34,050	34,050	34,050	34,050	34,050	34,050	34,050	34,050	17,563
38	TOTAL	\$7,845,748	\$7,880,558	\$7,881,476	\$7,883,311	\$7,884,229	\$7,886,064	\$7,886,981	\$7,888,816	\$7,889,734	\$7,891,569	\$7,894,322	\$7,897,075	\$7,900,745	\$7,873,247
	Monthly Customer Growth		2	1	2	1	2	1	2	1	2	3	3	4	24
	Collection Sewers - Force	\$270.00	540	270	540	270	540	270	540	270	540	810	810	1,080	6,480
	Collection Sewers - Gravity	\$545.69	1,091	546	1,091	546	1,091	546	1,091	546	1,091	1,637	1,637	2,183	13,097
	Special Collecting Structures	\$0.00													
	Services to Customers	\$101.89	204	102	204	102	204	102	204	102	204	306	306	408	2,445
	System Mapping		\$32,975												22,022
															32,975

Schedule of Sewer Plant in Service By Primary Account

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-VS
 Base Year Ended 12/31/07
 Historical [X] Projected []

Schedule: A-6
 Page: 3 of 3
 Preparer: Guastella Associates

Description: Provide the month ending balances for each month of the test year and the ending balance for the prior year.

Line No.	(1) Account No. and Name	(2) Prior Year-End 12/31/06	(3) 1/31/2007	(4) 2/28/2007	(5) 3/31/2007	(6) 4/30/2007	(7) 5/31/2007	(8) 6/30/2007	(9) 7/31/2007	(10) 8/31/2007	(11) 9/30/2007	(12) 10/31/2007	(13) 11/30/2007	(14) Test Year End 12/31/2007	(15) Simple Avg Balance
1	INTANGIBLE PLANT														
2	351.1 Organization	\$250												\$250	\$250
3	352.1 Franchises	50,438												50,438	50,438
4	389.1 Other Plant & Misc. Equipment	0												0	0
5	COLLECTION PLANT														
6	354.2 Structures & Improvements	0													
7	360.2 Collection Sewers - Force	519,834												519,306	555,570
8	361.2 Collection Sewers - Gravity	1,094,174												1,195,058	1,144,616
9	362.2 Special Collecting Structures	335,140												335,140	335,140
10	363.2 Services to Customers	219,613												223,133	221,373
11	364.2 Flow Measuring Devices	0												0	0
12	365.2 Flow Measuring Installations	0												0	0
13	389.2 Other Plant & Misc. Equipment	0												0	0
14	SYSTEM PUMPING PLANT														
15	354.3 Structures & Improvements	0												0	0
16	370.3 Receiving Wells	0												0	0
17	371.3 Pumping Equipment	33,776												188,776	111,276
18	389.3 Other Plant & Misc. Equipment	0													
19	TREATMENT & DISPOSAL PLANT														
20	353.4 Land and Land Rights	558,446												558,446	558,446
21	354.4 Structures & Improvements	2,558,279												2,754,164	2,656,222
22	355.4 Power Generation Equipment	58,923												58,923	58,923
23	380.4 Treatment & Disposal Equipment	1,632,754												1,632,754	1,632,754
24	381.4 Plant Sewers	181,286												181,286	181,286
25	382.4 Outfall Sewer Lines	0												0	0
26	389.4 Other Plant & Misc. Equipment	42,652												42,652	42,652
27	GENERAL PLANT														
28	354.5 Structures & Improvements	0												0	0
29	390.5 Office Furniture & Equipment	21,780												22,890	22,335
30	391.5 Transportation Equipment	0												0	0
31	392.5 Stores Equipment	0												0	0
32	393.5 Tools, Shop & Garage Equipmen	0												0	0
33	394.5 Laboratory Equipment	0												0	0
34	395.5 Power Operated Equipment	9,457												9,457	9,457
35	396.5 Communication Equipment	0												0	0
36	397.5 Miscellaneous Equipment	0												0	0
37	398.5 Other Tangible Plant	1,075												1,075	1,075
38	TOTAL	\$7,317,877	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,845,748	\$7,581,813

Non-Used and Useful Plan - Summary

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Interim [X] Final [X]
 Historical [X] Projected [X]

Schedule: A-7
 Page: 1 of 1
 Preparer: Guastella Associates

Description: Provide a summary of the items included in non-used and useful plant for the test year. Provide additional support schedules, if necessary.

Line No.	(1) Description	(2) Year-End 12/31/2007	Adjustment	(3) Avg. Balance 12/31/2008	(4) Supporting Schedule(s)
WATER					
1	Plant in Service	\$0	\$0	\$0	A-5
2	Land				
3	Accumulated Depreciation	0	0	0	A-9
4	Contributions in Aid of Construction	0	0	0	A-12
5	Accum. Amortization of CIAC	0	0	0	A-14
6	Other (Explain)				
7	TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	
SEWER					
8	Plant in Service	\$0	\$0	\$0	A-6
9	Land				
10	Accumulated Depreciation	0	0	0	A-10
11	Contributions in Aid of Construction	0	0	0	A-12
12	Accum. Amortization of CIAC	0	0	0	A-14
13	Other (Explain)				
14	TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	

Schedule of Water & Sewer Accumulated Depreciation
Annual Balances Subsequent to Last Established Rate Base

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Test Year Ending 12/31/08

Schedule: A-8
Page: 1 of 1
Preparer: Guastella Associates

Description: Provide the annual balance of contributions in aid of construction, for all years since either a rate case was last established by this Commission, or the date of inception of utility service if rate base has not been established previously by this Commission; and yearly additions and adjustments by dollar amount up to the end of the test year. Provide an additional page if necessary. If a projected test year is used, include the projected additions and/or retirements specifically identifying those amounts. Show any retirements and adjustments.

Line No.	Description	Water Per Books	Sewer Per Books
1	12/31/00 Balance - Established during		
2	proceeding of Docket No. 981609-WS		
3	12/31/00 Per Books	\$89,359	376,991
4	Reverse A/D on Organization & Franchise	(9,834)	(7,496)
5	Adjust for UPIS change and compliance with PSC		
6	depreciation rates	<u>72,623</u>	<u>56,911</u>
7	12/31/00 Adjusted Balance	152,148	426,406
8	2001 Accrual	45,900	91,212
9	2001 Retirements	<u>0</u>	<u>0</u>
10	12/31/01 Balance	198,048	517,618
11	2002 Accrual	47,809	91,636
12	2002 Retirements	<u>0</u>	<u>0</u>
13	12/31/02 Balance	245,857	609,254
14	2003 Accrual	57,400	98,811
15	2003 Retirements	<u>0</u>	<u>0</u>
16	12/31/03 Balance	303,257	708,065
17	2004 Accrual	91,841	112,883
18	2004 Retirements	<u>0</u>	<u>0</u>
19	12/31/04 Balance	395,098	820,948
20	2005 Accrual	128,551	170,566
21	2005 Retirements	<u>0</u>	<u>0</u>
22	12/31/05 Balance	523,649	991,514
23	2006 Accrual	165,369	233,143
24	2006 Retirements	<u>(4,726)</u>	<u>(19,890)</u>
25	12/31/06 Balance	684,292	1,204,767
26	2007 Accrual	185,871	253,251
27	2007 Retirements	<u>0</u>	<u>0</u>
28	12/31/07 Balance	870,163	1,458,018
29	2008 Accrual	201,627	263,580
30	2008 Retirements	<u>0</u>	<u>0</u>
31	12/31/08 Balance	<u>\$1,071,790</u>	<u>\$1,721,598</u>

Supporting Schedules: A-9, A-10

Schedule of Water Accumulated Depreciation By Primary Account

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [X] Projected [X]

Schedule: A-9
 Page: 1 of 3
 Preparer: Guastella Associates

Description: Provide the ending balances and average of accumulated depreciation for the prior year and the test year by primary account.
 Also show non-used & useful amounts by account.

Line No.	(1) Account No.	Account Name	(2) Prior Year 12/31/07	(3) Year End 12/31/2008	(4) Test Year Average	(5) (6) (7) Non-Used & Useful		(8) Interim
						%	Test Year %	
1		INTANGIBLE PLANT						
2	301.1	Organization	\$0	\$0	\$0		\$0	\$0
3	302.1	Franchises	0	0	0		0	0
4	339.1	Other Plant & Misc. Equipment	0	0	0		0	0
5		SOURCE OF SUPPLY & PUMPING PLANT						
6	303.2	Land & Land Rights	0	0	0		0	0
7	304.2	Structures & Improvements	0	0	0	0.00%	0	0.00%
8	305.2	Collect. & Impound Reservoirs	0	0	0	0.00%	0	0.00%
9	306.2	Lake, River & Other Intakes	0	0	0	0.00%	0	0.00%
10	307.2	Wells & Springs	163,000	211,512	187,256	0.00%	0	0.00%
11	308.2	Infiltration Galleries & Tunnels	0	0	0	0.00%	0	0.00%
12	309.2	Supply Mains	0	0	0	0.00%	0	0.00%
13	310.2	Power Generation Equipment	12,669	13,619	13,144	0.00%	0	0.00%
14	311.2	Pumping Equipment	0	0	0	0.00%	0	0.00%
15	339.2	Other Plant & Misc. Equipment	0	0	0	0.00%	0	0.00%
16		WATER TREATMENT PLANT						
17	303.3	Land & Land Rights	0	0	0		0	0
18	304.3	Structures & Improvements	95,864	117,251	106,557	0.00%	0	0.00%
19	311.3	Pumping Equipment	39,372	43,368	41,370	0.00%	0	0.00%
20	320.3	Water Treatment Equipment	4,600	5,276	4,938	0.00%	0	0.00%
21	339.3	Other Plant & Misc. Equipment	0	0	0	0.00%	0	0.00%
22		TRANSMISSION & DISTRIBUTION PLANT						
23	303.4	Land & Land Rights	0	0	0		0	0
24	304.4	Structures & Improvements	0	0	0	0.00%	0	0.00%
25	330.4	Distr. Reservoirs & Standpipes	77,962	110,145	94,054	0.00%	0	0.00%
26	331.4	Transm. & Distribution Mains	289,775	350,803	320,289	0.00%	0	0.00%
27	333.4	Services	30,720	37,505	34,113		0	0
28	334.4	Meters & Meter Installations	100,030	116,573	108,301		0	0
29	335.4	Hydrants	37,826	42,944	40,385		0	0
30	339.4	Other Plant & Misc. Equipment	4,094	4,422	4,258		0	0
31		GENERAL PLANT						
32	303.5	Land & Land Rights	0	0	0		0	0
33	304.5	Structures & Improvements	0	0	0		0	0
34	340.5	Office Furniture & Equipment	12,219	13,805	13,012		0	0
35	341.5	Transportation Equipment	0	0	0		0	0
36	342.5	Stores Equipment	0	0	0		0	0
37	343.5	Tools, Shop & Garage Equipment	467	509	488		0	0
38	344.5	Laboratory Equipment	0	0	0		0	0
39	345.5	Power Operated Equipment	1,032	1,820	1,426		0	0
40	346.5	Communication Equipment	0	0	0		0	0
41	347.5	Miscellaneous Equipment	0	0	0		0	0
42	348.5	Other Tangible Plant	532	2,238	1,385		0	0
43		TOTAL	\$870,163	\$1,071,790	\$970,976		\$0	\$0

Schedule of Water Accumulated Depreciation By Primary Account

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [] Projected [X]

Schedule: A-9
 Page: 2 of 3
 Preparer: Guastella Associates

Description: Provide the month ending balances for each month of the test year and the ending balance for the prior year.

Line No.	(1) Account No.	Account Name	(2) Prior Year-End 12/31/07	(3) 1/31/2008	(4) 2/29/2008	(5) 3/31/2008	(6) 4/30/2008	(7) 5/31/2008	(8) 6/30/2008	(9) 7/31/2008	(10) 8/31/2008	(11) 9/30/2008	(12) 10/31/2008	(13) 11/30/2008	(14) Test Year End 12/31/2008	(15) Simple Avg Balance
1		INTANGIBLE PLANT														
2	301.1	Organization	\$0												\$0	\$0
3	302.1	Franchises	0												0	0
4	339.1	Other Plant & Misc. Equipment	0												0	0
5		SOURCE OF SUPPLY & PUMPING PLANT														
6	303.2	Land & Land Rights	0												0	0
7	304.2	Structures & Improvements	0												0	0
8	305.2	Collect. & Impound Reservoirs	0												0	0
9	306.2	Lake, River & Other Intakes	0												0	0
10	307.2	Wells & Springs	163,000												211,512	187,256
11	308.2	Infiltration Galleries & Tunnels	0												0	0
12	309.2	Supply Mains	0												0	0
13	310.2	Power Generation Equipment	12,669												13,619	13,144
14	311.2	Pumping Equipment	0												0	0
15	339.2	Other Plant & Misc. Equipment	0												0	0
16		WATER TREATMENT PLANT														
17	303.3	Land & Land Rights	0												0	0
18	304.3	Structures & Improvements	95,864												117,251	106,557
19	311.3	Pumping Equipment	39,372												43,368	41,370
20	320.3	Water Treatment Equipment	4,600												5,276	4,938
21	339.3	Other Plant & Misc. Equipment	0												0	0
22		TRANSMISSION & DISTRIBUTION PLANT														
23	303.4	Land & Land Rights	0												0	0
24	304.4	Structures & Improvements	0												0	0
25	330.4	Distr. Reservoirs & Standpipes	77,962												110,145	94,054
26	331.4	Transm. & Distribution Mains	289,775												350,803	320,289
27	333.4	Services	30,720												37,505	34,113
28	334.4	Meters & Meter Installations	100,030												116,573	108,301
29	335.4	Hydrants	37,826												42,944	40,385
30	339.4	Other Plant & Misc. Equipment	4,094												4,422	4,258
31		GENERAL PLANT														
32	303.5	Land & Land Rights	0												0	0
33	304.5	Structures & Improvements	0												0	0
34	340.5	Office Furniture & Equipment	12,219												13,805	13,012
35	341.5	Transportation Equipment	0												0	0
36	342.5	Stores Equipment	0												0	0
37	343.5	Tools, Shop & Garage Equipment	467												509	488
38	344.5	Laboratory Equipment	0												0	0
39	345.5	Power Operated Equipment	1,032												1,820	1,426
40	346.5	Communication Equipment	0												0	0
41	347.5	Miscellaneous Equipment	0												0	0
42	348.5	Other Tangible Plant	532												2,238	1,385
43		TOTAL	\$870,163	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,071,790	\$970,978

Schedule of Water Accumulated Depreciation By Primary Account

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Historical Projected

Schedule: A-9
 Page: 3 of 3
 Preparer: Guastella Associates

Description: Provide the month ending balances for each month of the test year and the ending balance for the prior year.

Line No.	(1) Account No.	(2) Account Name	(3) Prior Year-End 12/31/06	(4) 1/31/2007	(5) 2/28/2007	(6) 3/31/2007	(7) 4/30/2007	(8) 5/31/2007	(9) 6/30/2007	(10) 7/31/2007	(11) 8/31/2007	(12) 9/30/2007	(13) 10/31/2007	(14) 11/30/2007	(15) Test Year End 12/31/2007	(16) Simple Avg Balance
1		INTANGIBLE PLANT														
2	301.1	Organization	\$0												\$0	\$0
3	302.1	Franchises	0												0	0
4	339.1	Other Plant & Misc. Equipment	0												0	0
5		SOURCE OF SUPPLY & PUMPING PLANT														
6	303.2	Land & Land Rights	0												0	0
7	304.2	Structures & Improvements	0												0	0
8	305.2	Collect. & Impound Reservoirs	0												0	0
9	306.2	Lake, River & Other Intakes	0												0	0
10	307.2	Wells & Springs	114,895												163,000	138,948
11	308.2	Infiltration Galleries & Tunnels	0												0	0
12	309.2	Supply Mains	0												0	0
13	310.2	Power Generation Equipment	11,720												12,669	12,195
14	311.2	Pumping Equipment	0												0	0
15	339.2	Other Plant & Misc. Equipment	0												0	0
16		WATER TREATMENT PLANT														
17	303.3	Land & Land Rights	0												0	0
18	304.3	Structures & Improvements	74,838												95,864	85,351
19	311.3	Pumping Equipment	35,564												39,372	37,488
20	320.3	Water Treatment Equipment	3,924												4,600	4,262
21	339.3	Other Plant & Misc. Equipment	0												0	0
22		TRANSMISSION & DISTRIBUTION PLANT														
23	303.4	Land & Land Rights	0												0	0
24	304.4	Structures & Improvements	0												0	0
25	330.4	Distr. Reservoirs & Standpipes	47,069												77,962	62,515
26	331.4	Transm. & Distribution Mains	238,001												289,775	263,888
27	333.4	Services	24,957												30,720	27,839
28	334.4	Meters & Meter Installations	84,030												100,030	92,030
29	335.4	Hydrants	33,718												37,826	35,772
30	339.4	Other Plant & Misc. Equipment	3,767												4,094	3,931
31		GENERAL PLANT														
32	303.5	Land & Land Rights	0												0	0
33	304.5	Structures & Improvements	0												0	0
34	340.5	Office Furniture & Equipment	10,669												12,219	11,444
35	341.5	Transportation Equipment	0												0	0
36	342.5	Stores Equipment	0												0	0
37	343.5	Tools, Shop & Garage Equipment	424												467	446
38	344.5	Laboratory Equipment	0												0	0
39	345.5	Power Operated Equipment	244												1,032	638
40	346.5	Communication Equipment	0												0	0
41	347.5	Miscellaneous Equipment	0												0	0
42	348.5	Other Tangible Plant	475												532	503
43		TOTAL	\$684,295	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$870,163	\$777,229

Schedule of Sewer Accumulated Depreciation By Primary Account

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [X] Projected [X]

Schedule: A-10
 Page: 1 of 3
 Preparer: Guastella Associates

Description: Provide the ending balances and average of accumulated depreciation for the prior year and the test year by primary account.
 Also show non-used & useful amounts by account.

Line No.	(1) Account No.	Account Name	(2) Prior Year 12/31/07	(3) Year End 12/31/2008	(4) Test Year Average	(5) (6) (7) (8) Non-Used & Useful			
						(5) %	(6) Test Year	(7) %	(8) Interim
1		INTANGIBLE PLANT							
2	351.1	Organization	\$0	\$0	\$0		\$0		\$0
3	352.1	Franchises	0	0	0		0		0
4	389.1	Other Plant & Misc. Equipment	0	0	0		0		0
5		COLLECTION PLANT							
6	354.2	Structures & Improvements	0	0	0		0		0
7	360.2	Collection Sewers - Force	71,411	91,229	81,320	0.00%	0	0.00%	0
8	361.2	Collection Sewers - Gravity	196,470	223,173	209,821	0.00%	0	0.00%	0
9	362.2	Special Collecting Structures	70,491	78,869	74,680	0.00%	0	0.00%	0
10	363.2	Services to Customers	33,106	39,011	36,058		0		0
11	364.2	Flow Measuring Devices	0	0	0		0		0
12	365.2	Flow Measuring Installations	0	0	0		0		0
13	389.2	Other Plant & Misc. Equipment	0	0	0		0		0
14		SYSTEM PUMPING PLANT							
15	354.3	Structures & Improvements	0	0	0		0		0
16	370.3	Receiving Wells	0	0	0		0		0
17	371.3	Pumping Equipment	10,950	18,501	14,726	0.00%	0	0.00%	0
18	389.3	Other Plant & Misc. Equipment	0	0	0		0		0
19		TREATMENT & DISPOSAL PLANT							
20	353.4	Land and Land Rights	0	0	0		0		0
21	354.4	Structures & Improvements	269,003	355,071	312,037	0.00%	0	0.00%	0
22	355.4	Power Generation Equipment	7,365	10,311	8,838	0.00%	0	0.00%	0
23	380.4	Treatment & Disposal Equipment	751,360	842,069	796,715	0.00%	0	0.00%	0
24	381.4	Plant Sewers	22,661	31,725	27,193		0		0
25	382.4	Outfall Sewer Lines	0	0	0		0		0
26	389.4	Other Plant & Misc. Equipment	11,440	13,809	12,624		0		0
27		GENERAL PLANT							
28	354.5	Structures & Improvements	0	0	0		0		0
29	390.5	Office Furniture & Equipment	11,711	13,237	12,474		0		0
30	391.5	Transportation Equipment	0	0	0		0		0
31	392.5	Stores Equipment	0	0	0		0		0
32	393.5	Tools, Shop & Garage Equipment	0	0	0		0		0
33	394.5	Laboratory Equipment	0	0	0		0		0
34	395.5	Power Operated Equipment	1,032	1,820	1,426		0		0
35	396.5	Communication Equipment	0	0	0		0		0
36	397.5	Miscellaneous Equipment	0	0	0		0		0
37	398.5	Other Tangible Plant	1,017	2,773	1,895		0		0
38		TOTAL	\$1,458,018	\$1,721,598	\$1,589,808		\$0		\$0

Schedule of Sewer Accumulated Depreciation By Primary Account

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [] Projected [X]

Schedule: A-10
 Page: 2 of 3
 Preparer: Guastella Associates

Description: Provide the month ending balances for each month of the test year and the ending balance for the prior year.

Line No.	(1) Account No.	Account Name	(2) Prior Year-End 12/31/07	(3) 1/31/2008	(4) 2/29/2008	(5) 3/31/2008	(6) 4/30/2008	(7) 5/31/2008	(8) 6/30/2008	(9) 7/31/2008	(10) 8/31/2008	(11) 9/30/2008	(12) 10/31/2008	(13) 11/30/2008	(14) Test Year End 12/31/2008	(15) Simple Avg Balance
1		INTANGIBLE PLANT														
2	351.1	Organization	\$0												\$0	\$0
3	352.1	Franchises	0												0	0
4	389.1	Other Plant & Misc. Equipment	0												0	0
5		COLLECTION PLANT														
6	354.2	Structures & Improvements	0												0	0
7	360.2	Collection Sewers - Force	71,411												91,229	81,320
8	361.2	Collection Sewers - Gravity	196,470												223,173	209,821
9	362.2	Special Collecting Structures	70,491												78,869	74,680
10	363.2	Services to Customers	33,106												39,011	36,058
11	364.2	Flow Measuring Devices	0												0	0
12	365.2	Flow Measuring Installations	0												0	0
13	389.2	Other Plant & Misc. Equipment	0												0	0
14		SYSTEM PUMPING PLANT														
15	354.3	Structures & Improvements	0												0	0
16	370.3	Receiving Wells	0												0	0
17	371.3	Pumping Equipment	10,950												18,501	14,726
18	389.3	Other Plant & Misc. Equipment	0												0	0
19		TREATMENT & DISPOSAL PLANT														
20	353.4	Land and Land Rights	0												0	0
21	354.4	Structures & Improvements	269,003												355,071	312,037
22	355.4	Power Generation Equipment	7,365												10,311	8,838
23	380.4	Treatment & Disposal Equipment	751,360												842,069	796,715
24	381.4	Plant Sewers	22,661												31,725	27,193
25	382.4	Outfall Sewer Lines	0												0	0
26	389.4	Other Plant & Misc. Equipment	11,440												13,809	12,624
27		GENERAL PLANT														
28	354.5	Structures & Improvements	0												0	0
29	390.5	Office Furniture & Equipment	11,711												13,237	12,474
30	391.5	Transportation Equipment	0												0	0
31	392.5	Stores Equipment	0												0	0
32	393.5	Tools, Shop & Garage Equipment	0												0	0
33	394.5	Laboratory Equipment	0												0	0
34	395.5	Power Operated Equipment	1,032												1,820	1,426
35	396.5	Communication Equipment	0												0	0
36	397.5	Miscellaneous Equipment	0												0	0
37	398.5	Other Tangible Plant	1,017												2,773	1,895
38		TOTAL	\$1,458,018	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,721,598	\$1,589,808

Schedule of Sewer Accumulated Depreciation By Primary Account

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-W5
 Base Year Ended 12/31/07
 Historical [X] Projected []

Schedule: A-10
 Page: 3 of 3
 Preparer: Guastella Associates

Description: Provide the month ending balances for each month of the test year and the ending balance for the prior year.

Line No.	(1) Account No.	Account Name	(2) Prior Year-End 12/31/06	(3) 1/31/2007	(4) 2/28/2007	(5) 3/31/2007	(6) 4/30/2007	(7) 5/31/2007	(8) 6/30/2007	(9) 7/31/2007	(10) 8/31/2007	(11) 9/30/2007	(12) 10/31/2007	(13) 11/30/2007	(14) Test Year End 12/31/2007	(15) Simple Avg Balance
1		INTANGIBLE PLANT														
2	351.1	Organization	\$0												\$0	\$0
3	352.1	Franchises	0												0	0
4	389.1	Other Plant & Misc. Equipment	0												0	0
5		COLLECTION PLANT														
6	354.2	Structures & Improvements	0												0	0
7	360.2	Collection Sewers - Force	52,911												71,411	62,161
8	361.2	Collection Sewers - Gravity	171,060												196,470	183,765
9	362.2	Special Collecting Structures	62,112												70,491	66,301
10	363.2	Services to Customers	27,284												33,106	30,195
11	364.2	Flow Measuring Devices	0												0	0
12	365.2	Flow Measuring Installations	0												0	0
13	389.2	Other Plant & Misc. Equipment	0												0	0
14		SYSTEM PUMPING PLANT														
15	354.3	Structures & Improvements	0												0	0
16	370.3	Receiving Wells	0												0	0
17	371.3	Pumping Equipment	6,499												10,950	8,725
18	389.3	Other Plant & Misc. Equipment	0												0	0
19		TREATMENT & DISPOSAL PLANT														
20	353.4	Land and Land Rights	0												0	0
21	354.4	Structures & Improvements	185,863												269,003	227,433
22	355.4	Power Generation Equipment	4,419												7,365	5,892
23	380.4	Treatment & Disposal Equipment	660,579												751,360	705,970
24	381.4	Plant Sewers	13,596												22,661	18,128
25	382.4	Outfall Sewer Lines	0												0	0
26	389.4	Other Plant & Misc. Equipment	9,068												11,440	10,254
27		GENERAL PLANT														
28	354.5	Structures & Improvements	0												0	0
29	390.5	Office Furniture & Equipment	10,221												11,711	10,966
30	391.5	Transportation Equipment	0												0	0
31	392.5	Stores Equipment	0												0	0
32	393.5	Tools, Shop & Garage Equipmen	0												0	0
33	394.5	Laboratory Equipment	0												0	0
34	395.5	Power Operated Equipment	244												1,032	638
35	396.5	Communication Equipment	0												0	0
36	397.5	Miscellaneous Equipment	0												0	0
37	398.5	Other Tangible Plant	910												1,017	964
38		TOTAL	\$1,204,766	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,458,018	\$1,331,392

**Schedule of Water & Sewer Contributions in Aid of Construction Florida Public Service Commission
Annual Balances Subsequent to Last Established Rate Base**

Southlake Utilities, Inc.
Docket No. 080597-WS
Test Year Ending 12/31/08

Schedule: A-11
Page: 1 of 1
Preparer: Guastella Associates

Description: Provide the annual balance of contributions in aid of construction, for all years since either a rate case was last established by this Commission, or the date of inception of utility service if rate base has not been established previously by this Commission; and yearly additions, retirements, and adjustments by dollar amount up to the end of the test year. Provide an additional page if necessary. If a projected test year is used, include the projected additions and/or retirements specifically identifying those amounts. Show any retirements as adjustments.

Line No.	Description	Water Per Books	Sewer Per Books
1	12/31/00 Balance - Established during		
2	proceeding of Docket No. 981609-WS		
3	12/31/00 Per Books	\$1,250,483	\$1,818,902
4	Correct erroneous adjusting entry (GJ 12/31/00)		43,267
5	Correct CIAC cash receipts	(12,038)	3,120
6	Record plant installed by Outside Developers	882,807	874,214
7	Correct CIAC for AFPI payments	(173,746)	(229,914)
8	Correct CIAC payments recorded as Prepaid CIAC	68,399	96,257
9	12/31/00 Adjusted Balance	2,015,905	2,605,847
10	2001 Additions	93,636	197,761
11	2001 Retirements	0	0
12	12/31/01 Balance	2,109,540	2,803,608
13	2002 Additions	110,016	148,581
14	2002 Retirements	0	0
15	12/31/02 Balance	2,219,556	2,952,188
16	2003 Additions	652,649	1,020,025
17	2003 Retirements	0	0
18	12/31/03 Balance	2,872,205	3,972,213
19	2004 Additions	462,157	492,692
20	2004 Retirements	0	0
21	12/31/04 Balance	3,334,362	4,464,906
22	2005 Additions	208,087	354,993
23	2005 Retirements	0	0
24	12/31/05 Balance	3,542,450	4,819,899
25	2006 Additions	83,197	126,410
26	2006 Retirements	0	0
27	12/31/06 Balance	3,625,647	4,946,309
28	2007 Additions to Date	313,832	395,000
29	2007 Retirements to Date	0	0
30	12/31/07 Balance	\$3,939,479	\$5,341,309
31	2008 Additions	13,512	23,280
32	2008 Retirements	0	0
33	12/31/08 Balance	<u>\$3,952,991</u>	<u>\$5,364,589</u>

Supporting Schedules: A-12

Schedule of Contributions in Aid of Construction By Classification

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [X] Projected [X]

Schedule: A-12
 Page: 1 of 3
 Preparer: Guastella Associates

Description: Provide the ending balances and average of CIAC, by class for the prior year and the test year.
 If a projected year is employed, provide a breakdown for base year and intermediate year also.

Line No.	(1) Account Name	(2) Prior Year 12/31/07	(3) Year End 12/31/2008	(4) Test Year Average	(5) %	(6) Non-Used & Useful Test Year	(7) %	(8) Interim
WATER								
1	Plant Capacity Fees	\$1,491,279	\$1,501,671	\$1,496,475	0.00%	\$0	0.00%	\$0
2	Line/Main Extension Fees	0	0	0	0.00%	0	0.00%	0
3	Meter Installation Fees	348,646	351,766	350,206	0.00%	0	0.00%	0
4	Contributed Lines	1,997,983	1,997,983	1,997,983	0.00%	0	0.00%	0
5	Other - Inspections	101,571	101,571	101,571	0.00%	0	0.00%	0
6	TOTAL	\$3,939,479	\$3,952,991	\$3,946,235		\$0		\$0
SEWER								
7	Plant Capacity Fees	\$3,099,199	\$3,122,479	\$3,110,839	0.00%	\$0	0.00%	\$0
8	Line/Main Extension Fees	0	0	0	0.00%	0	0.00%	0
9	Contributed Lines	1,963,692	1,963,692	1,963,692	0.00%	0	0.00%	0
10	Other - Inspections	278,418	278,418	278,418	0.00%	0	0.00%	0
11	TOTAL	\$5,341,309	\$5,364,589	\$5,352,949		\$0		\$0

Schedule of Contributions in Aid of Construction By Classification

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [] Projected [X]

Schedule: A-12
 Page: 2 of 3
 Preparer: Guastella Associates

Description: Provide the monthly and average CIAC balance by classification.

Line No.	(1) Account Name	(2) Prior Year-End 12/31/07	(3) 1/31/2008	(4) 2/29/2008	(5) 3/31/2008	(6) 4/30/2008	(7) 5/31/2008	(8) 6/30/2008	(9) 7/31/2008	(10) 8/31/2008	(11) 9/30/2008	(12) 10/31/2008	(13) 11/30/2008	(14) Test Year End 12/31/2008	(15) Simple Avg Balance
WATER															
1	Plant Capacity Fees	\$1,491,279	\$1,492,145	\$1,492,578	\$1,493,444	\$1,493,877	\$1,494,743	\$1,495,176	\$1,496,042	\$1,496,475	\$1,497,341	\$1,498,640	\$1,499,939	\$1,501,671	\$1,496,475
2	Line/Main Extension Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Meter Installation Fees	348,646	348,906	349,036	349,296	349,426	349,686	349,816	350,076	350,206	350,466	350,856	351,246	351,766	350,206
4	Contributed Lines	1,997,983	1,997,983	1,997,983	1,997,983	1,997,983	1,997,983	1,997,983	1,997,983	1,997,983	1,997,983	1,997,983	1,997,983	1,997,983	1,997,983
5	Other - Inspections	101,571	101,571	101,571	101,571	101,571	101,571	101,571	101,571	101,571	101,571	101,571	101,571	101,571	101,571
6	TOTAL	\$3,939,479	\$3,940,605	\$3,941,168	\$3,942,294	\$3,942,857	\$3,943,983	\$3,944,546	\$3,945,672	\$3,946,235	\$3,947,361	\$3,949,050	\$3,950,739	\$3,952,991	\$3,946,235
SEWER															
7	Plant Capacity Fees	\$3,099,199	\$3,101,139	\$3,102,109	\$3,104,049	\$3,105,019	\$3,106,959	\$3,107,929	\$3,109,869	\$3,110,839	\$3,112,779	\$3,115,689	\$3,118,599	\$3,122,479	\$3,110,839
8	Line/Main Extension Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Contributed Lines	1,963,692	1,963,692	1,963,692	1,963,692	1,963,692	1,963,692	1,963,692	1,963,692	1,963,692	1,963,692	1,963,692	1,963,692	1,963,692	1,963,692
10	Other - Inspections	278,418	278,418	278,418	278,418	278,418	278,418	278,418	278,418	278,418	278,418	278,418	278,418	278,418	278,418
11	TOTAL	\$5,341,309	\$5,343,249	\$5,344,219	\$5,346,159	\$5,347,129	\$5,349,069	\$5,350,039	\$5,351,979	\$5,352,949	\$5,354,889	\$5,357,799	\$5,360,709	\$5,364,589	\$5,352,949

Water Adds:	Monthly		2	1	2	1	2	1	2	1	2	3	3	4	24
Plant Capacity Fees	\$433.00	866	433	866	433	866	433	866	433	866	1,299	1,299	1,732	10,392	
Line/Main Extension Fees	\$0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	
Meter Installation Fees	\$130.00	260	130	260	130	260	130	260	130	260	390	390	520	3,120	
Other - Inspections	\$0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	
														13,512	
Sewer Adds:	Monthly		1,940	970	1,940	970	1,940	970	1,940	970	1,940	2,910	2,910	3,880	23,280
Plant Capacity Fees	\$970.00	1,940	970	1,940	970	1,940	970	1,940	970	1,940	2,910	2,910	3,880	23,280	
Line/Main Extension Fees	\$0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other - Inspections	\$0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	
														23,280	

Schedule of Contributions in Aid of Construction By Classification

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Historical [X] Projected []

Schedule: A-12
 Page: 3 of 3
 Preparer: Guastella Associates

Description: Provide the monthly and average CIAC balance by classification.

Line No.	(1) Account Name	(2) Prior Year-End 12/31/06	(3) 1/31/2007	(4) 2/28/2007	(5) 3/31/2007	(6) 4/30/2007	(7) 5/31/2007	(8) 6/30/2007	(9) 7/31/2007	(10) 8/31/2007	(11) 9/30/2007	(12) 10/31/2007	(13) 11/30/2007	(14) Test Year End 12/31/2007	(15) Simple Avg Balance
WATER															
1	Plant Capacity Fees	1,441,154												1,491,279	
2	Line/Main Extension Fees	0												0	
3	Meter Installation Fees	341,480												348,646	
4	Contributed Lines	1,743,682												1,997,983	
5	Other - Inspections	99,330												101,571	
6	TOTAL	\$3,625,647	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,939,479	\$3,782,563
SEWER															
7	Plant Capacity Fees	2,994,000												3,099,199	
8	Line/Main Extension Fees	0												0	
9	Contributed Lines	1,677,675												1,963,692	
10	Other - Inspections	274,634												278,418	
11	TOTAL	\$4,946,309	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,341,309	\$5,143,809

**Schedule of Water & Sewer Accumulated Amortization of CIAC
Annual Balances Subsequent to Last Established Rate Base**

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Test Year Ending 12/31/08

Schedule: A-13
Page: 1 of 1
Preparer: Guastella Associates

Description: Provide the annual balance of accumulated amortization of CIAC for all years since either a rate case was last established by this Commission; or the date of inception of utility service if rate base has not been established previously by this Commission; and yearly additions and adjustments by dollar amount up to the end of the test year. Provide an additional page if necessary. If a projected test year is used, include the projected additions and/or retirements specifically identifying those amounts. Show any retirements as adjustments.

Line No.	Description	Water Per Books	Sewer Per Books
1	12/31/00 Balance - Established during		
2	proceeding of Docket No. 981609-WS		
3	12/31/00 Per Books	\$86,886	232,292
4	Correct Amortization accrual	54,739	90,992
5	Correct Amort. of CIAC for AFPI payments	(17,436)	(42,333)
6	Record amortization on plant installed by Outside Developers	31,908	(44,527)
7	12/31/00 Adjusted Balance	156,097	236,424
8	2001 Accrual	67,921	121,003
9	2001 Retirements	0	0
10	12/31/01 Balance	224,018	357,427
11	2002 Accrual	71,741	131,286
12	2002 Retirements	0	0
13	12/31/02 Balance	295,759	488,713
14	2003 Accrual	78,265	148,946
15	2003 Retirements	0	0
16	12/31/03 Balance	374,024	637,659
17	2004 Accrual	99,081	183,877
18	2004 Retirements	10,522	0
19	12/31/04 Balance	483,627	821,536
20	2005 Accrual	109,933	199,118
21	2005 Retirements	0	0
22	12/31/05 Balance	593,560	1,020,654
23	2006 Accrual	115,774	212,415
24	2006 Retirements	0	0
25	12/31/06 Balance	709,333	1,233,069
26	2007 Accrual to Date	118,502	217,667
27	2007 Retirements to Date	0	0
28	12/31/07 Balance	827,836	1,450,736
29	2008 Additions	125,541	227,098
30	2008 Retirements	0	0
31	12/31/08 Balance	\$953,376	\$1,677,834

Supporting Schedules: A-14

Schedule of Accumulated Amortization of CIAC By Classification

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [X] Projected [X]

Schedule: A-14
 Page: 1 of 3
 Preparer: Guastella Associates

Description: Provide the ending balances and average of Accumulated Amortization of CIAC by classification, if possible, for the prior year and the test year. If a projected year is employed, provide a breakdown for the base year and intermediate year also.

Line No.	(1) Account Name	(2) Prior Year 12/31/07	(3) Year End 12/31/2008	(4) Test Year Average	(5) %	(6) Non-Used & Useful		(8) Interim
						(7) Test Year	(7) %	
WATER								
1	Plant Capacity Fees	\$419,187	\$478,297	\$448,742	0.00%	\$0	0.00%	\$0
2	Line/Main Extension Fees	0	46,553	23,277	0.00%	0	0.00%	0
3	Meter Installation Fees	110,205	127,715	118,960	0.00%	0	0.00%	0
4	Contributed Lines	289,316	289,316	289,316	0.00%	0	0.00%	0
5	Other (Describe) - Services	9,128	11,494	10,311	0.00%	0	0.00%	0
6	TOTAL	\$827,836	\$953,376	\$890,606		\$0		\$0
SEWER								
7	Plant Capacity Fees	\$1,127,801	\$1,299,519	\$1,213,660	0.00%	\$0	0.00%	\$0
8	Line/Main Extension Fees	0	48,503	24,252	0.00%	0	0.00%	0
9	Contributed Lines	296,341	296,341	296,341	0.00%	0	0.00%	0
10	Other (Describe) - Services	26,594	33,471	30,032	0.00%	0	0.00%	0
11	TOTAL	\$1,450,736	\$1,677,834	\$1,564,285		\$0		\$0

Schedule of Accumulated Amortization of CIAC By Classification

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [] Projected [X]

Schedule: A-14
 Page: 2 of 3
 Preparer: Guastella Associates

Description: Provide the monthly and average amortization CIAC balance by classification.

Line No.	(1) Account Name	(2) Prior Year-End 12/31/07	(3) 1/31/2008	(4) 2/29/2008	(5) 3/31/2008	(6) 4/30/2008	(7) 5/31/2008	(8) 6/30/2008	(9) 7/31/2008	(10) 8/31/2008	(11) 9/30/2008	(12) 10/31/2008	(13) 11/30/2008	(14) Test Year End 12/31/2008	(15) Simple Avg Balance
WATER															
1	Plant Capacity Fees	\$419,187												\$478,297	\$448,742
2	Line/Main Extension Fees	0												46,553	23,277
3	Meter Installation Fees	110,205												127,715	118,960
4	Contributed Lines	289,316												289,316	289,316
5	Other (Describe) - Services	9,128												11,494	10,311
6	TOTAL	\$827,836	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$953,376	\$890,606
SEWER															
7	Plant Capacity Fees	\$1,127,801												\$1,299,519	\$1,213,660
8	Line/Main Extension Fees	0												48,503	24,252
9	Contributed Lines	296,341												296,341	296,341
10	Other (Describe) - Services	26,594												33,471	30,032
11	TOTAL	\$1,450,736	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,677,834	\$1,564,285

Schedule of Accumulated Amortization of CIAC By Classification

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Historical [X] Projected []

Schedule: A-14
 Page: 3 of 3
 Preparer: Guastella Associates

Description: Provide the monthly and average amortization CIAC balance by classification.

Line No.	(1) Account Name	(2) Prior Year-End 12/31/06	(3) 1/31/2007	(4) 2/28/2007	(5) 3/31/2007	(6) 4/30/2007	(7) 5/31/2007	(8) 6/30/2007	(9) 7/31/2007	(10) 8/31/2007	(11) 9/30/2007	(12) 10/31/2007	(13) 11/30/2007	(14) Test Year End 12/31/2007	(15) Simple Avg Balance
WATER															
1	Plant Capacity Fees	\$360,999												\$419,187	
2	Line/Main Extension Fees	0												0	
3	Meter Installation Fees	92,911												110,205	
4	Contributed Lines	248,658												289,316	
5	Other (Describe) - Services	6,765												9,128	
6	TOTAL	\$709,333	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$827,836	\$768,584
SEWER															
7	Plant Capacity Fees	\$958,651												\$1,127,801	
8	Line/Main Extension Fees	0												0	
9	Contributed Lines	254,693												296,341	
10	Other (Describe) - Services	19,725												26,594	
11	TOTAL	\$1,233,069	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,450,736	\$1,341,902

Schedule of Annual AFUDC Rates Used

Florida Public Service Commission

Southlake Utilities, Inc.

Docket No. 080597-WS

Test Year Ending 12/31/08

Schedule: A-15

Page: 1 of 1

Preparer: Guastella Associates

Description: Provide the annual AFUDC rates used since either rate base was last established by this Commission, or the date of inception of utility service if rate base has not been established previously. Include a description of practices and authority of rate(s) used.

There was no AFUDC rate prior to Docket No.080168-WS, Order No. PSC-08-0455-PAA-WS
This PSC Order set the annual rate at 8.98% and the monthly discount rate at .71919213%,
applicable for construction projects beginning January 1, 2008.

**Schedule of Water & Sewer Advances for Construction
Annual Balances Subsequent to Last Established Rate Base**

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Test Year Ending 12/31/08

Schedule: A-16
Page: 1 of 1
Preparer: Guastella Associates

Description: Provide the annual balance of Advances For Construction, for water and sewer separately, for all years since either rate base was last established by this Commission, or the date of inception of utility service if rate base has not been established previously by this Commission; and yearly additions and adjustments by dollar amount up to the end of the test year. Provide an additional page if necessary. If a projected test year is used, include the projected additions and/or retirements specifically identifying those amounts. Also provide a brief description of the applicant's policy regarding advances.

Line No.	Description	Water Per Books	Sewer Per Books
1	12/31/00 Balance - Established during		
2	proceeding of Docket No. 981609-WS		
3	12/31/00 Per Books (prepaid CIAC)	\$191,520	\$392,150
4	Reclass Advances (prepaid CIAC) to CIAC	<u>(68,399)</u>	<u>(96,257)</u>
5	12/31/00 Adjusted Balance	123,121	295,893
6	2001 Additions	0	0
7	2001 Refunds	<u>0</u>	<u>0</u>
8	12/31/01 Balance	123,121	295,893
9	2002 Additions	0	0
10	2002 Refunds	<u>0</u>	<u>0</u>
11	12/31/02 Balance	123,121	295,893
12	2003 Additions	0	0
13	2003 Refunds	<u>0</u>	<u>0</u>
14	12/31/03 Balance	123,121	295,893
15	2004 Additions	0	0
16	2004 Refunds	<u>0</u>	<u>0</u>
17	12/31/04 Balance	123,121	295,893
18	2005 Additions	0	0
19	2005 Refunds	<u>0</u>	<u>0</u>
20	12/31/05 Balance	123,121	295,893
21	2006 Additions	0	0
22	2006 Refunds	<u>0</u>	<u>0</u>
23	12/31/06 Balance	123,121	295,893
24	2007 Additions	0	0
25	2007 Refunds	<u>0</u>	<u>0</u>
26	12/31/07 Balance	123,121	295,893
27	2008 Additions	0	0
28	2008 Refunds	<u>0</u>	<u>0</u>
29	12/31/08 Balance	<u>\$123,121</u>	<u>\$295,893</u>

Schedule of Working Capital Allowance Calculation

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [X] Projected [X]

Schedule: A-17
 Page: 1 of 1
 Preparer: Guastella Associates

Description: Provide the calculation of working capital using the formula method.

Line No.	(1) Account No. and Name	(2) Per Book	(3) Adjustment	(4) As Adjusted	(5) Supporting Schedule(s)
WATER					
Base Year Ended 12/31/07					
1	Total O & M Expense	\$550,083	(\$5,363)	\$544,720	B-1
2	Monthly Billing Factor (1/8th)	0.00%		12.50%	
3					
4	Working Capital Requirement	<u>\$0</u>		<u>\$68,090</u>	
5					
6					
7	Test Year Ending 12/31/08				
8					
9	Total O & M Expense	\$546,540	\$78,424	\$624,964	B-1
10	Less: Rate Case Amortization	0	(33,544)	(33,544)	B-5
11	Less: CUP Renewal Amortization	0	(33,333)	(33,333)	B-5
12	Adjusted O & M Expense	<u>\$546,540</u>		<u>\$558,087</u>	
13	Monthly Billing Factor (1/8th)	12.50%		12.50%	
14					
15	Working Capital Requirement	<u>\$68,318</u>		<u>\$69,761</u>	
SEWER					
Base Year Ended 12/31/07					
16	Total O & M Expense	\$837,819	(\$4,992)	\$832,827	B-2
17	Monthly Billing Factor (1/8th)	0.00%		12.50%	
18					
19	Working Capital Requirement	<u>\$0</u>		<u>\$104,103</u>	
20					
21					
22	Test Year Ending 12/31/08				
23					
24	Total O & M Expense	\$834,446	\$92,571	\$927,017	B-2
25	Less: Rate Case Amortization	0	(33,544)	(33,544)	B-6
26	Adjusted O & M Expense	<u>\$834,446</u>		<u>\$893,473</u>	
27	Monthly Billing Factor (1/8th)	12.50%		12.50%	
28					
29	Working Capital Requirement	<u>\$104,306</u>		<u>\$111,684</u>	

Comparative Balance Sheet-Assets

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [X] Projected [X]

Schedule: A-18
 Page: 1 of 1
 Preparer: Guastella Associates

Description: Provide a balance sheet for years requested. Provide same for historical base or intermediate years, if not already shown.

Line No.	Assets	(1)	(2)	(3)
			Test Year 12/31/08	Water & Sewer Base Year 12/31/07
1	Utility Plant in Service		\$15,112,323	\$14,990,474
2	Construction Work in Progress		778,064	778,064
3	Other Utility Plant Adjustments		31,186	31,186
4	GROSS UTILITY PLANT		15,921,573	15,799,724
5	Less: Accumulated Depreciation		(2,793,388)	(2,328,181)
6	NET UTILITY PLANT		13,128,184	13,471,543
7	Cash		371,767	371,767
8	Accts. Receivable - Customers		266,085	266,085
9	Notes/Accts. Receivable - Associated Cos.		0	0
10	Accts. Receivable - Other		267,211	267,211
11	Allowance for Bad Debts		0	0
12	Materials & Supplies		0	0
13	Misc. Current and Accrued Assets		0	0
14	TOTAL CURRENT ASSETS		905,063	905,063
15	Unamortized Debt Discounts & Expense		0	0
16	Prelim. Survey & Investigation Charges		0	0
17	Clearing Accounts		(768)	(768)
18	Deferred Rate Case Expense		268,350	0
19	Other Misc. Deferred Debits		787,858	787,858
20	Accum. Deferred Income Taxes		0	0
21	TOTAL DEFERRED DEBITS		1,055,440	787,090
22	TOTAL ASSETS		\$15,088,687	\$15,163,696

Comparative Balance Sheet-Equity & Liabilities

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [X] Projected [X]

Schedule: A-19
 Page: 1 of 1
 Preparer: Guastella Associates

Description: Provide a balance sheet for years requested. Provide same for historical base or intermediate years, if not already shown.

Line No.	Equity Capital & Liabilities	(1)	(2)	(3)
			Test Year 12/31/08	Water & Sewer Base Year 12/31/07
1	Common Stock Issued		\$7,500	\$7,500
2	Preferred Stock Issued		0	0
3	Additional Paid in Capital		7,236,921	7,040,590
4	Retained Earnings		328,911	369,166
5	Other Equity Capital		0	0
6	TOTAL EQUITY CAPITAL		7,573,332	7,417,256
7	Bonds		0	0
8	Reacquired Bonds		0	0
9	Advances from Associated Companies		0	0
10	Other Long-Term Debt		0	0
11	TOTAL LONG-TERM DEBT		0	0
12	Accounts Payable		32,309	32,309
13	Notes Payable		0	0
14	Notes/ Accts. Payable - Assoc. Cos.		0	0
15	Customer Deposits		211,145	212,083
16	Accrued Taxes		80,131	80,131
17	Accrued Interest		0	0
18	Accrued Dividends		0	0
19	Misc. Current & Accrued Liabilities		686	686
20	TOTAL CURRENT & ACRUED LIAB.		324,271	325,209
21	Advances for Construction (Prepaid CIAC)		419,014	419,014
22	Other Deferred Credits		0	0
23	Accum. Deferred ITCs		0	0
24	Operating Reserves		0	0
25	TOTAL DEFERRED CREDITS		419,014	419,014
26	Contributions in Aid of Construction		9,317,580	9,280,788
27	Less: Accum. Amortization of CIAC		(2,631,211)	(2,278,571)
28	Accumulated Deferred Income Taxes		0	0
29	TOTAL EQUITY CAPITAL & LIABILITIES		\$15,002,987	\$15,163,696

VOLUME 1B

Southlake Utilities, Inc.
RATE BASE SCHEDULES

<u>SCHEDULE TITLE</u>	<u>SCHEDULE NUMBER</u>
Net Operating Income Statement - Water	B-1
Net Operating Income Statement - Sewer	B-2
Adjustments to Net Operating Statements	B-3
Operating Revenues	B-4
Water O & M Expenses By Month	B-5
Sewer O & M Expenses By Month	B-6
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Taxes Other Than Income	B-15

Schedule of Water Net Operating Income

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Interim [] Final [X]
 Historical [] Projected [X]

Schedule: B-1
 Page: 1 of 2
 Preparer: Guastella Associates

Description: 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) Proforma Existing Rates	(3) Utility Test Year Adjustments	(4) Utility Adjusted Test Year	(5) Requested Revenue Adjustment	(6) Requested Annual Revenues	(7) Supporting Schedule(s)
1	OPERATING REVENUES	<u>\$1,000,474</u>	\$0	<u>\$1,000,474</u>	\$183,853	<u>\$1,184,327</u>	B-4,E-12
2	Operation & Maintenance	546,540	78,424	624,964		624,964	B-5
3	Depreciation, net of CIAC Amort.	76,086	0	76,086		76,086	B-13
4	Amortization			0		0	
5	Taxes Other Than Income	91,181	6,940	98,121	8,273	106,394	B-15
6	Provision for Income Taxes			0	0	0	C-1
7	OPERATING EXPENSES	<u>713,807</u>	<u>85,364</u>	<u>799,171</u>		<u>807,445</u>	
8	NET OPERATING INCOME	<u>\$286,667</u>	<u>(\$85,364)</u>	<u>\$201,303</u>		<u>\$376,883</u>	
9	RATE BASE	<u>\$3,993,339</u>		<u>\$3,993,339</u>		<u>\$3,993,339</u>	
10	RATE OF RETURN	<u>7.18%</u>		<u>5.04%</u>		<u>9.44%</u>	

Schedule of Water Net Operating Income

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Interim Final
 Historical Projected

Schedule: B-1
 Page: 2 of 2
 Preparer: Guastella Associates

Description: 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.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Line No.	Description	Amount Per Books	Utility Test Year Adjustments	Utility Adjusted Test Year	Requested Revenue Adjustment	Requested Annual Revenues	Supporting Schedule(s)
1	OPERATING REVENUES	\$945,518	\$46,121	\$991,639	\$56,905	\$1,048,544	B-4,E-2
2	Operation & Maintenance	550,083	(5,363)	544,720		544,720	B-5
3	Depreciation, net of CIAC Amort.	67,365	0	67,365		67,365	B-13
4	Amortization			0		0	
5	Taxes Other Than Income	87,513	3,270	90,783	2,561	93,344	B-15
6	Provision for Income Taxes			0	0	0	C-1
7	OPERATING EXPENSES	<u>704,961</u>		<u>702,868</u>		<u>705,428</u>	
8	NET OPERATING INCOME	<u>\$240,557</u>		<u>\$288,771</u>		<u>\$343,116</u>	
9	RATE BASE	<u>\$3,817,864</u>		<u>\$3,885,954</u>		<u>\$3,885,954</u>	
10	RATE OF RETURN	<u>6.30%</u>		<u>7.43%</u>		<u>8.83%</u>	

Schedule of Sewer Net Operating Income

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Interim [] Final [X]
 Historical [] Projected [X]

Schedule: B-2
 Page: 1 of 2
 Preparer: Guastella Associates

Description: 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) Proforma Existing Rates	(3) Utility Test Year Adjustments	(4) Utility Adjusted Test Year	(5) Requested Revenue Adjustment	(6) Requested Annual Revenues	(7) Supporting Schedule(s)
1	OPERATING REVENUES	\$805,299	\$0	\$805,299	\$487,912	\$1,293,211	B-4,E-12
2	Operation & Maintenance	834,446	92,571	927,017		927,017	B-6
3	Depreciation, net of CIAC Amort.	36,482	0	36,482		36,482	B-14
4	Amortization			0		0	
5	Taxes Other Than Income	80,427	2,932	83,359	21,956	105,315	B-15
6	Provision for Income Taxes			0	0	0	C-1
7	OPERATING EXPENSES	951,354	95,503	1,046,857		1,068,813	
8	NET OPERATING INCOME	<u>(\$146,055)</u>	<u>(\$95,503)</u>	<u>(\$241,558)</u>		<u>\$224,398</u>	
9	RATE BASE	<u>\$2,377,653</u>		<u>\$2,377,653</u>		<u>\$2,377,653</u>	
10	RATE OF RETURN	<u>-6.14%</u>		<u>-10.16%</u>		<u>9.44%</u>	

Schedule of Sewer Net Operating Income

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Interim Final
 Historical Projected

Schedule: B-2
 Page: 2 of 2
 Preparer: Guastella Associates

Description: 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 calculator of charge.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Line No.	Description	Amount Per Books	Utility Test Year Adjustments	Utility Adjusted Test Year	Requested Revenue Adjustment	Requested Annual Revenues	Supporting Schedule(s)
1	OPERATING REVENUES	\$698,113	\$98,185	\$796,297	\$372,449	\$1,168,746	B-4,E-2
2	Operation & Maintenance	837,819	(4,992)	832,827		832,827	B-6
3	Depreciation, net of CIAC Amort	35,582	0	35,582		35,582	B-14
4	Amortization			0		0	
5	Taxes Other Than Income	76,380	3,642	80,021	16,760	96,782	B-15
6	Provision for Income Taxes			0	0	0	C-1
7	OPERATING EXPENSES	<u>949,781</u>		<u>948,431</u>		<u>965,191</u>	
8	NET OPERATING INCOME	<u>(\$251,668)</u>		<u>(\$152,133)</u>		<u>\$203,555</u>	
9	RATE BASE	<u>\$2,201,264</u>		<u>\$2,305,367</u>		<u>\$2,305,367</u>	
10	RATE OF RETURN	<u>-11.43%</u>		<u>-6.60%</u>		<u>8.83%</u>	

Schedule of Adjustments to Operating Income

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Interim Final
 Historical Projected

Schedule: B-3
 Page: 1 of 4
 Preparer: Guastella Associates

Description: Provide a detailed description of all adjustments to operating income per books, with a total for each line item shown on the net operating income statement.

Line No.	Description	Water	Sewer	Supporting Schedule(s)
1	UTILITY BASE YEAR ADJUSTMENTS - 12/31/07			
2				
3	NET OPERATING REVENUE			
4	Remove "NSF Charges" erroneously booked to Misc. Service Revenues	(8,548)		E-5
5	Adjust revenue to billing analysis.	7,329	6,494	E-2
6	Adjustment to annualize revenue.	38,792	91,691	E-2
7	TOTAL	<u>\$37,573</u>	<u>\$98,185</u>	
8				
9	OPERATIONS & MAINTENANCE			
10	Annualize payroll.	3,712	2,433	B-5,B-6
11	Remove 2006 Mgmt Fees paid in 2007	(9,075)	(7,425)	B-5,B-6
12	TOTAL	<u>(\$5,363)</u>	<u>(\$4,992)</u>	
13				
14	DEPRECIATION			
15	Adjust depreciation for non-used and useful plant.	0	0	B-13,B-14
16	TOTAL	<u>\$0</u>	<u>\$0</u>	
17				
18				
19	TAXES OTHER THAN INCOME			
20	Correct Regulatory Assessment Fees			
21	Base Year Adjusted Revenues	991,639	796,297	
22	Regulatory Assessment @ 4.5%	44,624	35,833	
23	Amount per Books	42,548	31,415	
24		<u>2,076</u>	<u>4,418</u>	B-15
25				
26	Adjust payroll tax to reflect FICA on adjusted wages.	7,759	5,787	
27	Adjust payroll tax to reflect FUTA and SUTA on adjusted wages.	161	161	
28	Payroll Taxes	<u>7,920</u>	<u>5,948</u>	
29	Payroll Tax per Books	6,725	6,725	
30		<u>1,195</u>	<u>(777)</u>	B-15
31				
32	Adjust property tax for non-used and useful plant.	\$38,240	\$38,240	
33	Composite Percentage (Non-used and Useful UPIS/Total UPIS)	0.0%	0.0%	
34		<u>0</u>	<u>0</u>	B-15
35	TOTAL	<u>\$3,270</u>	<u>\$3,641</u>	

Schedule of Adjustments to Operating Income

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Interim Final
 Historical Projected

Schedule: B-3
 Page: 2 of 4
 Preparer: Guastella Associates

Description: Provide a detailed description of all adjustments to operating income per books, with a total for each line item shown on the net operating income statement.

Line No.	Description	Water	Sewer	Supporting Schedule(s)
1	UTILITY BASE YEAR ADJUSTMENTS - 12/31/07			
2				
3	NET OPERATING REVENUE			
4	Required Revenue Adjustment	<u>\$56,905</u>	<u>\$372,449</u>	
5				
6	TAXES OTHER THAN INCOME TAX			
7	RAF on Revenue Adjustment 4.50% x Above	<u>\$2,561</u>	<u>\$16,760</u>	B-15
8				
9	INCOME TAX ADJUSTMENT			
10	Operating Income before Income Tax	343,116	203,555	
11	Interest on Rate Base			
12	Rate Base	\$3,885,954	\$2,305,367	
13	Weighted Cost of Debt & Customer Deposits	0.21%	0.21%	
14	Interest Expense	<u>7,987</u>	<u>4,738</u>	C-3
15				
16	State Taxable Income	335,129	198,817	
17	State Tax Rate	<u>0.00%</u>	<u>0.00%</u>	
18	State Taxes	0	0	C-2
19				
20	Federal Taxable Income	335,129	198,817	
21	Federal Tax Rate	<u>0.00%</u>	<u>0.00%</u>	
22	Income Tax Rate	0	0	C-2
23				
24	Total Income Taxes	0	0	
25	Less: Amount per Books	<u>0</u>	<u>0</u>	
26	TOTAL	<u>\$0</u>	<u>\$0</u>	C-1

Schedule of Adjustments to Operating Income

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Interim [] Final [X]
 Historical [] Projected [X]

Schedule: B-3
 Page: 3 of 4
 Preparer: Guastella Associates

Description: Provide a detailed description of all adjustments to operating income per books, with a total for each line item shown on the net operating income statement.

Line No.	Description	Water	Sewer	Supporting Schedule(s)
1	UTILITY AVERAGE TEST YEAR ADJUSTMENTS -12/31/08			
2				
3	NET OPERATING REVENUE			
4	Move AFPI income below the line, remove from operating income.	<u>\$0</u>	<u>\$0</u>	B-4
5				
6	OPERATIONS & MAINTENANCE			
7	Adjust wages by 3% for Jan. 1, 2008 hourly increases.	3,043	2,270	B-5,B-6
8	Adjust employee benefits to reflect adjusted wages.	34	34	B-5,B-6
9	Adjust purchased power cost for change in system demands.	6,804	15,421	B-5,B-6
10	Adjust fuel for power production cost for change in system demands.	161	174	B-5,B-6
11	Adjust chemical cost for change in system demands.	1,505	2,949	B-5,B-6
12	Adjust sludge removal cost for change in system demands.		38,179	B-6
13	Include Consumptive Use Permit renewal expense amortization.	33,333		B-5
14	Include rate case expense amortization.	33,544	33,544	B-5,B-6
15	TOTAL	<u>\$78,424</u>	<u>\$92,571</u>	
16				
17	DEPRECIATION			
18	Adjust depreciation for non-used and useful plant.	<u>0</u>	<u>0</u>	B-13,B-14
19	TOTAL	<u>\$0</u>	<u>\$0</u>	
20				
21	TAXES OTHER THAN INCOME TAX			
22	Adjust payroll tax to reflect FICA on adjusted wages.	233	174	B-15
23				
24	Adjust property tax for UPIS additions (based on prior period).			
25	UPIS Additions (12/31/06-12/31/07)	1,066,139	527,871	
26	Rate per \$1,000	<u>0.00629</u>	<u>0.00523</u>	B-15
27		6,707	2,758	
28				
29	Adjust property tax for non-used and useful plant.	\$44,947	\$40,998	
30	Composite Percentage (Non-used and Useful UPIS/Total UPIS)	<u>0.0%</u>	<u>0.0%</u>	B-15
31		0	0	
32				
33	RAF on Revenue Adjustment (Above)	4.50%	0	B-15
34		0	0	
35	TOTAL	<u>\$6,940</u>	<u>\$2,932</u>	

Schedule of Adjustments to Operating Income

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Interim [] Final [X]
 Historical [] Projected [X]

Schedule: B-3
 Page: 4 of 4
 Preparer: Guastella Associates

Description: Provide a detailed description of all adjustments to operating income per books, with a total for each line item shown on the net operating income statement.

Line No.	Description	Water	Sewer	Supporting Schedule(s)
1	UTILITY AVERAGE TEST YEAR ADJUSTMENTS - 12/31/08			
2				
3	NET OPERATING REVENUE			
4	Required Revenue Adjustment	<u>\$183,853</u>	<u>\$487,912</u>	
5				
6	TAXES OTHER THAN INCOME TAX			
7	RAF on Revenue Adjustment 4.50% x Above	<u>\$8,273</u>	<u>\$21,956</u>	B-15
8				
9	INCOME TAX ADJUSTMENT			
10	Operating Income before Income Tax	376,883	224,398	
11	Interest on Rate Base			
12	Rate Base	\$3,993,339	\$2,377,653	
13	Weighted Cost of Debt & Customer Deposits	0.20%	0.20%	
14	Interest Expense	<u>7,958</u>	<u>4,738</u>	C-3
15				
16	State Taxable Income	368,925	219,659	
	State Tax Rate	0.00%	0.00%	
17	State Taxes	<u>0</u>	<u>0</u>	C-2
18	Federal Taxable Income	368,925	219,659	
	Federal Tax Rate	0.00%	0.00%	
19	Income Tax Rate	<u>0</u>	<u>0</u>	C-2
20				
21	Total Income Taxes	0	0	
22	Less: Amount per Books	<u>0</u>	<u>0</u>	
23	TOTAL	<u>\$0</u>	<u>\$0</u>	C-1

Test Year Operating Revenues

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08

Schedule: B-4
 Page: 1 of 2
 Preparer: Guastella Associates

Historical [] Projected [X]

Description: Complete the following revenue schedule for the historical test year or base year.

Line No.	Account No. & Description	Total Water	Account No. & Description	Total Sewer
WATER SALES			SEWER SALES	
1	460 Unmetered Water Revenue		521.1 Flat Rate - Residential	
2	461.1 Metered - Residential	\$412,574	521.2 Flat Rate - Commercial	
3	461.2 Metered - Commercial	531,569	521.3 Flat Rate - Industrial	
4	461.3 Metered - Industrial		521.4 Flat Rate - Public Authority	
5	461.4 Metered - Public Authority		521.5 Flat Rate - Multi-Family	
6	461.5 Metered - Multi-Family		521.6 Flat Rate - Other	
7	462.1 Public Fire Protection		522.1 Measured - Residential	\$315,472
8	462.2 Private Fire Protection	46,751	522.2 Measured - Commercial	489,827
9	464 Other Sales - Public Authorities		522.3 Measured - Industrial	
10	465 Irrigation Customers		522.4 Measured - Public Authority	
11	466 Sales for Resale		522.5 Measured - Multi-Family	
12	467 Interdepartmental Sales		523 Other Sales - Public Authority	
13			524 Revenue from Other Systems	
14	TOTAL WATER SALES	\$990,894	525 Interdepartmental Sales	
15				
16	OTHER WATER REVENUES		TOTAL SEWER SALES	\$805,299
17	469 Guaranteed Revenues / AFPI			
18	470 Forfeited Discounts		OTHER SEWER REVENUES	
19	471 Misc. Service Revenues	9,580	531 Sale of Sludge	
20	472 Rent From Water Property		532 Forfeited Discounts	
21	473 Interdepartmental Rents		534 Rent From sewer Property	
22	474 Other Water Revenues		535 Interdepartmental Rents	
23			536 Other Sewer Revenues	
24	TOTAL OTHER WATER REVENUES	\$9,580		
25			TOTAL OTHER SEWER REVENUES	\$0
26	TOTAL WATER OPERATING REVENUES	<u>\$1,000,474</u>		
27			TOTAL SEWER OPERATING REVENUES	<u>\$805,299</u>

Test Year Operating Revenues

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07

Schedule: B-4
 Page: 2 of 2
 Preparer: Guastella Associates

Historical [X] Projected []

Description: Complete the following revenue schedule for the historical test year or base year.

Line No.	Account No. & Description	Total Water	Account No. & Description	Total Sewer
WATER SALES			SEWER SALES	
1	460 Unmetered Water Revenue		521.1 Flat Rate - Residential	
2	461.1 Metered - Residential	\$416,768	521.2 Flat Rate - Commercial	
3	461.2 Metered - Commercial	469,709	521.3 Flat Rate - Industrial	
4	461.3 Metered - Industrial		521.4 Flat Rate - Public Authority	
5	461.4 Metered - Public Authority		521.5 Flat Rate - Multi-Family	
6	461.5 Metered - Multi-Family		521.6 Flat Rate - Other	
7	462.1 Public Fire Protection		522.1 Measured - Residential	\$317,369
8	462.2 Private Fire Protection	40,914	522.2 Measured - Commercial	380,744
9	464 Other Sales - Public Authorities		522.3 Measured - Industrial	
10	465 Irrigation Customers		522.4 Measured - Public Authority	
11	466 Sales for Resale		522.5 Measured - Multi-Family	
12	467 Interdepartmental Sales		523 Other Sales - Public Authority	
13	TOTAL WATER SALES	\$927,391	524 Revenue from Other Systems	
			525 Interdepartmental Sales	
14	OTHER WATER REVENUES		TOTAL SEWER SALES	\$698,113
15	469 Guaranteed Revenues / AFPI		OTHER SEWER REVENUES	
16	470 Forfeited Discounts		531 Sale of Sludge	
17	471 Misc. Service Revenues	18,128	532 Forfeited Discounts	
18	472 Rent From Water Property		534 Rent From sewer Property	
19	473 Interdepartmental Rents		535 Interdepartmental Rents	
20	474 Other Water Revenues		536 Other Sewer Revenues	
21	TOTAL OTHER WATER REVENUES	\$18,128	TOTAL OTHER SEWER REVENUES	\$0
22	TOTAL WATER OPERATING REVENUES	<u>\$945,518</u>	TOTAL SEWER OPERATING REVENUES	<u>\$698,113</u>

Detail of Operation & Maintenance Expenses By Month - Water

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [] Projected [X]

Schedule: B-5
 Page: 1 of 2
 Preparer: Guastella Associates

Description: Provide a schedule showing the basis for projected O & M expenses.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Line No.	Account No. and Name	12 Months Ended 12/31/2007	Adjustments	Adjusted 12/31/2007 Expense	Monthly Average (col. 4/12)	GNP Index	Projected Monthly Expense	Projected Annual Expense	Pro forma Adjustments	Adjusted 12/31/2008 Expense
1	601 - Salaries & Wages - Employees	\$97,709	\$3,712	\$101,420	\$8,451.67		\$8,451.67	\$101,420	\$3,043	\$104,463
2	603 - Salaries & Wages - Officers	0		0	0.00		0.00	0		0
3	604 - Employee Pension & Benefits	1,143		1,143	95.25		95.25	1,143	34	1,177
4	615 - Purchased Power	79,586		79,586	6,632.19		6,632.19	79,586	6,804	86,390
5	616 - Fuel, Power Production	1,878		1,878	156.53		156.53	1,878	161	2,039
6	618 - Chemicals	26,821		26,821	2,235.05	1.02935	2,300.65	27,608	1,505	29,113
7	620 - Materials & Supplies	12,771		12,771	1,064.23	1.02935	1,095.47	13,146		13,146
8	631 - Contract Services - Engineering	73,948		73,948	6,162.36		6,162.36	73,948	33,333	107,281
9	632 - Contract Services - Accounting	12,588		12,588	1,048.96		1,048.96	12,588		12,588
10	633 - Contract Services - Legal	31,820		31,820	2,651.67		2,651.67	31,820		31,820
11	634 - Contract Services - Mgmt Fees	75,375	(9,075)	66,300	5,525.00		5,525.00	66,300		66,300
12	635 - Contract Services - Testing	10,766		10,766	897.17		897.17	10,766		10,766
13	636 - Contract Services - Other	54,455		54,455	4,537.90		4,537.90	54,455		54,455
14	641 - Rental of Building / Real Property	15,378		15,378	1,281.53		1,281.53	15,378		15,378
15	650 - Transportation Expense	5,625		5,625	468.78		468.78	5,625		5,625
16	655 - Insurance	12,449		12,449	1,037.40		1,037.40	12,449		12,449
17	666 - Regulatory Expense - Rate Case Exp	0		0	0.00		0.00	0	33,544	33,544
18	667 - Regulatory Commission Expense	0		0	0.00		0.00	0		0
19	670 - Bad Debt Expense	4,355		4,355	362.90		362.90	4,355		4,355
20	672 - Permitting Expense	3,912		3,912	325.96		325.96	3,912		3,912
21	675 - Miscellaneous Expense	14,554		14,554	1,212.79	1.02935	1,248.39	14,981		14,981
22	676 - Communication Expense	7,085		7,085	590.42		590.42	7,085		7,085
23	677 - Customer Bill/Postage	7,867		7,867	655.54	1.02935	674.78	8,097		8,097
24	TOTAL	\$550,083	(\$5,363)	\$544,720	\$45,393		\$45,545	\$546,540	\$78,424	\$624,964

Detail of Operation & Maintenance Expenses By Month -Water

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Historical [X] Projected []

Schedule: B-5
 Page: 2 of 2
 Preparer: Guastella Associates

Description: Provide a schedule of operation and maintenance expenses by primary account for each month of the test year.

Line No.	(1) Account No. and Name	(2) 1/31/2007	(3) 2/28/2007	(4) 3/31/2007	(5) 4/30/2007	(6) 5/31/2007	(7) 6/30/2007	(8) 7/31/2007	(9) 8/31/2007	(10) 9/30/2007	(11) 10/31/2007	(12) 11/30/2007	(13) 12/31/2007	(14) Annual Total	(15) Total Labor
1	601 - Salaries & Wages - Employees	\$6,654	\$6,912	\$6,912	\$7,586	\$7,500	\$11,316	\$7,601	\$7,605	\$7,836	\$7,762	\$11,315	\$8,710	\$97,709	\$97,709
2	603 - Salaries & Wages - Officers	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	604 - Employee Pension & Benefits	42	84	84	90	90	136	90	90	90	90	166	90	1,143	0
4	615 - Purchased Power	6,148	4,812	5,422	6,518	7,741	6,389	7,636	6,953	8,413	6,329	6,691	6,535	79,586	0
5	616 - Fuel, Power Production	0	0	321	521	0	0	0	454	0	0	0	582	1,878	0
6	618 - Chemicals	2,184	1,455	1,759	2,048	2,534	2,263	2,199	2,564	2,838	2,281	1,677	3,016	26,821	0
7	620 - Materials & Supplies	1,294	676	1,971	1,860	2,293	338	469	838	1,460	648	796	127	12,771	0
8	631 - Contract Services - Engineering	0	1,913	3,022	5,498	16,612	14,737	4,570	0	3,898	2,977	20,721	0	73,948	0
9	632 - Contract Services - Accounting	938	888	950	2,075	1,463	1,050	863	850	700	825	1,225	763	12,588	0
10	633 - Contract Services - Legal	2,500	2,500	2,500	2,500	2,500	2,500	4,320	2,500	2,500	2,500	2,500	2,500	31,820	0
11	634 - Contract Services - Mgmt Fees	11,575	5,525	5,525	5,525	8,550	5,525	5,525	5,525	5,525	5,525	5,525	5,525	75,375	0
12	635 - Contract Services - Testing	1,496	265	265	1,623	715	1,444	290	409	1,920	410	290	1,639	10,766	0
13	636 - Contract Services - Other	3,893	3,522	1,620	6,896	1,183	1,137	10,973	5,166	3,193	1,744	4,429	10,697	54,455	0
14	641 - Rental of Building / Real Property	1,282	1,282	1,282	1,282	1,282	1,282	1,282	1,282	1,282	1,282	1,282	1,282	15,378	0
15	650 - Transportation Expense	356	424	393	890	281	528	484	401	607	394	482	386	5,625	0
16	655 - Insurance	279	294	284	305	8,788	454	307	305	316	314	450	354	12,449	0
17	666 - Regulatory Expense - Rate Case Exp	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	667 - Regulatory Commission Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	670 - Bad Debt Expense	39	0	0	0	0	0	0	0	0	0	0	4,316	4,355	0
20	672 - Permitting Expense	3,912	0	0	0	0	0	0	0	0	0	0	0	3,912	0
21	675 - Miscellaneous Expense	2,753	930	1,270	1,037	248	1,702	1,556	1,265	1,023	1,018	308	1,443	14,554	0
22	676 - Communication Expense	715	534	517	511	549	551	605	559	599	841	538	567	7,085	0
23	677 - Customer Bill/Postage	820	256	775	851	576	0	1,399	0	750	1,286	826	326	7,867	0
24	TOTAL	\$46,879	\$32,271	\$34,871	\$47,617	\$62,905	\$51,352	\$50,169	\$36,765	\$42,950	\$36,225	\$59,221	\$48,859	\$550,083	\$97,709

Detail of Operation & Maintenance Expenses By Month - Sewer

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [] Projected [X]

Schedule: B-6
 Page: 1 of 2
 Preparer: Guastella Associates

Description: Provide a schedule showing the basis for projected O & M expenses

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Line No.	Account No. and Name	12 Months Ended 12/31/2007	Adjustments	Adjusted 12/31/2007 Expense	Monthly Average (col. 4/12)	GNP Index	Projected Monthly Expense	Projected Annual Expense	Pro forma Adjustments	Adjusted 12/31/2008 Expense
1	701 - Salaries & Wages - Employees	\$73,217	\$2,433	\$75,650	\$6,304.17		\$6,304.17	\$75,650	\$2,270	\$77,920
2	703 - Salaries & Wages - Officers	0		0	0.00		0.00	0		0
3	704 - Employee Pension & Benefits	1,143		1,143	95.23		95.23	1,143	34	1,177
4	710 - Purchased Sewage Treatment	0		0	0.00		0.00	0	0	0
5	711 - Sludge Removal Expense	264,515		264,515	22,042.95		22,042.95	264,515	38,179	302,694
6	715 - Purchased Power	106,840		106,840	8,903.36		8,903.36	106,840	15,421	122,261
7	716 - Fuel for Power Purchased	1,206		1,206	100.47		100.47	1,206	174	1,380
8	718 - Chemicals	25,651		25,651	2,137.59	1.02935	2,200.33	26,404	2,949	29,353
9	720 - Materials & Supplies	7,141		7,141	595.07	1.02935	612.54	7,350		7,350
10	731 - Contract Services - Engineering	75,148		75,148	6,262.36		6,262.36	75,148		75,148
11	732 - Contract Services - Accounting	12,588		12,588	1,048.96		1,048.96	12,588		12,588
12	733 - Contract Services - Legal	21,373		21,373	1,781.08		1,781.08	21,373		21,373
13	734 - Contract Services - Mgmt Fees	67,125	(7,425)	59,700	4,975.00		4,975.00	59,700		59,700
14	735 - Contract Services - Testing	8,167		8,167	680.57		680.57	8,167		8,167
15	736 - Contract Services - Other	69,957		69,957	5,829.74		5,829.74	69,957		69,957
16	741 - Rental of Building / Real Property	48,899		48,899	4,074.88		4,074.88	48,899		48,899
17	742 - Rental of Equipment	0		0	0.00		0.00	0		0
18	750 - Transportation Expense	5,788		5,788	482.36		482.36	5,788		5,788
19	755 - Insurance	12,449		12,449	1,037.38		1,037.38	12,449		12,449
20	766 - Regulatory Expense - Rate Case Exj	0		0	0.00		0.00	0	33,544	33,544
21	767 - Regulatory Commission Expense	0		0	0.00		0.00	0		0
22	770 - Bad Debt Expense	4,355		4,355	362.90		362.90	4,355		4,355
23	772 - Permitting Expense	2,794		2,794	232.86		232.86	2,794		2,794
24	775 - Miscellaneous Expense	14,499		14,499	1,208.28	1.02935	1,243.74	14,925		14,925
25	776 - Communication Expense	7,098		7,098	591.51		591.51	7,098		7,098
26	777 - Customer Bill/Postage	7,866		7,866	655.54	1.02935	674.78	8,097		8,097
27	TOTAL	\$837,819	(\$4,992)	\$832,827	\$69,402		\$69,537	\$834,446	\$92,571	\$927,017

Detail of Operation & Maintenance Expenses By Month -Sewer

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Historical [X] Projected []

Schedule: B-6
 Page: 2 of 2
 Preparer: Guastella Associates

Description: Provide a schedule of operation and maintenance expenses by primary account for each month of the test year.

Line No.	(1) Account No. and Name	(2) 1/31/2007	(3) 2/28/2007	(4) 3/31/2007	(5) 4/30/2007	(6) 5/31/2007	(7) 6/30/2007	(8) 7/31/2007	(9) 8/31/2007	(10) 9/30/2007	(11) 10/31/2007	(12) 11/30/2007	(13) 12/31/2007	(14) Total Annual	(15) Total Labor
1	701 - Salaries & Wages - Employees	\$4,908	\$5,166	\$5,166	\$5,724	\$5,618	\$8,493	\$5,719	\$5,672	\$5,853	\$5,780	\$8,392	\$6,727	\$73,217	\$73,217
2	703 - Salaries & Wages - Officers	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	704 - Employee Pension & Benefits	42	84	84	90	90	136	90	90	90	90	166	90	1,143	
4	710 - Purchased Sewage Treatment	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	711 - Sludge Removal Expense	10,913	16,104	11,712	21,900	20,496	19,368	23,424	36,234	36,654	21,594	28,548	17,568	264,515	
6	715 - Purchased Power	9,415	6,796	7,664	8,016	9,673	7,867	8,066	9,534	10,716	9,668	9,165	10,260	106,840	
7	716 - Fuel for Power Purchased	0	0	0	375	0	0	0	289	0	0	0	542	1,206	
8	718 - Chemicals	2,248	999	1,723	1,946	1,494	1,910	2,661	1,947	2,843	2,915	1,701	3,264	25,651	
9	720 - Materials & Supplies	1,258	636	89	314	117	159	734	432	1,681	818	796	127	7,141	
10	731 - Contract Services - Engineering	433	2,346	3,454	5,931	17,045	15,170	6,690	523	2,208	3,409	17,073	866	75,148	
11	732 - Contract Services - Accounting	938	888	950	2,075	1,463	1,050	863	850	700	825	1,225	763	12,588	
12	733 - Contract Services - Legal	(7,947)	2,500	2,500	2,500	2,500	2,500	4,320	2,500	2,500	2,500	2,500	2,500	21,373	
13	734 - Contract Services - Mgmt Fees	9,925	4,975	4,975	4,975	7,450	4,975	4,975	4,975	4,975	4,975	4,975	4,975	67,125	
14	735 - Contract Services - Testing	422	238	595	238	833	372	630	2,736	476	476	476	476	8,167	
15	736 - Contract Services - Other	10,399	9,693	4,350	3,813	4,179	2,262	7,936	4,995	4,079	7,414	4,043	6,794	69,957	
16	741 - Rental of Building / Real Property	4,075	4,075	4,075	4,075	4,075	4,075	4,075	4,075	4,075	4,075	4,075	4,075	48,899	
17	742 - Rental of Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	
18	750 - Transportation Expense	356	424	393	890	444	528	484	451	607	394	432	386	5,788	
19	755 - Insurance	279	294	284	305	8,788	454	307	305	316	314	450	354	12,449	
20	766 - Regulatory Expense - Rate Case Ex	0	0	0	0	0	0	0	0	0	0	0	0	0	
21	767 - Regulatory Commission Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	
22	770 - Bad Debt Expense	39	0	0	0	0	0	0	0	0	0	0	4,316	4,355	
23	772 - Permitting Expense	2,794	0	0	0	0	0	0	0	0	0	0	0	2,794	
24	775 - Miscellaneous Expense	2,753	930	1,269	1,037	248	1,702	1,556	1,213	1,023	1,018	308	1,443	14,499	
25	776 - Communication Expense	715	534	525	561	549	551	613	559	545	841	588	518	7,098	
26	777 - Customer Bill/Postage	820	256	775	851	576	0	1,399	0	750	1,286	826	326	7,866	
27	TOTAL	\$49,876	\$51,769	\$45,395	\$59,894	\$80,020	\$63,078	\$68,824	\$71,707	\$74,237	\$62,613	\$77,346	\$59,842	\$837,819	\$73,217

Operation & Maintenance Expense Comparison - Water

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08

Schedule: B-7
 Page: 1 of 1
 Preparer: Guastella Associates

Description: Complete the following comparison of the applicant's current and prior test year O & M expenses before this Commission. Provide an explanation of all differences which are not attributable to the change in customer growth and the CPI-U. If the applicant has not had a previous rate case, use the year 5 years prior to the test year for comparison. Provide an additional schedule, if necessary, to explain differences.

Line No.	(1) Account No. and Name	(2) Prior Test Year	(3) Current TY 12/31/2007	(4) \$ Difference	(5) % Difference
1	601 - Salaries & Wages - Employees		\$101,420		
2	603 - Salaries & Wages - Officers		0		
3	604 - Employee Pension & Benefits		1,143		
4	615 - Purchased Power		79,586		
5	616 - Fuel, Power Production		1,878		
6	618 - Chemicals		26,821		
7	620 - Materials & Supplies		12,771		
8	631 - Contract Services - Engineering		73,948		
9	632 - Contract Services - Accounting		12,588		
10	633 - Contract Services - Legal		31,820		
11	634 - Contract Services - Mgmt Fees		66,300		
12	635 - Contract Services - Testing		10,766		
13	636 - Contract Services - Other		54,455		
14	641 - Rental of Building / Real Property		15,378		
15	650 - Transportation Expense		5,625		
16	655 - Insurance		12,449		
17	666 - Regulatory Expense - Rate Case Exp		0		
18	667 - Regulatory Commission Expense		0		
19	670 - Bad Debt Expense		4,355		
20	672 - Permitting Expense		3,912		
21	675 - Miscellaneous Expense		14,554		
22	676 - Communication Expense		7,085		
23	677 - Customer Bill/Postage		7,867		
24	TOTAL		\$0	\$544,720	\$0
25	Total Customers (ERCs)			3,339	
26	Consumer Price Index - U			207.3	
27	Growth Plus Inflation				
28	Growth Plus Inflation=Growth + Inflation + (Growth x Inflation).				

Explanations:

This schedule is not applicable in this instance. The last time O&M expense was examined by the Commission was related to the "forecasted" future expenses in the initial rate filing.

Operation & Maintenance Expense Comparison - Sewer

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08

Schedule: B-8
 Page: 1 of 1
 Preparer: Guastella Associates

Description: Complete the following comparison of the applicant's current and prior test year O & M expenses before this Commission. Provide an explanation of all differences which are not attributable to the change in customer growth and the CPI-U. If the applicant has not had a previous rate case, use the year 5 years prior to the test year for comparison. Provide an additional schedule, if necessary, to explain differences.

Line No.	(1) Account No. and Name	(2) Prior Test Year	(3) Current TY 12/31/2007	(4) \$ Difference	(5) % Difference
1	701 - Salaries & Wages - Employees		\$75,650		
2	703 - Salaries & Wages - Officers		0		
3	704 - Employee Pension & Benefits		1,143		
4	710 - Purchased Sewage Treatment		0		
5	711 - Sludge Removal Expense		264,515		
6	715 - Purchased Power		106,840		
7	716 - Fuel for Power Purchased		1,206		
8	718 - Chemicals		25,651		
9	720 - Materials & Supplies		7,141		
10	731 - Contract Services - Engineering		75,148		
11	732 - Contract Services - Accounting		12,588		
12	733 - Contract Services - Legal		21,373		
13	734 - Contract Services - Mgmt Fees		59,700		
14	735 - Contract Services - Testing		8,167		
15	736 - Contract Services - Other		69,957		
16	741 - Rental of Building / Real Property		48,899		
17	742 - Rental of Equipment		0		
18	750 - Transportation Expense		5,788		
19	755 - Insurance		12,449		
20	766 - Regulatory Expense - Rate Case Exp		0		
21	767 - Regulatory Commission Expense		0		
22	770 - Bad Debt Expense		4,355		
23	772 - Permitting Expense		2,794		
24	775 - Miscellaneous Expense		14,499		
25	776 - Communication Expense		7,098		
26	777 - Customer Bill/Postage		7,866		
27	TOTAL	\$0	\$832,827	\$0	
	Total Customers (ERCs)		3,255		
	Consumer Price Index - U		207.3		
	Growth Plus Inflation				

Growth Plus Inflation=Growth + Inflation + (Growth x Inflation).

Contractual Services

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08

Schedule: B-9
 Page: 1 of 1
 Preparer: Guastella Associates

Description: Provide a complete list of outside services which were incurred during the test year. List by type of service, such as accounting, engineering or legal, and provide specific detail of work performed by each consultant and the associated cost breakdown by items. Provide amounts separated by system and method of allocation if appropriate. Specific detail is not necessary for charges which are less than 2% of the test year revenues for that system. Do not include rate case expense charges.

	(1)	(2)	(3)	(4)
Line No.	Consultant	Type of Service	Amount	Description of Work Performed
1	CH2M Hill, Inc.	Engineering	\$141,419	Water & Sewer - Engineering, Permitting, Compliance Services
2	Devo Seereeram, PhD	Engineering	\$7,058	Sewer - Hydrology & Engineering Service
3	David DeNagy	Accounting	\$25,175	Water & Sewer - Accounting / Annual Report Services
4	Wm. J. Deas	Legal	\$60,000	Water & Sewer - Legal / Admin. Services
5	Cagan Mgmt Group	Management	\$60,000	Water & Sewer - Administrative Services.
6	The Ridgetop Group	Management	\$59,400	Water & Sewer - Operations Management
7	The Ridgetop Group	Management	\$6,600	Water - SJRWMD Compliance

Analysis of Rate Case Expense

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08

Schedule: B-10
 Page: 1 of 1
 Preparer: Guastella Associates

Description: Provide the total amount of rate case expense requested in the application. State whether the total includes the amount up to proposed agency action or through a hearing before the Commission. Provide a breakdown of the total by persons assisting in the application, including the hours billed, the hourly rate, and a detailed list of services provided. Also provide the amortization and its allocation, including support behind this determination.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Line No.	Council, Consultant or Witness	Firm or Vendor Name	Professional Fees	Hourly Rate	Travel Expenses	Total Fees & Expenses	Type of Service	Specific Service Rendered
1	John F. Guastella	Guastella Associates, Inc.	\$150,000	\$190 avg	\$5,000	\$155,000	Consulting	Rate Regulation & Testimony
2	Gary C. White						Engineering	Used & Useful Analysis
3							Accounting	Preparation of MFRs
4							General	Interrogatory Responses and Conferences, Etc.
5								
6								
7	James Ade	James L. Ade, P.L.	75,000	\$315	2,000	77,000	Legal	Legal service through PAA (Exclusive of Hearings)
8								
9								
10	David DeNagy		15,000			15,000	Accounting	Financial Book & Records
11	Randall Corbin						Engineering	Plant Data, Maps, Etc.
12								
13	Jeffery Cagan	Southlake Utilities, Inc.				10,000	Administrative	Operational & Billing Data, Mailings, Notices, Copying, Etc.
14	Kim Kitchens							
15								
16		FPSC Filing Fee				8,000		
17								
18		Printing MFRs				1,250		Bind & Copy 20 sets of approx. 250 pg Filing at \$.25/pg
19								
20								
21		Published Notice Requirements				600		Newspaper Notices
22								
23		Customer Notice - Printing, Materials and Postage				1,500		Approx. 2000 notices at \$.75 Per Notice
24								
25								
26	TOTAL					<u>\$268,350</u>		
27								
28	Estimated Through							
29	<input checked="" type="checkbox"/> PAA							
30	<input type="checkbox"/> Commission Hearings							
31								
32	Amortization Period (Explain if different than Commission Policy)			4 Years				
33	Amortization of Rate Case Expense:							
34	Prior Rate Case Expense Unamortized					\$0		
35	Current Rate Case Expense					<u>268,350</u>		
36								
37	Total					<u>\$268,350</u>		
38								
39	Annual Amortization					<u>\$67,087.50</u>		
40								
41	Method of Allocation Between Systems (Provide Calculation):					n/a		

Analysis of Major Maintenance Projects - Water & Sewer

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Test Year Ending 12/31/08

Schedule: B-11
Page: 1 of 1
Preparer: Guastella Associates

Description: Provide an analysis of all maintenance projects greater than 2% of test year revenues per system which occurred during the 2 years prior to the test year, the test year, and the budgeted amount for 1 year subsequent to the test year. For each project, provide a description, the total cost or budgeted amount and how often the project should be repeated.

NONE

Allocation of Expenses

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08

Schedule: B-12
 Page: 1 of 1
 Preparer: Guastella Associates

Description: Provide a schedule detailing expenses which are subject to allocation between systems (water, sewer & gas, etc showing allocation percentages, gross amounts, amounts allocated, and a detailed description of the method of allocation Provide a description of all systems other than water and sewer

Line No.	Acct. No.	Description	(1) (2) (3) (4)				(5) Description of Allocation Method	(6) (7) (8) (9)			
			Allocation Percentages					Amounts Allocated			
			Water	Sewer	Other	Total		Water	Sewer	Other	Total
1	601/701	Employee Wages	50%	50%		100%	Equal Time Split	73,217	73,217		146,434
2	601/701	Direct Charge						24,491			24,491
3								97,709	73,217		170,926
4											
5	604/704	Pension & Benefits	50%	50%		100%	Same as Wages	30	30		60
6	604/704	401K Employer Match	50%	50%		100%	Same as Wages	1,113	1,113		2,226
7								1,143	1,143		2,286
8											
9	631/731	Contract Serv-Engr	50%	50%		100%	Equal Split	69,868	69,868		139,736
10	631/731	Direct Charge						4,080	5,280		9,360
11								73,948	75,148		149,096
12											
13	632/732	Contract Serv-Acctg	50%	50%		100%	Equal Split	12,588	12,588		25,176
14											
15	633/733	Contract Serv-Legal	50%	50%		100%	Equal Split	31,820	31,820		63,640
16	633/733	Direct Charge							(10,447)		(10,447)
17								31,820	21,373		53,193
18											
19	634/734	Contract Serv-Mgmt	50%	50%		100%	Equal Split	67,125	67,125		134,250
20	634/734	Direct Charge						8,250			8,250
21								75,375	67,125		142,500
22											
23	641/741	Rental-Bldg	21%	79%		100%	Based on Relative Area	11,778	45,299		57,077
24	641/741	Rental-Bldg	50%	50%		100%	Equal Split-Office Space	3,600	3,600		7,200
25								15,378	48,899		64,277
26											
27	650/750	Transportation Exp.	50%	50%		100%	Equal Split	5,788	5,788		11,576
28	650/750	Direct Charge						(163)			(163)
29								5,625	5,788		11,413
30											
31	655/755	Insurance	50%	50%		100%	Equal Split	12,449	12,449		24,898
32											
33	670/770	Bad Debt Expense	50%	50%		100%	Equal Split	4,355	4,355		8,710
34											
35	672/772	Permitting Expense	50%	50%		100%	Equal Split	2,794	2,794		5,588
36	672/772	Direct Charge						1,117			1,117
37								3,911	2,794		6,705
38											
39	675/775	Misc. Expense	50%	50%		100%	Equal Split	14,458	14,458		28,916
40	675/775	Direct Charge						95	41		136
41								14,554	14,499		29,053
42											
43	676/776	Communication Exp.	50%	50%		100%	Equal Split	6,882	6,882		13,765
44	676/776	Direct Charge						203	216		419
45								7,085	7,098		14,183
46											
47	677/777	Cust. Billing & Postage	50%	50%		100%	Equal Split	7,867	7,866		15,733
48											
49	408	Property Taxes	50%	50%		100%	Equal Split	38,240	38,240		76,480
50											
51	408	Payroll Taxes	50%	50%		100%	Equal Split	6,725	6,725		13,450

Supplemental Information Required by Rule 25-30.436 (4) (h), F.A.C.

Net Depreciation Expense - Water

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [] Projected [X]

Schedule: B-13
 Page: 1 of 3
 Preparer: Guastella Associates

Description: Provide a schedule of test year non-used and useful depreciation expense by primary account

Line No.	(1) Account No.	Account Name	(3) Year End 12/31/2008	(4) Utility Adjustments	Adjusted Y.E. Balance	(5) % Non-Used and Useful	(6) Future Use Amount
1		INTANGIBLE PLANT					
2	301.1	Organization	\$0		\$0		\$0
3	302.1	Franchises	0		0		0
4	339.1	Other Plant & Misc. Equipment	0		0		0
5		SOURCE OF SUPPLY & PUMPING PLANT					
6	304.2	Structures & Improvements	0		0	0.00%	0
7	305.2	Collect. & Impound Reservoirs	0		0	0.00%	0
8	306.2	Lake, River & Other Intakes	0		0	0.00%	0
9	307.2	Wells & Springs	48,512		48,512	0.00%	0
10	308.2	Infiltration Galleries & Tunnels	0		0	0.00%	0
11	309.2	Supply Mains	0		0	0.00%	0
12	310.2	Power Generation Equipment	949		949	0.00%	0
13	311.2	Pumping Equipment	0		0	0.00%	0
14	339.2	Other Plant & Misc. Equipment	0		0	0.00%	0
15		WATER TREATMENT PLANT					
16	304.3	Structures & Improvements	21,387		21,387	0.00%	0
17	311.3	Pumping Equipment	3,997		3,997	0.00%	0
18	320.3	Water Treatment Equipment	675		675	0.00%	0
19	339.3	Other Plant & Misc. Equipment	0		0	0.00%	0
20		TRANSMISSION & DISTRIBUTION PLANT					
21	304.4	Structures & Improvements	0		0	0.00%	0
22	330.4	Distr. Reservoirs & Standpipes	32,183		32,183	0.00%	0
23	331.4	Transm. & Distribution Mains	61,028		61,028	0.00%	0
24	333.4	Services	6,785		6,785	0.00%	0
25	334.4	Meters & Meter Installations	16,543		16,543	0.00%	0
26	335.4	Hydrants	5,118		5,118	0.00%	0
27	339.4	Other Plant & Misc. Equipment	327		327	0.00%	0
28		GENERAL PLANT					
29	304.5	Structures & Improvements	0		0		0
30	340.5	Office Furniture & Equipment	1,586		1,586		0
31	341.5	Transportation Equipment	0		0		0
32	342.5	Stores Equipment	0		0		0
33	343.5	Tools, Shop & Garage Equipment	42		42		0
34	344.5	Laboratory Equipment	0		0		0
35	345.5	Power Operated Equipment	788		788		0
36	346.5	Communication Equipment	0		0		0
37	347.5	Miscellaneous Equipment	0		0		0
38	348.5	Other Tangible Plant	1,706		1,706		0
39		TOTAL DEPRECIATION EXPENSE	\$201,627	\$0	\$201,627		\$0
40		LESS: AMORTIZATION OF CIAC					
41		CIAC - Plant	59,111		59,111	0.00%	0
42		CIAC - Mains	46,553		46,553	0.00%	0
43		CIAC - Meters	17,510		17,510	0.00%	0
44		CIAC - Other	2,367		2,367	0.00%	0
45		TOTAL AMORTIZATION EXPENSE	125,541	0	125,541		0
46		NET DEPRECIATION EXPENSE - WATER	\$76,086	\$0	\$76,086		\$0

Net Depreciation Expense - Water

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Historical [X] Projected []

Schedule: B-13
 Page: 2 of 3
 Preparer: Guastella Associates

Description: Provide a schedule of test year non-used and useful depreciation expense by primary account

Line No.	(1) Account No.	Account Name	(3) Year End 12/31/2007	(4) Utility Adjustments	Adjusted Y.E. Balance	(5) % Non-Used and Useful	(6) Future Use Amount
1		INTANGIBLE PLANT					
2	301.1	Organization	\$0		\$0		\$0
3	302.1	Franchises	0		0		0
4	339.1	Other Plant & Misc. Equipment	0		0		0
5		SOURCE OF SUPPLY & PUMPING PLANT					
6	304.2	Structures & Improvements	0			0.00%	0
7	305.2	Collect. & Impound Reservoirs	0		0	0.00%	0
8	306.2	Lake, River & Other Intakes	0		0	0.00%	0
9	307.2	Wells & Springs	48,106		48,106	0.00%	0
10	308.2	Infiltration Galleries & Tunnels	0		0	0.00%	0
11	309.2	Supply Mains	0		0	0.00%	0
12	310.2	Power Generation Equipment	949		949	0.00%	0
13	311.2	Pumping Equipment	0		0	0.00%	0
14	339.2	Other Plant & Misc. Equipment	0		0	0.00%	0
15		WATER TREATMENT PLANT					
16	304.3	Structures & Improvements	21,026		21,026	0.00%	0
17	311.3	Pumping Equipment	3,808		3,808	0.00%	0
18	320.3	Water Treatment Equipment	676		676	0.00%	0
19	339.3	Other Plant & Misc. Equipment	0		0	0.00%	0
20		TRANSMISSION & DISTRIBUTION PLANT					
21	304.4	Structures & Improvements	0		0	0.00%	0
22	330.4	Distr. Reservoirs & Standpipes	30,893		30,893	0.00%	0
23	331.4	Transm. & Distribution Mains	51,774		51,774	0.00%	0
24	333.4	Services	5,763		5,763	0.00%	0
25	334.4	Meters & Meter Installations	16,000		16,000	0.00%	0
26	335.4	Hydrants	4,108		4,108	0.00%	0
27	339.4	Other Plant & Misc. Equipment	327		327	0.00%	0
28		GENERAL PLANT					
29	304.5	Structures & Improvements	0		0		0
30	340.5	Office Furniture & Equipment	1,550		1,550		0
31	341.5	Transportation Equipment	0		0		0
32	342.5	Stores Equipment	0		0		0
33	343.5	Tools, Shop & Garage Equipment	42		42		0
34	344.5	Laboratory Equipment	0		0		0
35	345.5	Power Operated Equipment	788		788		0
36	346.5	Communication Equipment	0		0		0
37	347.5	Miscellaneous Equipment	0		0		0
38	348.5	Other Tangible Plant	57		57		0
39		TOTAL DEPRECIATION EXPENSE	\$185,867	\$0	\$185,867		\$0
40		LESS: AMORTIZATION OF CIAC					
41		CIAC - Plant	58,188		58,188	0.00%	0
42		CIAC - Mains	40,658		40,658	0.00%	0
43		CIAC - Meters	17,294		17,294	0.00%	0
44		CIAC - Other	2,362		2,362	0.00%	0
45		TOTAL AMORTIZATION EXPENSE	118,502	0	118,502		0
46		NET DEPRECIATION EXPENSE - WATER	\$67,365	\$0	\$67,365		\$0

Net Depreciation Expense - Water

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [] Projected [X]

Schedule: B-13
 Page: 3 of 3
 Preparer: Guastella Associates

Description: Provide a schedule of test year non-used and useful depreciation expense by primary account

Line No.	(1) Account No.	Account Name	(2) UPIS 12/31/2007	(3) UPIS 12/31/2008	(4) Average Balance	(5) Depreciation Rate	(6) Depreciation Expense
1		INTANGIBLE PLANT					
2	301.1	Organization	\$250	\$250	\$250		\$0
3	302.1	Franchises	62,993	62,993	62,993		0
4	339.1	Other Plant & Misc. Equipment	0	0	0		0
5		SOURCE OF SUPPLY & PUMPING PLANT					
6	304.2	Structures & Improvements	0	0	0		0
7	305.2	Collect. & Impound Reservoirs	0	0	0		0
8	306.2	Lake, River & Other Intakes	0	0	0		0
9	307.2	Wells & Springs	1,455,360	1,455,360	1,455,360	3.33%	48,512
10	308.2	Infiltration Galleries & Tunnels	0	0	0		0
11	309.2	Supply Mains	0	0	0		0
12	310.2	Power Generation Equipment	18,985	18,985	18,985	5.00%	949
13	311.2	Pumping Equipment	0	0	0		0
14	339.2	Other Plant & Misc. Equipment	0	0	0		0
15		WATER TREATMENT PLANT					
16	304.3	Structures & Improvements	705,767	705,767	705,767	3.03%	21,387
17	311.3	Pumping Equipment	79,934	79,934	79,934	5.00%	3,997
18	320.3	Water Treatment Equipment	14,861	14,861	14,861	4.55%	675
19	339.3	Other Plant & Misc. Equipment	0	0	0		0
20		TRANSMISSION & DISTRIBUTION PLANT					
21	304.4	Structures & Improvements	0	0	0		0
22	330.4	Distr. Reservoirs & Standpipes	1,190,779	1,190,779	1,190,779	2.70%	32,183
23	331.4	Transm. & Distribution Mains	2,610,446	2,637,996	2,624,221	2.33%	61,028
24	333.4	Services	269,967	272,816	271,391	2.50%	6,785
25	334.4	Meters & Meter Installations	329,121	332,595	330,858	5.00%	16,543
26	335.4	Hydrants	230,299	230,299	230,299	2.22%	5,118
27	339.4	Other Plant & Misc. Equipment	8,182	8,182	8,182	4.00%	327
28		GENERAL PLANT					
29	304.5	Structures & Improvements	0	0	0		0
30	340.5	Office Furniture & Equipment	23,792	23,792	23,792	6.67%	1,586
31	341.5	Transportation Equipment	0	0	0		0
32	342.5	Stores Equipment	0	0	0		0
33	343.5	Tools, Shop & Garage Equipment	679	679	679	6.25%	42
34	344.5	Laboratory Equipment	0	0	0		0
35	345.5	Power Operated Equipment	9,457	9,457	9,457	8.33%	788
36	346.5	Communication Equipment	0	0	0		0
37	347.5	Miscellaneous Equipment	0	0	0		0
38	348.5	Other Tangible Plant	570	33,546	17,058	10.00%	1,706
39		TOTALS	\$7,011,442	\$7,078,292	\$7,044,867	2.86%	\$201,627
40		LESS: AMORTIZATION OF CIAC					
41		CIAC - Plant	\$1,491,279	\$1,501,671	\$1,496,475	3.95%	\$59,111
42		CIAC - Mains	1,997,983	1,997,983	1,997,983	2.33%	46,553
43		CIAC - Meters	348,646	351,766	350,206	5.00%	17,510
44		CIAC - Other	101,571	101,571	101,571	2.33%	2,367
45		TOTALS	\$3,939,479	\$3,952,991	\$3,946,235	3.18%	\$125,541
46		NET DEPRECIATION EXPENSE - WATER	\$3,071,963	\$3,125,301	\$3,098,632	2.46%	\$76,086

Net Depreciation Expense - Sewer

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [] Projected [X]

Schedule: B-14
 Page: 1 of 3
 Preparer: Guastella Associates

Description: Provide a schedule of test year non-used and useful depreciation expense by primary account.

Line No.	(1) Account No.	Account Name	(3) Year End 12/31/2008	(4) Utility Adjustments	Adjusted Y.E. Balance	(5) % Non-Used and Useful	(6) Future Use Amount
1		INTANGIBLE PLANT					
2	351.1	Organization	\$0		\$0		\$0
3	352.1	Franchises	0		0		0
4	389.1	Other Plant & Misc. Equipment	0		0		0
5		COLLECTION PLANT					
6	354.2	Structures & Improvements	0		0		0
7	360.2	Collection Sewers - Force	19,818		19,818	0.00%	0
8	361.2	Collection Sewers - Gravity	26,702		26,702	0.00%	0
9	362.2	Special Collecting Structures	8,379		8,379	0.00%	0
10	363.2	Services to Customers	5,904		5,904		0
11	364.2	Flow Measuring Devices	0		0		0
12	365.2	Flow Measuring Installations	0		0		0
13	389.2	Other Plant & Misc. Equipment	0		0		0
14		SYSTEM PUMPING PLANT					
15	354.3	Structures & Improvements	0		0		0
16	370.3	Receiving Wells	0		0		0
17	371.3	Pumping Equipment	7,551		7,551	0.00%	0
18	389.3	Other Plant & Misc. Equipment	0		0		0
19		TREATMENT & DISPOSAL PLANT					
20	354.4	Structures & Improvements	86,068		86,068	0.00%	0
21	355.4	Power Generation Equipment	2,946		2,946	0.00%	0
22	380.4	Treatment & Disposal Equipment	90,709		90,709	0.00%	0
23	381.4	Plant Sewers	9,064		9,064		0
24	382.4	Outfall Sewer Lines	0		0		0
25	389.4	Other Plant & Misc. Equipment	2,370		2,370		0
26		GENERAL PLANT					
27	354.5	Structures & Improvements	0		0		0
28	390.5	Office Furniture & Equipment	1,526		1,526		0
29	391.5	Transportation Equipment	0		0		0
30	392.5	Stores Equipment	0		0		0
31	393.5	Tools, Shop & Garage Equipment	0		0		0
32	394.5	Laboratory Equipment	0		0		0
33	395.5	Power Operated Equipment	788		788		0
34	396.5	Communication Equipment	0		0		0
35	397.5	Miscellaneous Equipment	0		0		0
36	398.5	Other Tangible Plant	1,756		1,756		0
37		TOTAL DEPRECIATION EXPENSE	\$263,580	\$0	\$263,580		\$0
38		LESS: AMORTIZATION OF CIAC					
39		CIAC - Plant	171,718		171,718	0.00%	0
40		CIAC - Mains	48,503		48,503	0.00%	0
41		CIAC - Other	6,877		6,877	0.00%	0
42		TOTAL AMORTIZATION EXPENSE	227,098	0	227,098		0
42		NET DEPRECIATION EXPENSE - SEWER	\$36,482	\$0	\$36,482		\$0

Net Depreciation Expense - Sewer

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Historical [X] Projected []

Schedule: B-14
 Page: 2 of 3
 Preparer: Guastella Associates

Description: Provide a schedule of test year non-used and useful depreciation expense by primary account.

Line No.	(1) Account No.	Account Name	(3) Year End 12/31/2007	(4) Utility Adjustments	Adjusted Y.E. Balance	(5) % Non-Used and Useful	(6) Future Use Amount
1		INTANGIBLE PLANT					
2	351.1	Organization	\$0		\$0		\$0
3	352.1	Franchises	0		0		0
4	389.1	Other Plant & Misc. Equipment	0		0		0
5		COLLECTION PLANT					
6	354.2	Structures & Improvements	0		0		0
7	360.2	Collection Sewers - Force	18,500		18,500	0.00%	0
8	361.2	Collection Sewers - Gravity	25,410		25,410	0.00%	0
9	362.2	Special Collecting Structures	8,379		8,379	0.00%	0
10	363.2	Services to Customers	5,822		5,822		0
11	364.2	Flow Measuring Devices	0		0		0
12	365.2	Flow Measuring Installations	0		0		0
13	389.2	Other Plant & Misc. Equipment	0		0		0
14		SYSTEM PUMPING PLANT					
15	354.3	Structures & Improvements	0		0		0
16	370.3	Receiving Wells	0		0		0
17	371.3	Pumping Equipment	4,451		4,451	0.00%	0
18	389.3	Other Plant & Misc. Equipment	0		0		0
19		TREATMENT & DISPOSAL PLANT					
20	354.4	Structures & Improvements	83,140		83,140	0.00%	0
21	355.4	Power Generation Equipment	2,946		2,946	0.00%	0
22	380.4	Treatment & Disposal Equipment	90,781		90,781	0.00%	0
23	381.4	Plant Sewers	9,064		9,064		0
24	382.4	Outfall Sewer Lines	0		0		0
25	389.4	Other Plant & Misc. Equipment	2,371		2,371		0
26		GENERAL PLANT					
27	354.5	Structures & Improvements	0		0		0
28	390.5	Office Furniture & Equipment	1,490		1,490		0
29	391.5	Transportation Equipment	0		0		0
30	392.5	Stores Equipment	0		0		0
31	393.5	Tools, Shop & Garage Equipment	0		0		0
32	394.5	Laboratory Equipment	0		0		0
33	395.5	Power Operated Equipment	788		788		0
34	396.5	Communication Equipment	0		0		0
35	397.5	Miscellaneous Equipment	0		0		0
36	398.5	Other Tangible Plant	107		107		0
37		TOTAL DEPRECIATION EXPENSE	\$253,249	\$0	\$253,249		\$0
38		LESS: AMORTIZATION OF CIAC					
39		CIAC - Plant	169,150		169,150	0.00%	0
40		CIAC - Mains	41,648		41,648	0.00%	0
41		CIAC - Other	6,869		6,869	0.00%	0
42		TOTAL AMORTIZATION EXPENSE	217,667		217,667		0
43		NET DEPRECIATION EXPENSE - SEWER	\$35,582	\$0	\$35,582		\$0

Net Depreciation Expense - Sewer

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [] Projected [X]

Schedule: B-14
 Page: 3 of 3
 Preparer: Guastella Associates

Description: Provide a schedule of test year non-used and useful depreciation expense by primary account.

Line No.	(1) Account No.	Account Name	(2) UPIS 12/31/2007	(3) UPIS 12/31/2008	(4) Average Balance	(5) Depreciation Rate	(6) Depreciation Expense
1		INTANGIBLE PLANT					
2	351.1	Organization	\$250	\$250	\$250		\$0
3	352.1	Franchises	50,438	50,438	50,438		0
4	389.1	Other Plant & Misc. Equipment	0	0	0		0
5		COLLECTION PLANT					
6	354.2	Structures & Improvements	0	0	0		0
7	360.2	Collection Sewers - Force	591,306	597,786	594,546	3.33%	19,818
8	361.2	Collection Sewers - Gravity	1,195,058	1,208,154	1,201,606	2.22%	26,702
9	362.2	Special Collecting Structures	335,140	335,140	335,140	2.50%	8,379
10	363.2	Services to Customers	223,133	225,579	224,356	2.63%	5,904
11	364.2	Flow Measuring Devices	0	0	0		0
12	365.2	Flow Measuring Installations	0	0	0		0
13	389.2	Other Plant & Misc. Equipment	0	0	0		0
14		SYSTEM PUMPING PLANT					
15	354.3	Structures & Improvements	0	0	0		0
16	370.3	Receiving Wells	0	0	0		0
17	371.3	Pumping Equipment	188,776	188,776	188,776	4.00%	7,551
18	389.3	Other Plant & Misc. Equipment	0	0	0		0
19		TREATMENT & DISPOSAL PLANT					
20	354.4	Structures & Improvements	2,754,164	2,754,164	2,754,164	3.13%	86,068
21	355.4	Power Generation Equipment	58,923	58,923	58,923	5.00%	2,946
22	380.4	Treatment & Disposal Equipment	1,632,754	1,632,754	1,632,754	5.56%	90,709
23	381.4	Plant Sewers	181,286	181,286	181,286	5.00%	9,064
24	382.4	Outfall Sewer Lines	0	0	0		0
25	389.4	Other Plant & Misc. Equipment	42,652	42,652	42,652	5.56%	2,370
26		GENERAL PLANT					
27	354.5	Structures & Improvements	0	0	0		0
28	390.5	Office Furniture & Equipment	22,890	22,890	22,890	6.67%	1,526
29	391.5	Transportation Equipment	0	0	0		0
30	392.5	Stores Equipment	0	0	0		0
31	393.5	Tools, Shop & Garage Equipment	0	0	0		0
32	394.5	Laboratory Equipment	0	0	0		0
33	395.5	Power Operated Equipment	9,457	9,457	9,457	8.33%	788
34	396.5	Communication Equipment	0	0	0		0
35	397.5	Miscellaneous Equipment	0	0	0		0
36	398.5	Other Tangible Plant	1,075	34,050	17,563	10.00%	1,756
37		TOTALS	\$7,287,302	\$7,342,299	\$7,314,800		\$263,580
38		LESS: AMORTIZATION OF CIAC					
39		CIAC - Plant	\$3,099,199	\$3,122,479	\$3,110,839	5.52%	171,718
40		CIAC - Mains	1,963,692	1,963,692	1,963,692	2.47%	48,503
41		CIAC - Other	278,418	278,418	278,418	2.47%	6,877
42		TOTALS	\$5,341,309	\$5,364,589	\$5,352,949		\$227,098
43		NET DEPRECIATION EXPENSE - SEWER	\$1,945,993	\$1,977,709	\$1,961,851		\$36,482

Taxes Other Than Income

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [] Projected [X]

Schedule: B-15
 Page: 1 of 1
 Preparer: Guastella Associates

Description: Complete the following schedule of all taxes other than income. For all allocations, provide a description of allocation and calculations

Line No.	(1) Description	(2) Regulatory Assessment Fees (RAFs)	(3) Payroll Taxes	(4) Real Estate & Personal Property	(5) Other	(7) Total
WATER						
<u>Base Test Year Ended 12/31/07</u>						
1	Per Books	\$42,548	\$6,725	\$38,240		\$87,513
Adjustments to Test Year (Explain)						
2	RAF's Adjustment	2,075				2,075
3	P/R Tax Adjustment		1,195			1,195
4	Plant in Service Increase					0
5	Non-Used and Useful			0		0
6	Total Base Year Adjustments	2,075	1,195	0	0	3,270
7	Adjusted Base Year	44,624	7,920	38,240	0	90,783
8	RAFs Assoc. with Revenue Increase	2,561				
9	Total Amount	\$47,184	\$7,920	\$38,240	\$0	\$93,344
<u>Proforma Test Year Ending 12/31/08</u>						
10	Unadjusted Test Year	\$45,021	\$7,920	\$38,240	\$0	\$91,181
Adjustment to Test Year (Explain)						
12	P/R Tax Adjustment		233			233
13	Plant in Service Increase			6,707		6,707
14	Non-Used and Useful			0		0
15	RAFs Assoc. with Revenue Adjustment	0				0
16	Total Test Year Adjustments	0	233	6,707	0	6,940
17	Adjusted Test Year	45,021	8,152	44,947	0	98,121
18	RAFs Assoc. with Revenue Increase	8,273				
19	Total Amount (Year-End Test Year)	\$53,295	\$8,152	\$44,947	\$0	\$106,394
SEWER						
<u>Base Test Year Ended 12/31/07</u>						
21	Per Books	\$31,415	\$6,725	\$38,240		\$76,380
Adjustments to Test Year (Explain)						
22	RAF's Adjustment	4,418				4,418
23	P/R Tax Adjustment		(777)			(777)
24	Plant in Service Increase					0
25	Non-Used and Useful			0		0
26	Total Base Year Adjustments	4,418	(777)	0	0	3,642
27	Adjusted Base Year	35,833	5,948	38,240	0	80,021
28	RAFs Assoc. with Revenue Increase	16,760				
29	Total Amount	\$52,594	\$5,948	\$38,240	\$0	\$96,782
<u>Proforma Test Year Ending 12/31/08</u>						
30	Unadjusted Test Year	\$36,238	\$5,948	\$38,240	\$0	\$80,427
Adjustment to Test Year (Explain)						
32	P/R Tax Adjustment		174			174
33	Plant in Service Increase			2,758		2,758
34	Non-Used and Useful			0		0
35	RAFs Assoc. with Revenue Adjustment	0				0
36	Total Test Year Adjustments	0	174	2,758	0	2,932
37	Adjusted Test Year	36,238	6,122	40,998	0	83,359
38	RAFs Assoc. with Revenue Increase	21,956				
39	Total Amount (Year-End Test Year)	\$58,195	\$6,122	\$40,998	\$0	\$105,315

Describe all allocation methods and provide calculations

There is no allocations of Taxes, Other than Income Taxes

RAF is calculated at 4.5% of Operating Income.

Payroll Tax is calculated at 7.65% for FICA, the first \$7,000 of wages are taxed at 0.8% for FUTA and 0.12% for SUTA.

Property tax is calculated based on current tax rates relative to changes in total UPIS

Southlake Utilities, Inc.
TAX SCHEDULES

<u>SCHEDULE TITLE</u>	<u>SCHEDULE NUMBER</u>
Reconciliation of Total Income Tax Provision	C-1
State and Federal Income Tax Calculation	C-2
Schedule of Interest in Tax Expense Calculation	C-3
Book/Tax Difference	C-4
Deferred Income Tax Expense	C-5
Accumulated Deferred Income Taxes	C-6
Investment Tax Credit	C-7
Parent Debt Information	C-8
Income Tax Returns	C-9
Miscellaneous Tax Information	C-10

Reconciliation of Total Income Tax Provision

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [] Projected [X]
 Average Test Year

Schedule: C-1
 Page: 1 of 2
 Preparer: Guastella Associates

Description: Provide a reconciliation between the total operating income tax provision and the currently payable income taxes on operating income for the test year.

	(1)	(2)	(3)	(4)	(5)	(6)	
Line No.	Description	Ref.	Year - End Per Books	Utility Adjustments	Year - End Adjusted	Water	Sewer
1	Current Tax Expense	C-2	\$0	\$0	\$0	\$0	\$0
2	Deferred Income Tax Expense	C-5	0	0	0	0	0
3	ITC Realized This Year	C-7	0	0	0	0	0
4	ITC Amortization	C-7	0	0	0	0	0
5	Parent Debt Adjustment	C-8	0	0	0	0	0
6	Total Income Tax Expense		\$0	\$0	\$0	\$0	\$0

Reconciliation of Total Income Tax Provision

Florida Public Service Commission

Southlake Utilities, Inc.

Docket No. 080597-WS

Base Year Ended 12/31/07

Historical Projected

Schedule: C-1

Page: 2 of 2

Preparer: Guastella Associates

Description: Provide a reconciliation between the total operating income tax provision and the currently payable income taxes on operating income for the test year.

	(1)	(2)	(3)	(4)	(5)	(6)	
Line No.	Description	Ref.	Year - End Per Books	Utility Adjustments	Year - End Adjusted	Water	Sewer
1	Current Tax Expense	C-2	\$0	\$0	\$0	\$0	\$0
2	Deferred Income Tax Expense	C-5	0	0	0	0	0
3	ITC Realized This Year	C-7	0	0	0	0	0
4	ITC Amortization	C-7	0	0	0	0	0
5	Parent Debt Adjustment	C-8	0	0	0	0	0
6	Total Income Tax Expense		\$0	\$0	\$0	\$0	\$0

State and Federal Income Tax Calculation - Current

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Interim [] Final [X]
 Historical [] Projected [X]

Schedule: C-2
 Page: 1 of 2
 Preparer: Guastella Associates

Description: Provide the calculation of state and federal income taxes for the test year. Provide detail on adjustments to income taxes and investment tax credits generated.

	(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Description	12/31/2008	Utility Adjustments	12/31/2008 Adjusted	Water	Sewer
1	Net operating Income (Sch B-1)	\$140,612	\$460,669	\$601,281	\$376,883	\$224,398
2	Add: Income Tax Expense Per Books (Sch B-1)	0	0	0	0	0
3	Subtotal	140,612	460,669	601,281	376,883	224,398
4	Less: Interest Expense (Sch C-3)	0	12,697	12,697	7,958	4,738
5	Taxable Income	140,612	447,972	588,584	368,925	219,660
6	Schedule M Adjustments					
7	Permanent Differences	0	0	0	0	0
8	Timing Differences	0	0	0	0	0
	Total Schedule M Adjustments					
9		0	0	0	0	0
	Taxable Income Before State Taxes					
10	State Tax Rate	140,612	447,972	588,584	368,925	219,660
11	State Income Taxes	0.0%	0.0%	0.0%	0.0%	0.0%
12		0	0	0	0	0
	Federal Taxable Income					
13		140,612	447,972	588,584	368,925	219,660
14	Federal Tax Rate	0.0%	0.0%	0.0%	0.0%	0.0%
	Federal Income Taxes					
15		0	0	0	0	0
16	Less: Investment Tax Credit Realized This Year	0	0	0	0	0
17	Current Federal Income Taxes	0	0	0	0	0
18	Summary:					
19	Current State Income Tax	0	0	0	0	0
20	Current Federal Income Tax	0	0	0	0	0
21	Total Current Income Tax Expense (To C-1)	\$0	\$0	\$0	\$0	\$0

State and Federal Income Tax Calculation - Current

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Interim Final
 Historical Projected

Schedule: C-2
 Page: 2 of 2
 Preparer: Guastella Associates

Description: Provide the calculation of state and federal income taxes for the test year. Provide detail or adjustments to income taxes and investment tax credits generated

Line No.	(1) Description	(2) 12/31/2007 Year- End Per Books	(3) Utility Adjustments	(4) 12/31/2007 Year-End Adjusted	(5) Water	(6) Sewer
1	Net Operating Income (Sch B-1)	(\$11,111)	\$557,782	\$546,671	\$343,116	\$203,555
2	Add: Income Tax Expense Per Books (Sch B-1)	0	0	0	0	0
3	Subtotal	(11,111)	557,782	546,671	343,116	203,555
4	Less: Interest Expense (Sch C-3)	4,100	8,625	12,725	7,987	4,738
5	Taxable Income	(15,211)	549,157	533,946	335,129	198,817
6	Schedule M Adjustments					
7	Permanent Differences (From Sch. C-4)	0	0	0	0	0
8	Timing Differences (From Sch. C-5)	0	0	0	0	0
9	Total Schedule M Adjustments	0	0	0	0	0
10	Taxable Income Before State Taxes	(15,211)	549,157	533,946	335,129	198,817
11	State Tax Rate	0.0%	0.0%	0.0%	0.0%	0.0%
12	State Income Taxes	0	0	0	0	0
13	Federal Taxable Income	(15,211)	549,157	533,946	335,129	198,817
14	Federal Tax Rate	0.0%	0.0%	0.0%	0.0%	0.0%
15	Federal Income Taxes	0	0	0	0	0
16	Less: Investment Tax Credit Realized This Year (Sch. C-1)	0	0	0	0	0
17	Current Federal Income Taxes	0	0	0	0	0
18	Summary:					
19	Current State Income Tax	0	0	0	0	0
20	Current Federal Income Tax	0	0	0	0	0
21	Total Current Income Tax Expense (To C-1)	\$0	\$0	\$0	\$0	\$0

Schedule of Interest in Tax Expense Calculation

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [] Projected [X]
Average Test Year

Schedule: C-3
 Page: 1 of 2
 Preparer: Guastella Associates

Description: Provide the amount of interest expense used to calculate income taxes on Schedule No. C-2.
 Explain any changes in interest expense in detail giving amount of change and reason for change. If the basis for allocating interest used in the tax calculation differs from the basis used in allocating current income taxes payable, the differing bases should be clearly identified.

Line No.	(1) Description	(2) Total Per Books	(3) Utility Adjustments	(4) Utility Adjusted	(5) Water	(6) Sewer
1	Interest on Long-Term Debt	\$0	\$0	\$0	\$0	\$0
2	Amortization of Debt Premium, Discount and Expense Net	0				
3	Interest on Short-Term Debt	0				
4	Other Interest Expense	0	12,697	12,697	7,958	4,738
5	AFUDC	0				
6	ITC Interest Synchronization					
7	Total Used For Tax Calculation	\$0	\$12,697	\$12,697	\$7,958	\$4,738

Calculation of ITC Interest Synchronization Adjustment
 ONLY for Option 2 companies (see Sch. C-7, pg 4)

Balances From Schedule D-1	Amount	Ratio	Cost	Total Weighted Cost	Debt Only Weighted Cost
8 Long-Term Debt					
9 Short-Term Debt					
10 Preferred Stock					
11 Common Equity					
12 Total					
13 ITCc (from D-1, Line 7)					
14 Weighted Debt Cost (From Line 12)					
15 Interest Adjustment (To Line 6)					

Note: Utility Adjusted interest is calculated as follows:

Rate Base (Sch. A-1)	\$6,370,992			Water \$3,993,339	Sewer \$2,377,653
Weighted Cost of Long-Term Debt (Sch. D-1)	0.00%		0		
Weighted Cost of Customer Deposit Interest (Sch. D-1)	0.20%		12,697	7,958	4,738
Adjsted Interest on Debt			12,697		

Schedule of Interest in Tax Expense Calculation

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Historical [X] Projected []

Schedule: C-3
 Page: 2 of 2
 Preparer: Guastella Associates

Description: Provide the amount of interest expense used to calculate income taxes on Schedule No. C-2.
 Explain any changes in interest expense in detail giving amount of change and reason for change. If the basis for allocating interest used in the tax calculation differs from the basis used in allocating current income taxes payable, the differing bases should be clearly identified.

Line No.	(1) Description	(2) Total Per Books	(3) Utility Adjustments	(4) Utility Adjusted	(5) Water	(6) Sewer
1	Interest on Long-Term Debt	\$0	\$0	\$0	\$0	\$0
2	Amortization of Debt Premium, Discount and Expense Net	0				
3	Interest on Short-Term Debt	0				
4	Other Interest Expense	4,100	8,625	12,725	7,987	4,738
5	AFUDC	0				
6	ITC Interest Synchronization					
7	Total Used For Tax Calculation	\$4,100	\$8,625	\$12,725	\$7,987	\$4,738

Calculation of ITC Interest Synchronization Adjustment
 ONLY for Option 2 companies (see Sch. C-7, pg 4)

	Balances From Schedule D-1	Amount	Ratio	Cost	Total Weighted Cost	Debt Only Weighted Cost
8	Long-Term Debt					
9	Short-Term Debt					
10	Preferred Stock					
11	Common Equity					
12	Total					
13	ITCs (from D-1, Line 7)					
14	Weighted Debt Cost (From Line 12)					
15	Interest Adjustment (To Line 6)					

NOT APPLICABLE, See Schedule C-7, pg.4

Note: Utility Adjusted interest is calculated as follows:

		Water	Sewer
Rate Base (Sch. A-1)	\$6,191,321	\$3,885,954	\$2,305,367
Weighted Cost of Long-Term Debt (Sch. D-1)	0.00%	0	
Weighted Cost of Customer Deposit Interest (Sch. D-1)	0.21%	7,987	4,738
Adjsted Interest on Debt		12,725	

Book/Tax Differences - Permanent

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Test Year Ending 12/31/08

Schedule: C-4
Page: 1 of 1
Preparer: Guastella Associates

Description: Provide the description and amount of all book/tax differences accounted for as permanent differences. This would include any items accounted for on a flow through basis.

No Permanent Differences

Deferred Income Tax Expense

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Interim [] Final [X]
 Historical [] Projected [X]
Average Test Year

Schedule: C-5
 Page: 1 of 2
 Preparer: Guastella Associates

Description: Provide the calculation of total deferred income tax expense for the test year. Provide detail on items resulting in tax deferrals other than accelerated depreciation.

	(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Description	Year-End Per Books	Utility Adjustments	Year-End Adjusted	Water	Sewer
1	Timing Differences:					
2	Tax Depreciation and Amortization	\$112,568	\$0	\$112,568	\$76,086	\$36,482
3	Book Depreciation and Amortization	112,568	0	112,568	76,086	36,482
4	Difference	0	0	0	0	0
5	Other Timing Differences (Itemize):					
6						
7						
8	Total Timing Differences (To C2)	\$0	\$0	\$0	\$0	\$0
9	State Tax Rate	5.5%	5.5%	5.5%	5.5%	5.5%
10	State Deferred Taxes (Line 10 x Line 12)	0	0	0	0	0
11	Timing Differences for Federal Taxes	0	0	0	0	0
12	Federal Tax Rate	34.0%	34.0%	34.0%	34.0%	34.0%
13	Federal Deferred Taxes (Line 15 x Line 16)	0	0	0	0	0
14	Add: State Deferred Taxes	0	0	0	0	0
15	Total Deferred Tax Expense (To C-1)	\$0	\$0	\$0	\$0	\$0

Deferred Income Tax Expense

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Interim Final
 Historical Projected

Schedule: C-5
 Page: 2 of 2
 Preparer: Guastella Associates

Description: Provide the calculation of total deferred income tax expense for the test year. Provide detail on items resulting in tax deferrals other than accelerated depreciation.

	(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Description	Year-End Per Books	Utility Adjustments	Year-End Adjusted	Water	Sewer
1	Timing Differences:					
2	Tax Depreciation and Amortization	\$102,947	\$0	\$102,947	\$67,365	\$35,582
3	Book Depreciation and Amortization	102,947	0	102,947	67,365	35,582
4	Difference	0	0	0	0	0
5	Other Timing Differences (Itemize):					
6						
7						
8	Total Timing Differences (To C2)	\$0	\$0	\$0	\$0	\$0
9	State Tax Rate	5.5%	5.5%	5.5%	5.5%	5.5%
10	State Deferred Taxes (Line 10 x Line 12)	0	0	0	0	0
11	Timing Differences for Federal Taxes	0	0	0	0	0
12	Federal Tax Rate	34.0%	34.0%	34.0%	34.0%	34.0%
13	Federal Deferred Taxes (Line 15 x Line 16)	0	0	0	0	0
14	Add: State Deferred Taxes	0	0	0	0	0
15	Total Deferred Tax Expense (To C-1)	\$0	\$0	\$0	\$0	\$0

Accumulated Deferred Income Taxes - Summary

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08

Schedule: C-6
 Page: 1 of 3
 Preparer: Guastella Associates

Description: For each of the accumulated deferred tax accounts provide a summary of the ending balances as reported on pages 2 and 3 of this schedule. The same annual balances should be shown.

Line No.	(1) Year	(2) <u>Account No. 281</u>			(6) <u>Account No. 190</u>			(10) Net Deferred Income Taxes		
		(3) State	(4) Federal	(5) Total	(7) State	(8) Federal	(9) Total	State	Federal	Total
1	12/31/1999			\$0			\$0			\$0
2	12/31/2000			0			0			0
3	12/31/2001			0			0			0
4	12/31/2002			0			0			0
5	12/31/2003			0			0			0
6	12/31/2004			0			0			0
7	12/31/2005			0			0			0
8	12/31/2006			0			0			0
9	12/31/2007			0			0			0
10	12/31/2008			0			0			0
11	13 Month Avg. 12/31/2008			\$0			\$0			\$0

Accumulated Deferred Income Taxes - State

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08

Schedule: C-6
 Page: 2 of 3
 Preparer: Guastella Associates

Description: For each of the accumulated deferred tax accounts provide annual balances beginning with the year of the last rate case and ending with the test year.

Line No.	(1) Year	(2) Beginning Balance	Account No. 281			(6) Ending Balance	(7) Beginning Balance	Account No. 190			(11) Ending Balance
			(3) Current Year Deferral	(4) Flowback To Current Year	(5) Adjust. Debit (Credit)			(8) Current Year Deferral	(9) Flowback To Current Year	(10) Adjust. Debit (Credit)	
1	12/31/1999	\$0				\$0	\$0				\$0
2	12/31/2000	0				0	0				0
3	12/31/2001	0				0	0				0
4	12/31/2002	0				0	0				0
5	12/31/2003	0				0	0				0
6	12/31/2004	0				0	0				0
7	12/31/2005	0				0	0				0
8	12/31/2006	0				0	0				0
9	12/31/2007	0				0	0				0
10	12/31/2008	0				0	0				0

Accumulated Deferred Income Taxes - Federal

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08

Schedule: C-6
 Page: 3 of 3
 Preparer: Guastella Associates

Description: For each of the accumulated deferred tax accounts provide annual balances beginning with the year of the last rate case and ending with the test year.

Line No.	Year	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
		Beginning Balance	Current Year Deferral	Flowback To Current Year	Adjust. Debit (Credit)	Ending Balance	Beginning Balance	Current Year Deferral	Flowback To Current Year	Adjust. Debit (Credit)	Ending Balance	
				Account No. 281 Deferred Tax Liability					Account No. 190 Deferred Tax Asset - Alternative Minimum Tax			
1	12/31/1999	\$0					\$0	\$0				\$0
2	12/31/2000	0					0	0				0
3	12/31/2001	0					0	0				0
4	12/31/2002	0					0	0				0
5	12/31/2003	0					0	0				0
6	12/31/2004	0					0	0				0
7	12/31/2005	0					0	0				0
8	12/31/2006	0					0	0				0
9	12/31/2007	0					0	0				0
10	12/31/2008	0					0	0				0

Investment Tax Credits - Analysis

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08

Schedule: C-7
 Page: 1 of 4
 Preparer: Guastella Associates

Description: Provide an analysis of accumulated tax credits generated and amortized on an annual basis beginning with the test year in the last rate case to the end of the current test year. Amounts provided by the Revenue Act of 1971 and subsequent acts should be shown separately from amounts applicable to prior laws. Identify progress payments separately.

(1)	(2)	3% ITC					(7)	(8)	(9)	4% ITC					(13)
		Amount Realized		Amortization		Ending Balance				Amount Realized		Amortization		Ending Balance	
Line No.	Year	Beginning Balance	Current Year	Prior Year Adjust.	Current Year		Prior Year Adjust.	Beginning Balance	Current Year	Prior Year Adjust.	Current Year	Prior Year Adjust.	Ending Balance		
1		NONE						NONE							

Investment Tax Credits - Analysis

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08

Schedule: C-7
 Page: 2 of 4
 Preparer: Guastella Associates

Description: Provide an analysis of accumulated tax credits generated and amortized on an annual basis beginning with the test year in the last rate case to the end of the current test year. Amounts provided by the Revenue Act of 1971 and subsequent acts should be shown separately from amounts applicable to prior laws. Identify progress payments separately.

Line No.	(1) Year	8% ITC					(7) Ending Balance	10% ITC					(13) Ending Balance		
		(2) Beginning Balance	(3) Current Year	Amount Realized		Amortization		(8) Beginning Balance	(9) Current Year	Amount Realized		Amortization			
				(4) Year	(5) Year	(6) Year				(6) Year	(10) Year	(11) Year		(12) Year	(12) Year
1		NONE													

Investment Tax Credits - Company Policies

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Test Year Ending 12/31/08

Schedule: C-7
Page: 3 of 4
Preparer: Guastella Associates

Description: Explain accounting policy as to method of amortization for both progress payment and other ITC. Explanation should include at least a description of how the time period for amortization is determined, when it begins, under what circumstances it changes, etc. If there are unused ITC, supply a schedule showing year generated, amount generated, total amount used and remaining unused portion.

Southlake Utilities, Inc. has no ITC or ITC carryforwards.

Investment Tax Credits - Section 46(f) Election

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Test Year Ending 12/31/08

Schedule: C-7
Page: 4 of 4
Preparer: Guastella Associates

Description: Provide a copy of the election made under Section 46(f), Internal Revenue Code.

Not Applicable.
Because the Company has no Investment Tax Credits, no election was made.

Parent(s) Debt Information

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
Average Test Year

Schedule: C-8
 Page: 1 of 2
 Preparer: Guastella Associates

Description: Provide the information required to adjust income tax expense by the interest expense of the parent(s) that may be invested in the equity of the applicant. If a year-end rate base is used, provide on both a year-end and an average basis. Amounts should be parent only.

	(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Description	Amount	% of Total	Cost Rate	Weighted Cost	Supporting Schedule(s)
1	Long-Term Debt					
2	Short-Term Debt					
3	Preferred Stock					
4	Common Equity (State Retained Earnings Separately - Parent Only)					
5	Deferred Income Tax					
6	Other-Retained Earnings					
7						
8	Total	<u>0</u>	<u>0.00%</u>		<u>0.00%</u>	
9	Weighted Cost of Parent Debt X 37.63% (or applicable consolidated tax rate) X Equity of Subsidiary (to Sch C-1)					
10	Weighted Cost of Debt (line 1 & 2, Col. 5)	0				
11	Tax Rate	<u>37.63%</u>				
12	Equity of Subsidiary (Sch D-1, line 4, col 2)					

Parent(s) Debt Information

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07

Schedule: C-8
 Page: 2 of 2
 Preparer: Guastella Associates

Description: Provide the information required to adjust income tax expense by the interest expense of the parent(s) that may be invested in the equity of the applicant. If a year-end rate base is used, provide on both a year-end and an average basis. Amounts should be parent only.

	(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Description	Amount	% of Total	Cost Rate	Weighted Cost	Supporting Schedule(s)
1	Long-Term Debt					
2	Short-Term Debt					
3	Preferred Stock					
4	Common Equity (State Retained Earnings					
5	Separately - Parent Only)					
6	Deferred Income Tax					
7	Other-Retained Earnings					
8	Total	<u>0</u>	<u>0.00%</u>		<u>0.00%</u>	
9	Weighted Cost of Parent Debt X 37.63% (or applicable consolidated tax rate) X Equity of Subsidiary (to Sch C-1)					
10	Weighted Cost of Debt (line 1 & 2, Col. 5)	0				
11	Tax Rate	<u>37.63%</u>				
12	Equity of Subsidiary (Sch D-1, line 4, col 2)	<u> </u>				

Income Tax Returns

Florida Public Service Commission

Southlake Utilities, Inc.

Docket No. 080597-WS

Test Year Ending 12/31/08

Schedule: C-9

Page: 1 of 1

Preparer: Guastella Associates

Description: Provide a copy of the most recently filed federal income tax return, state income tax return and most recent final IRS revenue agent's report for the applicant or consolidated entity (whichever type of return is filed). A statement of when and where the returns and reports are available for review may be provided in lieu of providing the returns and reports.

Federal and State Income Tax Returns are available at the company's office.

Miscellaneous Tax Information

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Test Year Ending 12/31/08

Schedule: C-10
Page: 1 of 1
Preparer: Guastella Associates

Description: Provide answers to the following questions with respect to the applicant or its consolidated entity.

- | | | |
|-----|---|------|
| (1) | What tax years are open with the Internal Revenue Service? | None |
| (2) | Is the treatment of customer deposits at issue with the IRS? | No |
| (3) | Is the treatment of contributions in aid of construction at issue with the IRS? | No |
| (4) | Is the treatment of unbilled revenue at issue with the IRS? | No |

Southlake Utilities, Inc.
CAPITAL SCHEDULES

<u>SCHEDULE TITLE</u>	<u>SCHEDULE NUMBER</u>
Requested Cost of Capital	D-1
Reconciliation to Rate Base	D-2
Preferred Stock	D-3
Short-Term Debt	D-4
Long-Term Debt	D-5
Variable Debt	D-6
Customer Deposits	D-7

Schedule of Requested Cost of Capital

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [] Projected [X]
Average Balance Test Year

Schedule: D-1
 Page: 1 of 4
 Preparer: Guastella Associates

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

Line No.	Class of Capital	(1) Reconciled To Requested Rate Base	(2) Ratio	(3) Cost Rate	(4) Weighted Cost
1	Long-Term Debt	\$0	0.00%		0.00%
2	Short-Term Debt	0	0.00%		
3	Preferred Stock	0	0.00%		
4	Common Stock	7,500	0.12%	9.56%	0.01%
5	Customer Deposits	211,614	3.32%	6.00%	0.20%
6	Tax Credits - Zero Cost	0	0.00%		
7	Tax Credits - Weighted Cost	0	0.00%		
8	Accumulated Deferred Income Taxes	0	0.00%		
9	Other-Retained Earnings	6,151,877	96.56%	9.56%	9.23%
10	Total	<u>6,370,992</u>	<u>100.00%</u>		<u>9.44%</u>

Leverage Graph = 7.36 + 2.123 / 0.9668
 Equity Cost Rate = 9.56%
 Equity Cost Rate Cap = 12.01%

Schedule of Requested Cost of Capital

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Historical [X] Projected []

Schedule: D-1
 Page: 2 of 4
 Preparer: Guastella Associates

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

Line No.	Class of Capital	(1) Reconciled To Requested Rate Base	(2) Ratio	(3) Cost Rate	(4) Weighted Cost
1	Long-Term Debt	\$0	0.00%	10.00%	0.00%
2	Short-Term Debt	0	0.00%		
3	Preferred Stock	0	0.00%		
4	Common Stock	7,500	0.12%	8.93%	0.01%
5	Customer Deposits	212,083	3.43%	6.00%	0.21%
6	Tax Credits - Zero Cost	0	0.00%		
7	Tax Credits - Weighted Cost	0	0.00%		
8	Accumulated Deferred Income Taxes	0	0.00%		
9	Other-Retained Earnings	5,971,738	96.45%	8.93%	8.61%
10	Total	<u>6,191,321</u>	<u>100.00%</u>		<u>8.83%</u>

Low limit of Equity return range established in the last case = 8.93%

Schedule of Requested Cost of Capital

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [] Projected [X]
Average Balance Test Year

Schedule: D-1
 Page: 3 of 4
 Preparer: Guastella Associates

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

Line No.	PARENT COMPANY Class of Capital	(1) Reconciled To Requested Rate Base	(2) Ratio	(3) Cost Rate	(4) Weighted Cost	(5) Supporting Schedule(s)
1	Long-Term Debt					
2	Short-Term Debt					
3	Preferred Stock					
4	Common Stock					
5	Customer Deposits					
6	Tax Credits - Zero Cost					
7	Tax Credits - Weighted Cost					
8	Accumulated Deferred Income Taxes					
9	Other-Retained Earnings					
10	Total	<u>0</u>	<u>0.00%</u>		<u>0.00%</u>	

Schedule of Requested Cost of Capital

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Historical [X] Projected []

Schedule: D-1a
 Page: 4 of 4
 Preparer: Guastella Associates

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

Line No.	PARENT COMPANY Class of Capital	(1) Reconciled To Requested Rate Base	(2) Ratio	(3) Cost Rate	(4) Weighted Cost	(5) Supporting Schedule(s)
1	Long-Term Debt					
2	Short-Term Debt					
3	Preferred Stock					
4	Common Stock					
5	Customer Deposits					
6	Tax Credits - Zero Cost					
7	Tax Credits - Weighted Cost					
8	Accumulated Deferred Income Taxes					
9	Other-Retained Earnings					
10	Total	0	0.00%		0.00%	
	Leverage Graph =	9	X	0.79	/	0
	Equity Cost Rate =	0				

**Reconciliation of Capital Structure to Requested Rate Base
Beginning and End of Year Test Year Average**

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Test Year Ending 12/31/08
Historical [] Projected [X]

Schedule: D-2
Page: 1 of 4
Preparer: Guastella Associates

Description: Provide a reconciliation of the average basis 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) Test Year	Reconciliation Adjustments			(6) Reconciled To Requested Rate Base
			(3) Specific	(4) (Explain)	(5) Prorata *	
1	Long-Term Debt	\$0				\$0
2	Short-Term Debt	0				0
3	Preferred Stock	0				0
4	Common Stock	7,500				7,500
5	Customer Deposits	211,614				211,614
6	Tax Credits - Zero Cost	0				0
7	Tax Credits - Weighted Cost	0				0
8	Accumulated Deferred Income Taxes	0				0
9	Other-Retained Earnings	<u>5,971,738</u>		Note	<u>180,139</u>	<u>6,151,877</u>
10	Total	<u>\$6,190,852</u>			<u>\$180,139</u>	<u>\$6,370,992</u>

* List corresponding adjustments to rate base below:

Note: Adjust capital to reconcile with rate base for rate setting purposes.

**Reconciliation of Capital Structure to Requested Rate Base
End of Year Test Year**

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Base Year Ended 12/31/07
Historical [X] Projected []

Schedule: D-2
Page: 2 of 4
Preparer: Guastella Associates

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

Line No.	(1) Class of Capital	(2) Year-End Test Year	(3) Reconciliation Adjustments			(6) Reconciled To Requested Rate Base
			(3) Specific	(4) (Explain)	(5) Prorata *	
1	Long-Term Debt	\$0				\$0
2	Short-Term Debt					0
3	Preferred Stock					0
4	Common Stock	7,500				7,500
5	Customer Deposits	212,083				212,083
6	Tax Credits - Zero Cost					0
7	Tax Credits - Weighted Cost					0
8	Accumulated Deferred Income Taxes					0
9	Other-Paid in Capital & Retained Earnings	6,257,083		Note	(285,345)	5,971,738
10	Total	<u>\$6,476,666</u>			<u>(\$285,345)</u>	<u>\$6,191,321</u>

* List corresponding adjustments to rate base below:

Note: Adjust capital to reconcile with rate base for rate setting purposes.

**Reconciliation of Capital Structure to Requested Rate Base
Beginning and End of Year Test Year Average**

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Test Year Ending 12/31/08
Historical [] Projected [X]

Schedule: D-2
Page: 3 of 4
Preparer: Guastella Associates

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

Line No.	(1) PARENT COMPANY Class of Capital	(2) Year-End Test Year	(3) (4) Reconciliation Adjustments Specific (Explain)		(5)	(6)
					Prorata *	Reconciled To Requested Rate Base
1	Long-Term Debt					
2	Short-Term Debt					
3	Preferred Stock					
4	Common Stock					
5	Customer Deposits					
6	Tax Credits - Zero Cost					
7	Tax Credits - Weighted Cost					
8	Accumulated Deferred Income Taxes					
9	Other-Retained Earnings					
10	Total				\$0.00	\$0.00

* List corresponding adjustments to rate base below:

**Reconciliation of Capital Structure to Requested Rate Base
End of Year Test Year**

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Base Year Ended 12/31/07
Historical [X] Projected []

Schedule: D-2
Page: 4 of 4
Preparer: Guastella Associates

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

Line No.	(1) PARENT COMPANY Class of Capital	(2) Year-End Test Year	(3) Reconciliation Adjustments			(6) Reconciled To Requested Rate Base
			(3) Specific	(4) (Explain)	(5) Prorata *	
1	Long-Term Debt					
2	Short-Term Debt					
3	Preferred Stock					
4	Common Stock					
5	Customer Deposits					
6	Tax Credits - Zero Cost					
7	Tax Credits - Weighted Cost					
8	Accumulated Deferred Income Taxes					
9	Other-Retained Earnings					
10	Total		<u>\$0</u>		<u>\$0.00</u>	<u>\$0.00</u>

* List corresponding adjustments to rate base below:

Preferred Stock Outstanding

Southlake Utilities, Inc.

Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [] Projected [X]
 Utility [X] Parent []

Florida Public Service Commission

Schedule: D-3
 Page: 1 of 2
 Preparer: Guastella Associates

Description: Provide data as specified on preferred stock on a simple average basis. If the utility is an operating division or subsidiary, submit an additional schedule which reflects the same information for the parent level.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Line No.	Description, Coupon Rate Years of Life	Issue Date	Call Provis. Special Restrictions	Principal Amt Sold Face Value	Principal Amount Outstanding	(Discount) or Premium on Principal Amt Sold	(Discount) or Premium Assoc. Associated	Issuing Exp. Associated	Issuing Exp. Associated	Net Proceed (5)-(9)+(7)	Rate (Contract Rate on Face Value)	Dollar Divd. On Face Value (11)x(5)	Effective Cost Rate (12)/(10)

1 **There is no preferred stock issued for Southlake Utilities.**

Preferred Stock Outstanding

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [] Projected [X]
 Utility [] Parent [X]

Schedule: D-3
 Page: 2 of 2
 Preparer: Guastella Associates

Description: Provide data as specified on preferred stock on a simple average basis. If the utility is an operating division or subsidiary, submit an additional schedule which reflects the same information for the parent level.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Line No.	Description, Coupon Rate Years of Life	Issue Date	Call Provis. Special Restrictions	Principal Amt Sold Face Value	Principal Amount Outstanding	(Discount) or Premium on Principal Amt Sold	(Discount) or Premium Assoc. with Col (5)	Issuing Exp. Associated with Col (4)	Issuing Exp. Associated with Col (5)	Net Proceed (5)-(9)+(7)	Rate (Contract Rate on Face Value)	Dollar Divd. On Face Value (11)x(5)	Effective Cost Rate (12)/(10)
1	Non-Cumulative Preferred Stock												

Cost of Short-Term Debt

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Test Year Ending 12/31/08
Interim [] Final [X]
Historical [] Projected [X]

Schedule: D-4
Page: 1 of 1
Preparer: Guastella Associates

Description: Provide the following information on a simple average basis. If the utility is an operating division or subsidiary, submit an additional schedule which reflects the same information for the parent level.

Line No.	Lender	(1) Total Interest Expense	(2) Maturity Date	(3) Average Amt Outstanding	(4) Effective Cost Rate	(5) Supporting Schedule(s)
1		There is NO Short-Term debt for Southlake Utilities.				

Cost of Long-Term Debt

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [] Projected [X]
 Utility [X] Parent []

Schedule: D-5
 Page: 1 of 2
 Preparer: Guastella Associates

Description: Provide the specified data on long-term debt issues on a simple average basis for the test year.
 Arrange by type of issue (i.e., first mortgage bonds). If the utility is an operating division or subsidiary, submit an additional schedule which reflects the same information on the parent level.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
			Principal Amt. Sold (Face Value)	Principal Amount Outstanding	Amount Outstanding Within One Year	Unamortized Disc. (Premium) Associated With Col (4)	Unamortized Issuing Exp. Associated with Col (4)	Annual Amort. of Discount (Prem) on Principal Outst.	Annual Amort. of Issuing Exp. on Principal Outstanding	Interest Cost (Coupon Rate) x Col(4)	Total Interest Cost (8)+(9)+(10)	Effective Cost Rate (11)/ ((4)-(6)-(7))
Line No.	Description, Coupon Rate Years of Life	Issue Date Maturity Date										

1 There is NO Long-Term debt for Southlake Utilities.

Cost of Long-Term Debt

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [] Projected [X]
 Utility [] Parent [X]

Schedule: D-5
 Page: 2 of 2
 Preparer: Guastella Associates

Description: Provide the specified data on long-term debt issues on a simple average basis for the test year. Arrange by type of issue (i.e., first mortgage bonds). If the utility is an operating division or subsidiary, submit an additional schedule which reflects the same information on the parent level.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
			Principal Amt.	Principal	Amount	Unamortized Disc.	Unamortized	Annual Amort.	Annual Amort.	Interest	Total	Effective
Line No.	Description, Coupon Rate Years of Life	Issue Date Maturity Date	Sold (Face Value)	Amount Outstanding	Within One Year	(Premium) Associated With Col (4)	Issuing Exp. Associated with Col (4)	of Discount (Prem) on Principal Outst.	of Issuing Exp. on Principal Outstanding	Cost (Coupon Rate) x Col(4)	Interest Cost (8)+(9)+(10)	Cost Rate (11)/ ((4)-(6)-(7))

1 This schedule is not applicable as the utility operates as a stand-alone entity.

Cost of Variable Rate Long-Term Debt

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [] Projected [X]
 Utility [X] Parent []

Schedule: D-6
 Page: 1 of 2
 Preparer: Guastella Associates

Description: Provide the specified data on variable cost long-term debt issues on a simple average basis. If the utility is an operating division or subsidiary, submit an additional schedule which reflects the same information for the parent level.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Description, Coupon Rate, Years of Life	Issue Date - Maturity Date	Principal Amt. Sold (Face Value)	Principal Amount Outstanding	Amount Outstanding Within One Year	Unamortized Disc. (Premium) Associated With Col (4)	Unamortized Issuing Exp. Associated with Col (4)	Annual Amort. of Discount (Prem) on Principal Outst.	Annual Amort. of Issuing Exp. on Principal Outstanding	Basis of Variable Rate (i.e. Prime + 2%)	Interest Cost (Test Year Cost Rate X Col. (4))	Total Interest Cost (8)+(9) 11	Effective Cost Rate (12) ((4)-(6)-(7))
Line No.													

1 There is no variable rate debt for Southlake Utilities, Inc.

Cost of Variable Rate Long-Term Debt

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [] Projected [X]
 Utility [] Parent [X]

Schedule: D-6
 Page: 2 of 2
 Preparer: Guastella Associates

Description: Provide the specified data on variable cost long-term debt issues on a simple average basis. If the utility is an operating division or subsidiary, submit an additional schedule which reflects the same information for the parent level.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Description, Coupon Rate, Years of Life	Issue Date - Maturity Date	Principal Amt. Sold (Face Value)	Principal Amount Outstanding	Amount Outstanding Within One Year	Unamortized Disc. (Premium) Associated With Col (4)	Unamortized Issuing Exp. Associated with Col (4)	Annual Amort. of Discount (Prem) on Principal Outst.	Annual Amort. of Issuing Exp. on Principal Outstanding	Basis of Variable Rate (i.e. Prime + 2%)	Interest Cost (Test Year Cost Rate X Col. (4))	Total Interest Cost (8)+(9) 11	Effective Cost Rate (12) ((4)-(6)-(7))
Line No.													

1 This schedule is not applicable as the utility operates as a stand-alone entity.

Schedule of Customer Deposits**Florida Public Service Commission**

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Historical [] Projected [X]
 Utility [X] Parent []

Schedule: D-7
 Page: 1 of 2
 Preparer: Guastella Associates

Description: Provide a schedule of customer deposits on a simple average basis.

	(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Month & Year	Beginning Balance	Deposits Received	Deposits Refunded	Ending Balance (2+3+4)	Average Balance
1	12/31/2008	\$212,083	\$17,381	(\$18,319)	\$211,145	\$211,614
2						
3						

Recap Schedule: D-2

Schedule of Customer Deposits

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Base Year Ended 12/31/07
Historical Projected
Utility Parent

Schedule: D-7
Page: 2 of 2
Preparer: Guastella Associates

Description: Provide a schedule of customer deposits on a simple average basis.

	(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Month & Year	Beginning Balance	Deposits Received	Deposits Refunded	Ending Balance (2+3+4)	Average Balance
1	12/31/2007	\$202,310	\$24,107	(\$14,333)	\$212,083	\$207,196
2						
3						

Recap Schedule: D-2

Southlake Utilities, Inc.
RATES SCHEDULES

Title of Schedule	Sched. No.
Rate Schedules	E-1
Revenues at Present & Proposed Rates	E-2
Customer Monthly Billing Schedules	E-3
Miscellaneous Service Charges	E-4
Miscellaneous Service Charge Revenue	E-5
Public Fire Hydrants Schedule	E-6
Private Fire Protection Service	E-7
Contracts and Agreements	E-8
Tax and Franchise Fee	E-9
Service Availability Charges	E-10
Guaranteed Revenues Received	E-11
Projected Test Year Bills, Consumption and Revenue Calculations	E-12
Billing Analysis	E-13

Rate Schedule**Florida Public Service Commission**

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Water [X] or Sewer []

Schedule: E-1W
 Page: 1 of 1
 Preparer: Guastella Associates

Explanation: Provide a schedule of present rates and proposed rates.

(1) Class/Meter Size	(2) Present Rates	(3) Proposed Rates
Residential		
Base Facility Charge		
5/8" X 3/4"	\$8.98	\$8.82
1"	22.45	\$22.05
1-1/2"	44.90	\$44.11
2"	71.85	\$70.58
3"	143.70	\$141.17
4"	224.51	\$220.55
6"	449.03	\$441.11
Gallonage Charge / 1,000 g		
0 to 10,000 Gals.	\$0.84	\$0.92
10,001 to 20,000 Gals.	0.84	1.37
Over 20,000 Gals	0.84	1.83
General Service		
Base Facility Charge		
5/8" X 3/4"	\$8.98	\$8.82
1"	22.45	\$22.05
1-1/2"	44.90	\$44.11
2"	71.85	\$70.58
3"	143.70	\$141.17
4"	224.51	\$220.55
6"	449.03	\$441.11
Gallonage Charge / 1,000 g		
All Gallons	\$0.84	\$1.05
Fire Protection		
1-1/2"	\$14.98	\$14.56
2"	23.75	23.29
3"	74.83	46.58
4"	149.67	72.78
6"	149.67	145.56
8"	149.67	232.89
10"	149.67	334.78

Rate Schedule**Florida Public Service Commission**

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Water [] or Sewer [X]

Schedule: E-1S
 Page: 1 of 1
 Preparer: Guastella Associates

Explanation: Provide a schedule of present rates and proposed rates.

(1)	(2)	(3)
Class/Meter Size	Present Rates	Proposed Rates
Residential		
Base Facility Charge		
5/8" X 3/4"	\$9.76	\$10.02
1"	9.76	\$10.02
1-1/2"	9.76	\$10.02
2"	9.76	\$10.02
3"	9.76	\$10.02
4"	9.76	\$10.02
6"	9.76	\$10.02
Gallage Charge / 1,000 g Gallons Under 10,000 g Cap	\$0.86	\$1.76
General Service		
Base Facility Charge		
5/8" X 3/4"	\$9.76	\$10.02
1"	24.41	\$25.06
1-1/2"	48.80	\$50.10
2"	78.08	\$80.16
3"	156.18	\$160.34
4"	224.02	\$229.99
6"	488.02	\$501.03
Gallage Charge / 1,000 g All Gallons	\$1.02	\$2.11
Other	n/a	

Revenue Schedule at Present and Proposed Rates

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
 Base Year Ended 12/31/07
 Water [X] or Sewer []

Schedule: E-2W
 Page: 1 of 2
 Preparer: Guastella Associates

Explanation: Provide a calculation of revenues at present and proposed rates using the billing analysis. Explain any differences between these revenues and booked revenues. If a rate change occurred during the test year, a revenue calculation must be made for each period.

(1) Class/Meter Size	(2) Number Bills	(3) Consumption in 1,000 gal.	(4) Present Rate	(5) Revenue at Present	(6) Proposed Rate	(7) Revenue at Proposed
Residential						
5/8" X 3/4"	20,196	275,085	\$8.98	\$181,360	\$8.82	\$178,129
1"	0	0	22.45	0	22.05	0
1-1/2"			44.90		44.11	0
2"			71.85		70.58	0
3"			143.70		141.17	0
4"			224.51		220.55	0
6"			449.03		441.11	0
Gallonge charge						
0 to 10,000 gals.		140,035	\$0.84	117,630	\$0.92	128,833
10,001 to 20,000 gals.		75,786	0.84	63,660	1.37	103,827
Over 20,000 gals.		59,263	0.84	49,781	1.83	108,452
Total Residential	20,196	275,085		\$412,431		\$519,240
Average Bill				\$20.42		\$25.71
General Service						
5/8" X 3/4"	4,536	61,542	\$8.98	\$40,733	\$8.82	\$40,008
1"	828	58,226	22.45	18,589	22.05	18,257
1-1/2"	336	22,980	44.90	15,086	44.11	14,821
2"	828	134,078	71.85	59,492	70.58	58,440
3"	60	13,907	143.70	8,622	141.17	8,470
4"	36	12,482	224.51	8,082	220.55	7,940
6"	(a) 48	114,308	449.03	21,553	441.11	21,173
Gallonge charge						
All Gallons		417,523	\$0.84	350,719	\$1.05	438,399
Total General Service	6,672	417,523		\$522,877		\$607,508
Average Bill				\$78.37		\$91.05
Totals	26,868	692,607		\$935,308		\$1,126,748
Fire Protection						
1-1/2"	0		\$14.98	\$0	\$14.56	\$0
2"	456		23.75	10,830	23.29	10,620
3"	0		74.83	0	46.58	0
4"	72		149.67	10,776	72.78	5,240
6"	96		149.67	14,368	145.56	13,974
8"	60		149.67	8,980	232.89	13,973
10"	12		149.67	1,796	334.78	4,017
	696			\$46,751		\$47,825
Unbilled Revenues						
				0		0
Guaranteed Revenues						
				0		0
Misc. Service Charge (b)						
				9,580		9,580
Total Revenue				\$991,639		\$1,184,153

Note (a): Reflects 3 additional customers that were converted from construction (irrigation) service to metered general service (water and sewer) at beginning of projected test year. Usage based on water used by water/sewer customer in 2007.
 Note (b): Misc. Service Charge Revenue is corrected for removal of "NSF Charges". See Schedule E-5W.

* This schedule reflects annualized bills and consumption for year-end 12/31/07 customers:
 Number of Bills = Yr-end customers (Sch E-3w, pg2) x 12 monthly bills.
 Consumption = Average usage per bill from Sch E-2w, pg2 x Number of Annual Bills

Revenue Schedule at Present and Proposed Rates

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Water [X] or Sewer []

Schedule: E-2W
 Page: 2 of 2
 Preparer: Guastella Associates

Explanation: Provide a calculation of revenues at present and proposed rates using the billing analysis. Explain any differences between these revenues and booked revenues. If a rate change occurred during the test year, a revenue calculation must be made for each period.

(1) Class/Meter Size	(2) Number Bills	(3) Consumption in 1,000 gal.	(4) Present Rate	(5) Revenue at Present	(6) Proposed Rate	(7) Revenue at Proposed
Residential						
5/8" X 3/4"	20,580	280,315	\$8.98	\$184,808	\$8.82	\$181,516
1"			22.45	0	22.05	0
1-1/2"			44.90	0	44.11	0
2"			71.85	0	70.58	0
3"			143.70	0	141.17	0
4"			224.51	0	220.55	0
6"			449.03	0	441.11	0
Gallonge charge						
0 to 10,000 Gals.		142,698	\$0.84	119,866	\$0.92	131,282
10,001 to 20,000 Gals.		77,227	0.84	64,871	1.37	105,801
Over 20,000 Gals		60,390	0.84	50,728	1.83	110,514
Total Residential	20,580	280,315		\$420,273		\$529,112
Average Bill				\$20.42		\$25.71
General Service						
5/8" X 3/4"	4,721	64,052	\$8.98	\$42,395	\$8.82	\$41,639
1"	828	58,226	22.45	18,589	22.05	18,257
1-1/2"	373	25,510	44.90	16,748	44.11	16,453
2"	829	134,240	71.85	59,564	70.58	58,511
3"	60	13,907	143.70	8,622	141.17	8,470
4"	36	12,482	224.51	8,082	220.55	7,940
6"	45	47,925	449.03	20,206	441.11	19,850
Gallonge charge						
All Gallons		356,342	\$0.84	299,327	\$1.05	374,159
Total General Service	6,892	356,342		\$473,533		\$545,280
Average Bill				\$68.71		\$79.12
Totals	27,472	636,657		\$893,806		\$1,074,392
Fire Protection						
1-1/2"	0		\$14.98	\$0	\$14.56	\$0
2"	456		23.75	10,830	23.29	10,620
3"	0		74.83	0	46.58	0
4"	57		149.67	8,531	72.78	4,148
6"	80		149.67	11,974	145.56	11,645
8"	52		149.67	7,783	232.89	12,110
10"	12		149.67	1,796	334.78	4,017
	657			\$40,914		\$42,541
Unbilled Revenues				0		0
Guaranteed Revenues				0		0
Misc. Service Charge				18,128		18,128
Total Revenue				\$952,847		\$1,135,061
Immaterial Difference				\$7,329 *		
Revenue Requirement				0.8%		

Note: Bill count contains partial bills for Move-In and Move-Out activity

Revenue Schedule at Present and Proposed Rates

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Base Year Ended 12/31/07
Water [] or Sewer [X]

Schedule: E-2S
 Page: 1 of 2
 Preparer: Guastella Associates

Explanation: Provide a calculation of revenues at present and proposed rates using the billing analysis. Explain any differences between these revenues and booked revenues. If a rate change occurred during the test year, a revenue calculation must be made for each period.

(1) Class/Meter Size	(2) Number Bills	(3) Usage in 1,000 gal.	(4) Present Rate	(5) Revenue at Present	(6) Proposed Rate	(7) Revenue at Proposed
Residential						
5/8" X 3/4"	20,148	269,672	\$9.76	\$196,644	\$10.02	\$201,883
1"			9.76	0	10.02	0
1-1/2"			9.76	0	10.02	0
2"			9.76	0	10.02	0
3"			9.76	0	10.02	0
4"			9.76	0	10.02	0
6"			9.76	0	10.02	0
Gallage charge						
Usage Under 10 tg Cap		137,280	\$0.86	118,061	\$1.76	241,613
		74,295	0.00	0	0.00	0
		58,097	0.00	0	0.00	0
Total Residential	20,148	269,672		\$314,705		\$443,496
Average Bill				\$15.62		\$22.01
General Service						
5/8" X 3/4"	3,816	50,772	\$9.76	\$37,244	\$10.02	\$38,236
1"	648	29,562	24.41	15,818	25.06	16,239
1-1/2"	216	10,559	48.80	10,541	50.10	10,822
2"	696	89,074	78.08	54,344	80.16	55,791
3"	36	13,374	156.18	5,622	160.34	5,772
4"	36	12,482	224.02	8,065	229.99	8,280
6"	(a) 48	114,308	488.02	23,425	501.03	24,049
Gallage charge						
All Gallons		320,131	\$1.02	326,534	\$2.11	675,476
Total General Service	5,496	320,131		\$481,592		\$834,666
Average Bill				\$87.63		\$151.87
Totals	25,644	589,803		\$796,297		\$1,278,162
Unbilled Revenues				0		0
Guaranteed Revenues				0		0
Misc. Service Charge				0		0
Total Revenue				\$796,297		\$1,278,162

Note (a): Reflects 3 additional customers that were converted from construction (irrigation) service to metered general service (water and sewer) at beginning of projected test year.

* This schedule reflects annualized bills and consumption for year-end 12/31/07 customers.
 Number of Bills = Yr-end customers (Sch E-3s, pg2) x 12 monthly bills.
 Consumption = Average usage per bill from Sch E-2s, pg2 x Number of Annual Bills

Revenue Schedule at Present and Proposed Rates

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Water [] or Sewer [X]

Schedule: E-2S
 Page: 2 of 2
 Preparer: Guastella Associates

Explanation: Provide a calculation of revenues at present and proposed rates using the billing analysis. Explain any differences between these revenues and booked revenues. If a rate change occurred during the test year, a revenue calculation must be made for each period.

(1) Class/Meter Size	(2) Number Bills	(3) Usage in 1,000 gal.	(4) Present Rate	(5) Revenue at Present	(6) Proposed Rate	(7) Revenue at Proposed
Residential						
5/8" X 3/4"	20,535	274,852	\$9.76	\$200,422	\$10.02	\$205,761
1"			9.76	0	10.02	0
1-1/2"			9.76	0	10.02	0
2"			9.76	0	10.02	0
3"			9.76	0	10.02	0
4"			9.76	0	10.02	0
6"			9.76	0	10.02	0
Gallonge charge						
Usage Under 10 tg Cap		140,696	\$0.86	120,999	\$1.76	247,625
		75,091	0.00	0	0.00	0
		59,065	0.00	0	0.00	0
Total Residential	20,535	274,852		\$321,420		\$453,386
Average Bill				\$15.65		\$22.08
General Service						
5/8" X 3/4"	4,109	54,670	\$9.76	\$40,104	\$10.02	\$41,172
1"	648	29,562	24.41	15,818	25.06	16,239
1-1/2"	256	12,514	48.80	12,493	50.10	12,826
2"	676	86,514	78.08	52,782	80.16	54,188
3"	36	13,374	156.18	5,622	160.34	5,772
4"	36	12,482	224.02	8,065	229.99	8,280
6"	12	28,577	488.02	5,856	501.03	6,012
Gallonge charge						
All Gallons		237,693	\$1.02	\$242,447	\$2.11	501,532
Total General Service	5,773	237,693		\$383,187		\$646,021
Average Bill				\$66.38		\$111.90
Totals	26,308	512,545		\$704,607		\$1,099,407
Unbilled Revenues						0
Guaranteed Revenues				0		0
Misc. Service Charge				0		0
Total Revenue				\$704,607		\$1,099,407
Immaterial Difference				\$6,494 *		
Revenue Requirement				0.9%		

Note: Bill count contains partial bills for Move-In and Move-Out activity

Customer Monthly Billing Schedule

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Water or Sewer

Schedule: E-3W
 Page: 1 of 2
 Preparer: Guastella Associates

Explanation: Provide a schedule of monthly customers billed or served by class.

Line No.	(1) Month/ Year	(2) Residential	(3) General Service	(4) Multi-Family Dwelling	(5) Private Fire Protection	(6) Other (List)	(7) Total
1	Jan-08	1,683	558		58		2,299
2	Feb-08	1,683	559		58		2,300
3	Mar-08	1,683	561		58		2,302
4	Apr-08	1,683	562		58		2,303
5	May-08	1,683	564		58		2,305
6	Jun-08	1,683	565		58		2,306
7	Jul-08	1,683	567		58		2,308
8	Aug-08	1,683	568		58		2,309
9	Sep-08	1,683	570		58		2,311
10	Oct-08	1,684	572		58		2,314
11	Nov-08	1,685	574		58		2,317
12	Dec-08	1,687	576		58		2,321
13	Total	20,203	6,796	0	696	0	27,695

Customer Monthly Billing Schedule

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Water or Sewer

Schedule: E-3W
 Page: 2 of 2
 Preparer: Guastella Associates

Explanation: Provide a schedule of monthly customers billed or served by class.

Line No.	(1) Month/ Year	(2) Residential	(3) General Service	(4) Multi-Family Dwelling	(5) Private Fire Protection	(6) Other (List)	(7) Total
1	Jan-07	1,682	537		52		2,271
2	Feb-07	1,682	539		52		2,273
3	Mar-07	1,682	540		52		2,274
4	Apr-07	1,682	542		53		2,277
5	May-07	1,682	543		54		2,279
6	Jun-07	1,682	545		54		2,281
7	Jul-07	1,683	546		54		2,283
8	Aug-07	1,683	548		56		2,287
9	Sep-07	1,683	549		57		2,289
10	Oct-07	1,683	551		57		2,291
11	Nov-07	1,683	553		58		2,294
12	Dec-07	1,683	556		58		2,297
13	Total	20,190	6,549	0	657	0	27,396

Customer Monthly Billing Schedule

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Test Year Ending 12/31/08
Water [] or Sewer [X]

Schedule: E-3S
Page: 1 of 2
Preparer: Guastella Associates

Explanation: Provide a schedule of monthly customers billed or served by class.

Line No.	(1) Month/ Year	(2) Residential	(3) General Service	(4) Multi-Family Dwelling	(5) Private Fire Protection	(6) Other (List)	(7) Total
1	Jan-08	1,679	460				2,139
2	Feb-08	1,679	461				2,140
3	Mar-08	1,679	463				2,142
4	Apr-08	1,679	464				2,143
5	May-08	1,679	466				2,145
6	Jun-08	1,679	467				2,146
7	Jul-08	1,679	469				2,148
8	Aug-08	1,679	470				2,149
9	Sep-08	1,679	472				2,151
10	Oct-08	1,680	474				2,154
11	Nov-08	1,681	476				2,157
12	Dec-08	1,683	478				2,161
13	Total	20,155	5,620	0	0	0	25,775

Customer Monthly Billing Schedule

Florida Public Service Commission

Southlake Utilities, Inc.

Docket No. 080597-WS

Base Year Ended 12/31/07

Water [] or Sewer [X]

Explanation: Provide a schedule of monthly customers billed or served by class.

Schedule: E-3S

Page: 2 of 2

Preparer: Guastella Associates

Line No.	(1) Month/ Year	(2) Residential	(3) General Service	(4) Multi-Family Dwelling	(5) Private Fire Protection	(6) Other (List)	(7) Total
1	Jan-07	1,679	439				2,118
2	Feb-07	1,679	441				2,120
3	Mar-07	1,679	442				2,121
4	Apr-07	1,679	444				2,123
5	May-07	1,679	445				2,124
6	Jun-07	1,679	447				2,126
7	Jul-07	1,679	448				2,127
8	Aug-07	1,679	450				2,129
9	Sep-07	1,679	451				2,130
10	Oct-07	1,679	453				2,132
11	Nov-07	1,679	454				2,133
12	Dec-07	1,679	455				2,134
13	Total	20,148	5,369	0	0	0	25,517

Miscellaneous Service Charges**Florida Public Service Commission**

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Water [X] or Sewer []

Schedule: E-4W
 Page: 1 of 1
 Preparer: Guastella Associates

Explanation: Provide a schedule of present and proposed miscellaneous service charges. If an increase is proposed (or new charges), provide a schedule of derivation of charges, unless the charges are pursuant to the latest Staff Advisory Bulletin #13.

(1) Type Charge	(2) Present		(3) Proposed	
	Bus. Hrs.	After Hrs.	Bus. Hrs.	After Hrs.
Initial Connection	\$15.00	OT + Mileage	\$20.00	\$30.00
Normal Reconnection	\$15.00	OT + Mileage	\$20.00	\$30.00
Violation Reconnection	\$15.00	OT + Mileage	\$20.00	\$30.00
Premises Visit	\$10.00	OT + Mileage	\$15.00	\$22.50
Other Charges (list)				

Miscellaneous Service Charges**Florida Public Service Commission**

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Water [] or Sewer [X]

Schedule: E-4S
 Page: 1 of 1
 Preparer: Guastella Associates

Explanation: Provide a schedule of present and proposed miscellaneous service charges. If an increase is proposed (or new charges), provide a schedule of derivation of charges, unless the charges are pursuant to the latest Staff Advisory Bulletin #13.

(1) Type Charge	(2) Present		(3) Proposed	
	Bus. Hrs.	After Hrs.	Bus. Hrs.	After Hrs.
Initial Connection	\$15.00	OT + Mileage	\$20.00	\$30.00
Normal Reconnection	\$15.00	OT + Mileage	\$20.00	\$30.00
Violation Reconnection	\$15.00	OT + Mileage	\$20.00	\$30.00
Premises Visit	\$10.00	OT + Mileage	\$15.00	\$22.50
Other Charges (list)				

Miscellaneous Service Charge Revenue

Florida Public Service Commission

Southlake Utilities, Inc.

Docket No. 080597-WS

Test Year Ending 12/31/08

Water [X] or Sewer []

Schedule: E-5W

Page: 1 of 1

Preparer: Guastella Associates

Explanation: Provide a schedule by month of test year miscellaneous charges received by type. Provide an additional schedule for proposed charges, if applicable. If a monthly schedule is not furnished, annual totals or by periods will be acceptable. If periods are not by-month, state what periods are used.

Line No.	(1) Month/ Year	(2) Initial Connection	(3) Normal Reconnect	(4) Violation Reconnect	(5) Premises Visit	(6) Other Charges (a)	(7) Total	
1	Jan-07	690	45		40	653	1,428	
2	Feb-07	615	240		50	899	1,804	
3	Mar-07	405	135		30	358	928	
4	Apr-07	675	45		0	679	1,399	
5	May-07	585	120		20	742	1,467	
6	Jun-07	690	150		40	893	1,788	
7	Jul-07	615	75		20	1,379	2,089	
8	Aug-07	705	150		40	809	1,704	
9	Sep-07	735	240		10	739	1,724	
10	Oct-07	630	75		40	842	1,587	
11	Nov-07	795	60		20	393	1,268	
12	Dec-07	675	105		0	162	942	
13	Total	<u>7,815</u>	<u>1,440</u>	<u>0</u>	<u>310</u>	<u>8,548</u>	18,128	
14	Note (a):	Remove "NSF Charges" booked in error to Misc. Service Charge Revenue						<u>(8,548)</u>
15							<u>9,580</u>	

		Base Year	Test Year
16	Charge per Connection	\$15.00	\$20.00
17	Visit	\$10.00	\$15.00
18	Number of Initial Connections	521	525
19	Number of Reconnections	96	96
20	Number of Premise Visits	31	31
21	Number of NSF Charges	122	n/a
22	Requested Rate - 2008:		
23	Charge per Connection		
24	Visit		
25	Misc. Service Revenue - 2008		\$12,885

Miscellaneous Service Charge Revenue

Florida Public Service Commission

Southlake Utilities, Inc.

Docket No. 080597-WS

Test Year Ending 12/31/08

Water [] or Sewer [X]

Schedule: E-5S

Page: 1 of 1

Preparer: Guastella Associates

Explanation: Provide a schedule by month of test year miscellaneous charges received by type. Provide an additional schedule for proposed charges, if applicable. If a monthly schedule is not furnished, annual totals or by periods will be acceptable. If periods are not by-month, state what periods are used.

Line No.	(1) Month/ Year	(2) Initial Connection	(3) Normal Reconnect	(4) Violation Reconnect	(5) Premises Visit	(6) Other Charges	(7) Total
1	Jan-07						0
2	Feb-07						0
3	Mar-07						0
4	Apr-07						0
5	May-07						0
6	Jun-07						0
7	Jul-07						0
8	Aug-07						0
9	Sep-07						0
10	Oct-07						0
11	Nov-07						0
12	Dec-07						0
13	Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
			<u>Base Year</u>	<u>Test Year</u>			
14	Charge per Connection		\$15.00	\$20.00			
15	Visit		\$10.00	\$15.00			
16	Number of Initial Connections						
17	Number of Reconnections						
18	Number of Premise Visits						
19	Requested Rate - 2008:						
20	Charge per Connection						
21	Visit						
22	Misc. Service Revenue - 2008				\$0		

Public Fire Hydrants Schedule

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Test Year Ending 12/31/08
Water or Sewer

Schedule: E-6
Page: 1 of 1
Preparer: Guastella Associates

Explanation: Provide a schedule of public fire hydrants (including standpipes, etc.) by size. This schedule is not required for a sewer only rate application.

(1) Line No.	(2) Size	(3) Type	(4) Quantity
1	5 1/4"	Public Fire Hydrants	202
2			
3	150,000 g.	Concrete - Ground Storage	1
4	100,000 g.	Concrete - Ground Storage	1
5	Total		<u>2</u>

Private Fire Protection Service

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Test Year Ending 12/31/08
Water [X] or Sewer []

Schedule: E-7
Page: 1 of 1
Preparer: Guastella Associates

Explanation: Provide a schedule of private fire protection service by size of connection.
This schedule is not required for a sewer only rate application.

(1) Line No.	(2) Size	(3) Type	(4) Quantity
1	2"	PVC Fire lines to internal sprinkling systems	38
2	4"	PVC Fire lines to internal sprinkling systems	6
3	6"	PVC Fire lines to internal sprinkling systems	8
4	8"	PVC Fire lines to internal sprinkling systems	5
5	10"	PVC Fire lines to internal sprinkling systems	1
6	Total		<u>58</u>

Contracts and Agreements Schedule

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Test Year Ending 12/31/08
Water [X] or Sewer [X]

Schedule: E-8
Page: 1 of 1
Preparer: Guastella Associates

Explanation: Provide a list of all outstanding contracts or agreements having rates or conditions different from those on approved tariffs. Describe with whom, the purpose and the elements of each contract shown.

(1) Line No.	(2) Type	(3) Description
1		WATER There are none.
2		SEWER There are none.

Tax or Franchise Fee Schedule

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Test Year Ending 12/31/08
Water [X] or Sewer [X]

Schedule: E-9
Page: 1 of 1
Preparer: Guastella Associates

Explanation: Provide a schedule of state, municipal, city or county franchise taxes or fees paid (or payable).
State the type of agreement (i.e. contract, tax).

(1) Line No.	(2) Type Tax or Fee	(3) To Whom Paid	(4) Amount	(5) How collected From Customers	(6) Type Agreement
	WATER				
1	Regulatory Assessment Fee	Florida Public Service Comm.	4.5%	Included in Rates	N/A
	SEWER				
2	Regulatory Assessment Fee	Florida Public Service Comm.	4.5%	Included in Rates	N/A

Service Availability Charges Schedule

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Water [X] or Sewer []

Schedule: E-10W
 Page: 1 of 1
 Preparer: Guastella Associates

Explanation: Provide a schedule of present and proposed service availability charges. (See Rule 25-20.580, F.A.C.).
 If no change is proposed, then this schedule is not required

(1) Type Charge	(2) Present Charges	(3) Proposed Charges
System Capacity Charge		
Residential - per ERC (___ GPD)	N/A	N/A
All Others - per Gallon/Day	N/A	N/A
Plant Capacity Charge		
Residential - per ERC (___ GPD)	\$433.00	\$433.00
All Others - per Gallon/Day		
Main Extension Charge		
Residential - per ERC (___ GPD) or per Lot (___ Front Footage)	\$0.00	\$0.00
All Others - per Gallon/Day or per Front Footage		
Meter Installation Charge		
5/8 x 3/4"	\$130.00	\$130.00
1"	\$210.00	\$210.00
All Other Meter Sizes	At Cost	At Cost
Customer Service Connection (Tap-in) Charge		
5/8" X 3/4"	\$0.00	\$0.00
1"	\$0.00	\$0.00
1-1/2"	\$0.00	\$0.00
2"	\$0.00	\$0.00
Over 2"	\$0.00	\$0.00
Back Flow Preventor Installation Charge	N/A	N/A
Plan Review Charge	N/A	N/A
Inspection Charge	N/A	N/A
Guaranteed Revenue Charge	N/A	N/A
Allowance for Funds Prudently Invested (AFPI)	N/A	N/A
Table of Payments by Month and Year		
The approved tariff charge until capacity is reached.		

Service Availability Charges Schedule

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Water [] or Sewer [X]

Schedule: E-10S
 Page: 1 of 1
 Preparer: Guastella Associates

Explanation: Provide a schedule of present and proposed service availability charges. (See Rule 25-20.580, F.A.C.).
 If no change is proposed, then this schedule is not required

(1) Type Charge	(2) Present Charges	(3) Proposed Charges
System Capacity Charge		
Residential - per ERC (___ GPD)	N/A	N/A
All Others - per Gallon/Day	N/A	N/A
Plant Capacity Charge		
Residential - per ERC (___ GPD)	\$970.00	\$970.00
All Others - per Gallon/Day		
Main Extension Charge		
Residential - per ERC (___ GPD)	\$0.00	\$0.00
or per Lot (___ Front Footage)		
All Others - per Gallon/Day		
or per Front Footage		
Customer Service Connection (Tap-in) Charge		
5/8" X 3/4"	\$0.00	\$0.00
1"	\$0.00	\$0.00
1-1/2"	\$0.00	\$0.00
2"	\$0.00	\$0.00
Over 2"	\$0.00	\$0.00
Back Flow Preventor Installation Charge	N/A	N/A
Plan Review Charge	N/A	N/A
Inspection Charge	N/A	N/A
Guaranteed Revenue Charge	N/A	N/A
Allowance for Funds Prudently Invested (AFPI)	N/A	N/A
Table of Payments by Month and Year		
The approved tariff charge until capacity is reached.		

Guaranteed Revenues Received

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Water Sewer
 Historic Projected

Schedule: E-11W
 Page: 1 of 1
 Preparer: Guastella Associates

Explanation: Provide copies of all guaranteed revenue contracts with a schedule of billing and receipts by month by clas

Line No.	(1) Month/ Year	(2) Residential	(3) General Service	(4) Other	(5) Total
1		None	None	None	
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
	Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Guaranteed Revenues Received

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Water [] Sewer [X]
 Historic [] Projected [X]

Schedule: E-11S
 Page: 1 of 1
 Preparer: Guastella Associates

Explanation: Provide copies of all guaranteed revenue contracts with a schedule of billing and receipts by month by clas

Line No.	(1) Month/ Year	(2) Residential	(3) General Service	(4) Other	(5) Total
1		None	None	None	
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
	Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Projected Test Year Revenue Calculation

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Water [X] Sewer []

Schedule: E-12W
 Page: 1 of 1
 Preparer: Guastella Associates

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) Class/Meter Size	(2) Historical Year Bills	(3) Proj. Factor	(4) Proj. Test Year Bills	(5) Test Year Consump.	(6) Proj. Factor	(7) Proj. TY Consump.	(8) Present Rates	(9) Proj. TY Revenue	(10) Proposed Rates	(11) Projected Rev. Req.
Residential										
5/8" X 3/4"	20,196	Note 1	20,203	275,180		266,588	\$8.98	\$181,423	\$8.82	\$178,190
1"	0			0			22.45	0	22.05	0
1-1/2"	0			0			44.90	0	44.11	0
2"	0			0			71.85	0	70.58	0
3"	0			0			143.70	0	141.17	0
4"	0			0			224.51	0	220.55	0
6"	0			0			449.03	0	441.11	0
Gallonge charge										
0 to 10,000 gals.				140,084		140,084	\$0.84	117,671	\$0.92	128,877
10,001 to 20,000 gals.				75,812	Note 2	73,386	0.84	63,682	1.37	100,539
Over 20,000 gals.				59,284	Note 2	53,118	0.84	49,798	1.83	97,206
Residential Service	20,196		20,203	275,180		266,588		\$412,574		\$504,813
General Service										
5/8" X 3/4"	4,536	Note 1	4,586	62,220		62,220	\$8.98	\$41,182	\$8.82	\$40,449
1"	828	Note 1	884	62,164		62,164	22.45	19,846	22.05	19,492
1-1/2"	336	Note 1	342	23,390		23,390	44.90	15,356	44.11	15,086
2"	828	Note 1	840	136,021		136,021	71.85	60,354	70.58	59,287
3"	60	Note 1	60	13,907		13,907	143.70	8,622	141.17	8,470
4"	36	Note 1	36	12,482		12,482	224.51	8,082	220.55	7,940
6"	48	Note 1	48	114,308		114,308	449.03	21,553	441.11	21,173
Gallonge charge										
All Gallons				424,492		424,492	\$0.84	356,574	\$1.05	445,717
General Service	6,672		6,796	424,492		424,492		\$531,569		\$617,614
Total Metered Revenue	26,868		26,999	699,672		691,081		\$944,143		\$1,122,427
Fire Protection										
1-1/2"	0		0				\$14.98	\$0	\$14.56	\$0
2"	456		456				23.75	10,830	23.29	10,620
3"	0		0				74.83	0	46.58	0
4"	72		72				149.67	10,776	72.78	5,240
6"	96		96				149.67	14,368	145.56	13,974
8"	60		60				149.67	8,980	232.89	13,973
10"	12		12				149.67	1,796	334.78	4,017
Fire Protection Service	696		696					\$46,751		\$47,825
Misc. Service Revenue								9,580		12,885
Total Revenue								\$1,000,474		\$1,183,137

Notes: (1) Reflects annualized base year bills plus projected test year growth of customers
 (2) Reflects consumption based on repression impacts of 10% increase in rates produce 2% reduction in Block 2 and Block 3 consumption

Projected Test Year Revenue Calculation

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Water [] Sewer [X]

Schedule: E-12S
 Page: 1 of 1
 Preparer: Guastella Associates

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) Class/Meter Size	(2) Historical Year Bills	(3) Proj. Factor	(4) Proj. Test Year Bills	(5) Test Year Usage	(6) Proj. Factor	(7) Proj. TY Usage	(8) Present Rates	(9) Proj. TY Revenue	(10) Proposed Rates	(11) Projected Rev. Req.
Residential										
5/8" X 3/4"	20,148	Note 1	20,155	269,766	Note 3	261,343	\$9.76	\$196,713	\$10.02	\$201,953
1"	0			0			9.76	0	10.02	0
1-1/2"	0			0			9.76	0	10.02	0
2"	0			0			9.76	0	10.02	0
3"	0			0			9.76	0	10.02	0
4"	0			0			9.76	0	10.02	0
6"	0			0			9.76	0	10.02	0
Gallage charge										
Usage Under 10 tg Cap				138,092		138,092	\$0.86	118,759	\$1.76	243,043
							0.00	0	0.00	0
							0.00	0	0.00	0
Residential Service	20,148		20,155	269,766		261,343		\$315,472		\$444,996
General Service										
5/8" X 3/4"	3,816	Note 1	3,866	51,437	Note 2	51,437	\$9.76	\$37,732	\$10.02	\$38,737
1"	648	Note 1	704	32,117	Note 2	32,117	24.41	17,185	25.06	17,642
1-1/2"	216	Note 1	222	10,852	Note 2	10,852	48.80	10,834	50.10	11,122
2"	696	Note 1	708	90,610	Note 2	90,610	78.08	55,281	80.16	56,753
3"	36	Note 1	36	13,374	Note 2	13,374	156.18	5,622	160.34	5,772
4"	36	Note 1	36	12,482	Note 2	12,482	224.02	8,065	229.99	8,280
6"	48	Note 1	48	114,308	Note 2	114,308	488.02	23,425	501.03	24,049
Gallage charge										
All Gallons				325,180		325,180	\$1.02	331,684	\$2.11	686,130
General Service	5,496		5,620	325,180		325,180		\$489,827		\$848,486
Total Metered Revenue	25,644		25,775	594,946		586,523		\$805,299		\$1,293,482
Misc. Service Revenue								0		0
Total Revenue								\$805,299		\$1,293,482

Notes: (1) Reflects annualized base year bills plus projected test year growth of customers
 (2) Reflects usage based on relative water consumption for historical year.
 (3) Reflects water consumption reduction relative to impacts of conservation rates.

Billing Analysis Schedules

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Test Year Ending 12/31/08
Water [X] Sewer [X]
Customer Class:
Meter Size:

Schedule: E-13
Page: 1 of 1
Preparer: Guastella Associates

Explanation: Provide a billing analysis for each class of service by meter size. For applicants having master metered multiple dwellings, provide number of bills at each level by meter size or number of bills categorized by the number of units. Round consumption to nearest 1,000 gallons and begin at zero. If a rate change occurred during the test year, provide a separate billing analysis which coincides with each period.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Consumption Level	Number of Bills	Cumulative Bills	Gallons Consumed (1) X (2)	Cumulative Gallons	Reversed Bills	Consolidated Factor [(1)X(6)]+(5)	Percentage of Total

The billing analysis is provide in Volume II.

Southlake Utilities, Inc.
ENGINEERING SCHEDULES

<u>SCHEDULE TITLE</u>	<u>SCHEDULE NUMBER</u>
Gallons of Water Pumped, Sold & Unaccounted For	F-1
Gallons of Wastewater Treated	F-2
Water Treatment Plant Statistics	F-3
Wastewater Treatment Plant Statistics	F-4
Used and Useful Calculations - Water	F-5
Used and Useful Calculations - Wastewater	F-6
Used and Useful Calculation - Distribution System	F-7
Margin Reserve Calculations	F-8
ERC Calculation - Water	F-9
ERC Calculation - Wastewater	F-10

**Gallons of Water Pumped, Sold and Unaccounted For
In Thousands of Gallons
Southlake Utilities, Inc.
Docket No. 080597-WS
Base Year Ended 12/31/07**

Florida Public Service Commission

Schedule: F-1
Page: 1 of 1
Preparer: Guastella Associates

Description: Provide a schedule of gallons of water pumped, sold and unaccounted for each month of the test year. The gallons pumped should match the flows shown on the monthly operating reports sent to DER. The other uses may include plant use, flushing of hydrants and water and sewer lines, line breakages and fire flows. Provide all calculations to substantiate the other uses. If unaccounted for water is greater than 10%, provide an explanation as to the reasons why.

Month/Year	(1) Gallons Pumped	(2) Production Adjustment*	(3) Gallons Sold	(4) Other Uses	(5) Unaccounted For Water (1)+(2)-(3)-(4)	(6) % Unaccounted For Water
Jan-07	47,414,000	0	53,958,000	387,000	(6,931,000)	-14.62%
Feb-07	42,239,000	236,000	41,278,000	94,000	1,103,000	2.61%
Mar-07	54,535,000	364,000	50,137,000	47,000	4,715,000	8.65%
Apr-07	52,962,000	493,000	53,933,000	42,000	(520,000)	-0.98%
May-07	58,318,000	38,000	57,206,000	62,000	1,088,000	1.87%
Jun-07	54,528,000	509,000	55,249,000	143,000	(355,000)	-0.65%
Jul-07	53,112,000	514,000	51,341,000	233,000	2,052,000	3.86%
Aug-07	65,355,000	539,000	61,630,000	33,000	4,231,000	6.47%
Sep-07	52,127,000	782,000	57,369,000	80,000	(4,540,000)	-8.71%
Oct-07	54,324,000	908,000	55,064,000	54,000	114,000	0.21%
Nov-07	48,401,000	1,097,000	47,330,000	42,000	2,126,000	4.39%
Dec-07	51,261,000	1,184,000	52,162,000	164,000	119,000	0.23%
TOTAL	634,576,000	6,664,000	636,657,000	1,381,000	3,202,000	0.50%

Note: Adjustment reflects WTP (treated water) readings in excess of gallons pumped by Well B-R and Well D.

**Gallons of Wastewater Treated
In Thousands of Gallons
Southlake Utilities, Inc.
Docket No. 080597-WS
Base Year Ended 12/31/07**

Florida Public Service Commission

Schedule: F-2
Page: 1 of 1
Preparer: Guastella Associates

Description: Provide a schedule of gallons of wastewater treated by individual plant for each month of the historical test year. Flow data should match the monthly operating reports sent to DER.

Month/Year	(1)	(2)	(3)	(4)	(5)	(6)
	(Name)	(Name)	(Name)	(Name)	Total Plant Flows	Total Purchased Sewage Treatment
Jan-07	19,931,000	0			19,931,000	0
Feb-07	18,263,000	0			18,263,000	0
Mar-07	22,222,000	0			22,222,000	0
Apr-07	21,569,000	0			21,569,000	0
May-07	20,635,000	0			20,635,000	0
Jun-07	20,696,000	0			20,696,000	0
Jul-07	22,659,000	0			22,659,000	0
Aug-07	21,845,000	0			21,845,000	0
Sep-07	20,027,000	0			20,027,000	0
Oct-07	22,627,000	0			22,627,000	0
Nov-07	20,400,000	0			20,400,000	0
Dec-07	21,670,000	0			21,670,000	0
TOTAL	252,544,000	0	0	0	252,544,000	0

Water Treatment Plant Data

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07

Schedule: F-3
 Page: 1 of 1
 Preparer: Guastella Associates

Description: Provide the following information for each water treatment plant. If the system has water plants that are interconnected, the data for these plants may be combined. All flow data must be obtained from the monthly operating reports (MORs) sent to the Department of Environmental Regulation.

Line No.	Description	DATE	GPD
1	Plant Capacity: The hydraulic rated capacity. If different from that shown on the DER operating or construction permit, provide an explanation.	4/5/2007	2,916,000
2	Maximum Day: The single day with the highest pumpage rate for the test year. Explain, on a separate page, if fire flow, line-breaks or other unusual occurrences affected the flow this day.	10/14/2007 (A)	2,759,000
3	Five-Day Max Year: The five days with the highest pumpage rate from any one month in the test year. Provide an explanation if fire flow, line-breaks or other unusual occurrences affected the flows on these days.	(1) 10/14/2007 (2) 10/12/2007 (3) 10/25/2007 (4) 10/18/2007 (5) 10/7/2007	2,759,000 2,459,000 2,424,000 2,372,000 2,067,000
		AVERAGE	2,416,200
4	Average Daily Flow		1,738,564
5	Required Fire Flow (1,500 gpm for 4 hours) The standards will be those as set by the Insurance Service Organization or by a governmental agency ordinance. Provide documents to support this calculation.		360,000

Note (A): On 8/15/07, tank level readings were 18 ft and subsequent days were 15 ft & 13 ft for an approximate use of between 0.500 MGD and 1.040 MGD. SLU personnel began checking for broken water mains. SLU discovered Zenedro Homes was running (3) 2" meters 24/7 for irrigation. They were advised to cut back use. This was a new irrigation system watering newly installed landscape. The irrigation system was installed with solenoid valves, however electrical power to activate the valves was not connected. The system was manually turned on and left on until SLU found the system running non-stop. Therefore, the following readings were not used:

(1)	8/15/2007	3,042,000
(2)	8/16/2007	3,003,000
(3)	8/17/2007	2,884,000
(4)	8/11/2007	2,653,000
(5)	8/9/2007	2,632,000

Wastewater Treatment Plant Data**Florida Public Service Commission**

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07

Schedule: F-4
 Page: 1 of 1
 Preparer: Guastella Associates

Description: Provide the following information for each wastewater treatment plant. All flow data must be obtained from the monthly operating reports (MORs) sent to the Department of Environmental Regulation.

Line No.	Description	DATE	GPD
1	Plant Capacity: The hydraulic rated capacity. If different from that shown on the DER operating or construction permit, provide an explanation.	4/19/2007	1,115,000
2	Average Daily Flow Max Month An average of daily flows during the peak usage month during the test year. Explain, on a separate page, if this peak-month was influenced by abnormal infiltration due to rainfall periods.	July, 2007	730,935

**Used and Useful Calculations
Water Treatment Plant**

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Test Year Ending 12/31/08
Interim [] Final [X]

Schedule: F-5
Page: 1 of 2
Preparer: Guastella Associates

Description: Provide all calculations, analyses and governmental requirements used to determine the used and useful percentages for the water treatment plant(s) for the historical test year and the projected test year (if applicable).

Projected Average Test Year

Used & Useful Analysis - Supply and Treatment Facilities:

Well No.	Yield of Well (GPD)	
A	1,500,000	* Provided untreated water for Irrigation
B-R	4,000,000	
D	1,010,000	
F	0	
Total	<u>6,510,000</u>	
Less: Highest Yield Well (N/A)	<u>-4,000,000</u>	
	<u>2,510,000</u>	
Supply Capacity-16 Hours of Pumping		1,673,333 GPD
Plant Capacity-Per Permit		2,916,000 GPD

Used & Useful Calculation:

Base Year Maximum Day (Sch. F-3)	2,759,000	
Average Base Year ERCs	3,288	
Max Day per ERC	839.1	
Test Year Average ERCs	3,365	
5 Year Growth at 5% per Year	27.63%	
Margin Reserve ERCs	930	
Margin Reserve Gallons	780,260	
Maximum Day Adjusted for Margin Reserve	3,539,260	
Required Fire Flow	<u>360,000</u>	
Maximum Day Plus Fire Demand		3,899,260 GPD
Used & Useful Percentage		<u>100.00%</u>

Used & Useful Analysis - Storage Facilities:

Storage Tank - GST #1	1,000,000	
GST #2	<u>1,500,000</u>	
Storage Capacity		2,500,000 GPD
Maximum Day Adjusted for Margin Reserve	3,539,260	
Required Fire Flow	<u>360,000</u>	
Maximum Day Plus Fire Demand		3,899,260 GPD
Used & Useful Percentage		<u>100.00%</u>

Recap Schedules:

A-5, A-9, B-13

**Used and Useful Calculations
Water Treatment Plant**

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Base Year Ended 12/31/07
Interim [X] Final []

Schedule: F-5
Page: 2 of 2
Preparer: Guastella Associates

Description: Provide all calculations, analyses and governmental requirements used to determine the used and useful percentages for the water treatment plant(s) for the historical test year and the projected test year (if applicable).

Interim Test Year

Used & Useful Analysis - Supply and Treatment Facilities:

Well No.	Yield of Well (GPD)	
A	1,500,000	* Provided untreated water for Irrigation
B-R	4,000,000	
D	1,010,000	
F	0	
Total	<u>6,510,000</u>	
Less: Highest Yield Well (N/A)	<u>-4,000,000</u>	
	<u>2,510,000</u>	
Supply Capacity-16 Hours of Pumping		1,673,333 GPD
Plant Capacity-Per Permit		2,916,000 GPD

Used & Useful Calculation:

Base Year Maximum Day (Sch. F-3)	2,759,000	
Average Base Year ERCs	3,288	
Max Day per ERC	839.1	
Year End ERCs	3,339	
5 Year Growth at 5% per Year	27.63%	
Margin Reserve ERCs	922	
Margin Reserve Gallons	774,020	
Maximum Day Adjusted for Margin Reserve	3,533,020	
Required Fire Flow	<u>360,000</u>	
Maximum Day Plus Fire Demand		3,893,020 GPD

Used & Useful Percentage 100.00%

Used & Useful Analysis - Storage Facilities:

Storage Tank - GST #1	1,000,000	
GST #2	<u>1,500,000</u>	
Storage Capacity		2,500,000 GPD
Maximum Day Adjusted for Margin Reserve	3,533,020	
Required Fire Flow	<u>360,000</u>	
Maximum Day Plus Fire Demand		3,893,020 GPD

Used & Useful Percentage 100.00%

Recap Schedules:
A-5, A-9, B-13

**Used and Useful Calculations
Wastewater Treatment Plant**

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Test Year Ending 12/31/08
Interim [] Final [X]

Schedule: F-6
Page: 1 of 2
Preparer: Guastella Associates

Description: Provide all calculations, analyses and governmental requirements used to determine the used and useful percentages for the wastewater treatment plant(s) for the historical test year and the projected test year (if applicable).

<u>Projected Average Test Year</u>		
Plant Capacity-Per Permit		1,115,000 GPD
Base Year Average Daily Flow Max Month (Sch. F-4)		730,935 GPD
Average Base Year ERCs	3,206	
Average Daily Flow Max Month per ERC	228.0	
Test Year Average ERCs	3,281	
5 Year Growth at 5% per Year	<u>27.63%</u>	
Margin Reserve ERCs	907	
Margin Reserve Gallons		<u>206,708</u>
Avg. Day Max Month with Margin Reserve		937,643
Used & Useful Percentage		<u>84.09%</u>
USE		<u>100.00%</u>

The WWTP is 100% Used & Useful based on: (1) The Utility System (water and sewer) is virtually built-out even with the 5% annual growth limit on margin reserve, (2) treatment plant design criteria builds in a level of excess capacity, and (3) the insignificant cost difference between a 1.115 mgd and .950 mgd capacity plant.

Recap Schedules:
A-6, A-10, B-14

**Used and Useful Calculations
Wastewater Treatment Plant**

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Base Year Ended 12/31/07
Interim Final

Schedule: F-6
Page: 2 of 2
Preparer: Guastella Associates

Description: Provide all calculations, analyses and governmental requirements used to determine the used and useful percentages for the wastewater treatment plant(s) for the historical test year and the projected test year (if applicable).

Interim Test Year

Plant Capacity-Per Permit		1,115,000 GPD
Average Daily Flow Max Month		730,935 GPD
Average Base Year ERCs	3,206	
Average Daily Flow Max Month per ERC	228.0	
Year End ERCs	3,255	
5 Year Growth at 5% per Year	<u>27.63%</u>	
Margin Reserve ERCs	899	
Margin Reserve Gallons		<u>205,013</u>
Avg. Day Max Month with Margin Reserve		935,948
Used & Useful Percentage		<u>83.94%</u>
USE		<u>100.00%</u>

The WWTP is 100% Used & Useful based on: (1) The Utility System (water and sewer) is virtually built-out even with the 5% annual growth limit on margin reserve, (2) treatment plant design criteria builds in a level of excess capacity, and (3) the insignificant cost difference between a 1.115 mgd and .950 mgd capacity plant.

Recap Schedules:
A-6, A-10, B-14

**Used and Useful Calculations
Water Distribution and Wastewater Collection Systems**

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Test Year Ending 12/31/08
Interim [] Final [X]

Schedule: F-7
Page: 1 of 1
Preparer: Guastella Associates

Description: Provide all calculations, analyses and governmental requirements used to determine the used and useful percentages for the water distribution and wastewater collection systems for the historical test year and the projected test year (if applicable). The capacity should be in terms of ability to serve a designated number of connections. It should then be related to actual connected density for historical year calculations. Explain all assumptions for projected calculations. If the distribution and collection systems are entirely contributed or built-out, this schedule is not required.

Water Calculation:

Year-End	Customers		Meter Equivalents (ERCs)	
	Total	Growth	Total	Growth
2002	1,187	128	1,935.0	172.5
2003	1,458	271	2,180.0	245.0
2004	1,902	444	2,771.5	591.5
2005	2,249	347	3,205.0	433.5
2006	2,254	5	3,237.5	32.5
2007	2,274	20	3,338.5	101.0
2008	2,298	24	3,392.3	53.8
Average Annual Growth		177.0	232.8	

	Year-End Base Year	Average Test Year
ERCs	3,339	3,365
Margin Reserve (5 year growth)	1,556	1,668
Total ERCs	4,895	5,034
Margin Reserve Factor	146.61%	149.57%
ERC Capacity - Existing Mains (per Statement below)	3,339	3,392
Used & Useful Percentage (*)	146.61%	148.39%
Margin Reserve Factor (limit to 5% per year)	127.63%	1,2763
Used & Useful Percentage	187.12%	189.38%
USE	100%	100%

Sewer Calculation:

Year-End	Customers		Meter Equivalents (ERCs)	
	Total	Growth	Total	Growth
2002	1,187	128	1,935.0	173.5
2003	1,414	227	2,136.0	201.0
2004	1,848	434	2,717.5	581.5
2005	2,175	327	3,131.0	413.5
2006	2,174	-1	3,157.5	26.5
2007	2,190	16	3,254.5	97.0
2008	2,214	24	3,308.3	53.8
Average Annual Growth		165.0	221.0	

	Year-End Base Year	Average Test Year
ERCs	3,255	3,281
Margin Reserve (5 year growth)	1,499	1,606
Total ERCs	4,753	4,887
Margin Reserve Factor	146.05%	148.93%
ERC Capacity - Existing Mains (per Statement below)	3,255	3,308
Used & Useful Percentage (*)	146.05%	147.72%
Margin Reserve Factor (limit to 5% per year)	127.63%	1,2763
Used & Useful Percentage	186.40%	188.53%
USE	100%	100%

Statement provided by Company's Operations Manager regarding water distribution and wastewater collection facilities:
"Upon visual inspection of the service area, all existing single family lot developments are completely built-out with customer service connections and there are no (0) remaining vacant lots available for construction. All future single family construction will be provided water and wastewater service through newly installed main extensions."

Margin Reserve Calculations**Florida Public Service Commission**

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Water [X] Sewer []

Schedule: F-8W
 Page: 1 of 1
 Preparer: Guastella Associates

Description: If a margin reserve is requested, provide all calculations and analyses used to determine the amount of margin reserve for each portion of used and useful plant.

WATER

Calculation for Test Year 12/31/08 (permanent rates):

Linear regression analysis using year-end ERCs for the last five years, trended for the next five year period.

	Year	Meters	ERCs	Trend	Increase
2003	1	1,458.0	2,180.0	2,389.9	
2004	2	1,902.0	2,771.5	2,668.2	
2005	3	2,249.0	3,205.0	2,946.5	
2006	4	2,254.0	3,237.5	3,224.8	
2007	5	2,274.0	3,338.5	3,503.1	
2008	6			3,781.4	7.94%
2009	7			4,059.7	7.36%
2010	8			4,338.0	6.86%
2011	9			4,616.3	6.42%
2012	10			4,894.6	6.03%
2013	11			5,172.9	
X Coefficient(s)				278.3	

Calculation for Base Year 12/31/07 (Interim rates):

Linear regression analysis using year-end ERCs for the last five years, trended for the next five year period.

	Year	Meters	ERCs	Trend	Increase
2003	1	1,458.0	2,180.0	2,389.9	
2004	2	1,902.0	2,771.5	2,668.2	
2005	3	2,249.0	3,205.0	2,946.5	
2006	4	2,254.0	3,237.5	3,224.8	
2007	5	2,274.0	3,338.5	3,503.1	
2008	6			3,781.4	7.94%
2009	7			4,059.7	7.36%
2010	8			4,338.0	6.86%
2011	9			4,616.3	6.42%
2012	10			4,894.6	6.03%
X Coefficient(s)				278.3	

Margin Reserve Calculations

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08
 Water [] Sewer [X]

Schedule: F-8S
 Page: 1 of 1
 Preparer: Guastella Associates

Description: If a margin reserve is requested, provide all calculations and analyses used to determine the amount of margin reserve for each portion of used and useful plant.

SEWER

Calculation for Test Year 6/30/08 (permanent rates):

Linear regression analysis using year-end ERCs for the last five years, trended for the next five year period.

	Year	Meters	ERCs	Trend	Increase
2003	1	1,414.0	2,136.0	2,343.9	
2004	2	1,848.0	2,717.5	2,611.6	
2005	3	2,175.0	3,131.0	2,879.3	
2006	4	2,174.0	3,157.5	3,147.0	
2007	5	2,190.0	3,254.5	3,414.7	
2008	6			3,682.4	7.84%
2009	7			3,950.1	7.27%
2010	8			4,217.8	6.78%
2011	9			4,485.5	6.35%
2012	10			4,753.2	5.97%
2013	11			5,020.9	5.63%
X Coefficient(s)				267.7	

Calculation for Base Year 6/30/07 (Interim rates):

Linear regression analysis using year-end ERCs for the last five years, trended for the next five year period.

	Year	Meters	ERCs	Trend	Increase
2003	1	1,414.0	2,136.0	2,343.9	
2004	2	1,848.0	2,717.5	2,611.6	
2005	3	2,175.0	3,131.0	2,879.3	
2006	4	2,174.0	3,157.5	3,147.0	
2007	5	2,190.0	3,254.5	3,414.7	
2008	6			3,682.4	7.84%
2009	7			3,950.1	7.27%
2010	8			4,217.8	6.78%
2011	9			4,485.5	6.35%
2012	10			4,753.2	5.97%
X Coefficient(s)				267.7	

Equivalent Residential Connections - Water

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08

Schedule: F-9
 Page: 1 of 1
 Preparer: Guastella Associates

Description: Provide the following information in order to calculate the average growth in ERCs for the last five years, including the test year. If the utility does not have single-family residential (SFR) customers, the largest customer class should be used as a substitute.

(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	(9)
Line No.	Year	SFR Customers		Average	SFR Gallons Sold	Gallons/SFR (5)/(4)	Total Gallons Sold	Total ERCs (7)/(6)	Annual % Incr. in ERCs
1	2003	607.0	958.0	782.5	110,012,000	140,590.4	347,005,000	2,468.2	
2	2004	958.0	1,385.0	1,171.5	194,508,000	166,033.3	471,267,000	2,838.4	15.00%
3	2005	1,385.0	1,701.0	1,543.0	300,518,000	194,762.2	614,945,000	3,157.4	11.24%
4	2006	1,701.0	1,702.0	1,701.5	359,807,000	211,464.6	718,794,000	3,399.1	7.66%
5	2007	1,702.0	1,703.0	1,702.5	280,315,000	164,649.0	636,657,000	3,866.8	13.76%
Average Growth Through 5-Year Period (Col. 8)									<u>11.88%</u>

Equivalent Residential Connections - Wastewater

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Test Year Ending 12/31/08

Schedule: F-10
 Page: 1 of 1
 Preparer: Guastella Associates

Description: Provide the following information in order to calculate the average growth in ERCs for the last five years, including the test year. If the utility does not have single-family residential (SFR) customers, the largest customer class should be used as a substitute.

(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	(9)
Line No.	Year	SFR Customers		Average	SFR Gallons Sold	Gallons/SFR (5)/(4)	Total Gallons Sold	Total ERCs (7)/(6)	Annual % Incr. in ERCs
1	2003	607.0	953.0	780.0	100,779,000	129,203.8	283,275,000	2,192.5	
2	2004	953.0	1,379.0	1,166.0	189,183,000	162,249.6	405,485,000	2,499.1	13.99%
3	2005	1,379.0	1,693.0	1,536.0	298,816,000	194,541.7	533,121,000	2,740.4	9.65%
4	2006	1,693.0	1,699.0	1,696.0	358,494,000	211,376.2	601,577,000	2,846.0	3.85%
5	2007	1,699.0	1,699.0	1,699.0	274,852,000	161,772.8	512,545,000	3,168.3	11.32%
Average Growth Through 5-Year Period (Col. 8)									<u>9.64%</u>

VOLUME 1G

Southlake Utilities, Inc.
INTERIM RATE SCHEDULES

<u>SCHEDULE TITLE</u>	<u>SCHEDULE NUMBER</u>
Rate Schedule - Interim Rates - Water	G-1W
Rate Schedule - Interim Rates - Sewer	G-1S
Schedule of Water Rate Base - Interim Rates	G-2W
Schedule of Sewer Rate Base - Interim Rates	G-2S
Schedule of Adjustments to Rate Base - Interim	G-3
Schedule of Water Net Operating Income - Interim	G-4W
Schedule of Sewer Net Operating Income - Interim	G-4S
Schedule of Adjustments to Operating Income - Interim	G-5
Schedule of Requested Cost of Capital - Interim	G-6
Water Revenue at Present and Proposed Rates	G-7W
Sewer Revenue at Present and Proposed Rates	G-7S

Rate Schedule - Interim Rates

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Historic Projected
 Water Sewer

Schedule: G-1W
 Page: 1 of 1
 Preparer: Guastella Associates

Description: Provide a schedule of present and proposed rates

(1)	(2)	(3)
<u>Class/Meter Size</u>	<u>Present Rates</u>	<u>Proposed Rates</u>
Base Facility Charge		
Residential		
5/8" X 3/4"	\$8.98	\$9.50
1"	\$22.45	\$23.76
1-1/2"	\$44.90	\$47.52
2"	\$71.85	\$76.05
3"	\$143.70	\$152.10
4"	\$224.51	\$237.63
6"	\$449.03	\$475.28
Gallorage Charge/1,000 g		
All Gallons	\$0.84	\$0.89
	\$0.84	\$0.89
	\$0.84	\$0.89
Base Facility Charge		
General Service		
5/8" X 3/4"	\$8.98	\$9.50
1"	\$22.45	\$23.76
1-1/2"	\$44.90	\$47.52
2"	\$71.85	\$76.05
3"	\$143.70	\$152.10
4"	\$224.51	\$237.63
6"	\$449.03	\$475.28
Gallorage Charge/1,000 g		
All Gallons	\$0.84	\$0.89
Fire Protection		

Rate Schedule - Interim Rates

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Historic Projected
 Water Sewer

Schedule: G-1S
 Page: 1 of 1
 Preparer: Guastella Associates

Description: Provide a schedule of present and proposed rates

(1)	(2)	(3)
<u>Class/Meter Size</u>	<u>Present Rates</u>	<u>Proposed Rates</u>
Base Facility Charge		
Residential		
5/8" X 3/4"	\$9.76	\$14.33
1"	\$9.76	\$14.33
1-1/2"	\$9.76	\$14.33
2"	\$9.76	\$14.33
3"	\$9.76	\$14.33
4"	\$9.76	\$14.33
6"	\$9.76	\$14.33
Gallorage Charge/1,000 g		
All Gallons	\$0.86	\$1.26
	\$0.00	\$0.00
	\$0.00	\$0.00
Base Facility Charge		
General Service		
5/8" X 3/4"	\$9.76	\$14.33
1"	\$24.41	\$35.83
1-1/2"	\$48.80	\$71.63
2"	\$78.08	\$114.60
3"	\$156.18	\$229.23
4"	\$224.02	\$328.80
6"	\$488.02	\$716.28
Gallorage Charge/1,000 g		
All Gallons	\$1.02	\$1.50
Other (list)	\$0.00	\$0.00

Schedule of Water Rate Base - Interim Rates

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Average [] Year-End [X]
 Historic [X] Projected []
 Water [X] Sewer []

Schedule: G-2W
 Page: 1 of 1
 Preparer: Guastella Associates

Line No.	(1) Description	(2) Per Book Balance 6/30/2007	(3) Adjustments Last Rate Case Methodology	(4) Interim Rate Base	(5) Supporting Schedule(s)
1	Utility Plant in Service	\$7,011,442		\$7,011,442	A-5
2	Utility Land & Land Rights	133,286		133,286	A-5
3	Less: Non-Used & Useful Plant	0	0	0	A-7
4	Construction Work in Progress	778,064		778,064	
5	Less: Accumulated Depreciation	(870,163)		(870,163)	A-9
6	Less: CIAC	(3,939,479)		(3,939,479)	A-12
7	Accumulated Amortization of CIAC	827,836		827,836	A-14
8	Acquisition Adjustments	0		0	
9	Accum. Amort. Of Acq. Adjustments	0		0	
10	Advances For Construction	(123,121)		(123,121)	
11	Working Capital Allowance	68,090		68,090	A-17
12	Total Rate Base	\$3,885,954	\$0	\$3,885,954	

Support Schedule: A-1

Schedule of Sewer Rate Base - Interim Rates

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Average [] Year-End [X]
 Historic [X] Projected []
 Water [] Sewer [X]

Schedule: G-2S
 Page: 1 of 1
 Preparer: Guastella Associates

Line No.	(1) Description	(2) Per Book Balance 6/30/2007	(3) Adjustments Last Rate Case Methodology	(4) Interim Rate Base	(5) Supporting Schedule(s)
1	Utility Plant in Service	\$7,287,302		\$7,287,302	A-6
2	Utility Land & Land Rights	558,446		558,446	A-6
3	Less: Non-Used & Useful Plant	0	0	0	A-7
4	Construction Work in Progress	0		0	
5	Less: Accumulated Depreciation	(1,458,018)		(1,458,018)	A-10
6	Less: CIAC	(5,341,309)		(5,341,309)	A-12
7	Accumulated Amortization of CIAC	1,450,736		1,450,736	A-14
8	Acquisition Adjustments	0		0	
9	Accum. Amort. Of Acq. Adjustments	0		0	
10	Advances For Construction	(295,893)		(295,893)	
11	Working Capital Allowance	104,103		104,103	A-17
12	Total Rate Base	\$2,305,367	\$0	\$2,305,367	

Support Schedule: A-2

Schedule of Adjustments to Rate Base - Interim

Florida Public Service Commission

Southlake Utilities, Inc.
Docket No. 080597-WS
Base Year Ended 12/31/07
Average Year-End
Historic Projected
Water Sewer

Schedule: G-3
Page: 1 of 1
Preparer: Guastella Associates

WATER

The only adjustments to the Base Year historical Rate Base are those related to Non-Used and Useful Plant adjustments and are explained on Schedules F-5 and F-7.

SEWER

The only adjustments to the Base Year historical Rate Base are those related to Non-Used and Useful Plant adjustments and are explained on Schedules F-6 and F-7.

Schedule of Water Net Operating Income - Interim

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Historic Projected
 Water Sewer

Schedule: G-4W
 Page: 1 of 1
 Preparer: Guastella Associates

Description: Provide the ending balances and average of plant in service for the prior year and the test year by primary account.
 Also show non-used & useful amounts by account.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Line No.	Description	Utility Adjusted Test Year	Utility Interim Adjustments	Adjusted Interim Test Year	Interim Increase	Requested Interim Revenues	Reference Schedule	% Increase
1	Water Sales Revenues	\$973,511		\$973,511	\$56,905	\$1,030,416	B-4	5.8%
2	Other Revenues	18,128		18,128		18,128	B-4	0.0%
3	OPERATING REVENUES	<u>991,639</u>		<u>991,639</u>		<u>1,048,544</u>		5.7%
4	Operation & Maintenance	544,720		544,720		544,720	B-5	
5	Depreciation, net of CIAC Amort.	67,365		67,365		67,365	B-13	
6	Amortization	0		0		0		
7	Taxes Other Than Income	90,783		90,783	2,561	93,344	B-15	
8	Provision for Income Taxes	0		0	0	0	C-1	
9	OPERATING EXPENSES	<u>702,868</u>		<u>702,868</u>		<u>705,428</u>		
10	NET OPERATING INCOME	<u>288,771</u>		<u>288,771</u>		<u>343,116</u>		
11	RATE BASE	<u>3,885,954</u>				<u>3,885,954</u>	A-1	
12	RATE OF RETURN	<u>7.43%</u>				<u>8.83%</u>	D-1	

Support Schedule: B-1

Schedule of Sewer Net Operating Income - Interim

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Historic Projected
 Water Sewer

Schedule: G-4S
 Page: 1 of 1
 Preparer: Guastella Associates

Description: Provide the ending balances and average of plant in service for the prior year and the test year by primary account.
 Also show non-used & useful amounts by account.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Line No.	Description	Utility Adjusted Test Year	Utility Interim Adjustments	Adjusted Interim Test Year	Interim Increase	Requested Interim Revenues	Reference Schedule	% Increase
1	Water Sales Revenues	\$796,297		\$796,297	\$372,449	\$1,168,746	B-4	46.8%
2	Other Revenues	0		0		0	B-4	
3	OPERATING REVENUES	<u>796,297</u>		<u>796,297</u>		<u>1,168,746</u>		46.8%
4	Operation & Maintenance	832,827		832,827		832,827	B-6	
5	Depreciation, net of CIAC Amort.	35,582		35,582		35,582	B-14	
6	Amortization	0		0		0		
7	Taxes Other Than Income	80,021		80,021	16,760	96,782	B-15	
8	Provision for Income Taxes	0		0	0	0	C-1	
9	OPERATING EXPENSES	<u>948,431</u>		<u>948,431</u>		<u>965,191</u>		
10	NET OPERATING INCOME	<u>(152,133)</u>		<u>(152,133)</u>		<u>203,555</u>		
11	RATE BASE	<u>2,305,367</u>				<u>2,305,367</u>	A-2	
12	RATE OF RETURN	<u>-6.60%</u>				<u>8.83%</u>	D-1	

Support Schedule: B-2

Schedule of Adjustments to Operating Income - Interim

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Historic [X] Projected []
 Water [X] Sewer [X]

Schedule: G-5
 Page: 1 of 1
 Preparer: Guastella Associates

(1)	(2)	(3)
Line No.	Description	Water
1	WATER BASE YEAR ADJUSTMENTS - INTERIM	
2		
3	NET OPERATING REVENUE	
4	Required Revenue Adjustment	<u>\$56,905</u>
5		
6	TAXES OTHER THAN INCOME TAX	
7	RAF on Revenue Adjustment 4.50% x Above	<u>\$2,561</u>
8		
9	INCOME TAX ADJUSTMENT	
10	Operating Income before Income Tax	343,116
11	Interest on Rate Base	
12	Rate Base \$3,885,954	
13	Weighted Cost of Debt & Customer Deposits 0.21%	
14	Interest Expense	<u>7,987</u>
15		
16	State Taxable Income	335,129
17	State Taxes 5.50%	18,432
18	Federal Taxable Income	316,697
19	Income Tax Rate 34.00%	107,677
20		
21	Total Income Taxes	126,109
22	Less: Amount per Books	<u>0</u>
23	TOTAL	<u>\$126,109</u>
24		
25		
26	SEWER BASE YEAR ADJUSTMENTS - INTERIM	
27		
28	NET OPERATING REVENUE	
29	Required Revenue Adjustment	<u>\$372,449</u>
30		
31	TAXES OTHER THAN INCOME TAX	
32	RAF on Revenue Adjustment 4.50% x Above	<u>\$16,760</u>
33		
34	INCOME TAX ADJUSTMENT	
35	Operating Income before Income Tax	203,555
36	Interest on Rate Base	
37	Rate Base \$2,305,367	
38	Weighted Cost of Debt & Customer Deposits 0.21%	
39	Interest Expense	<u>4,738</u>
40		
41	State Taxable Income	198,817
42	State Taxes 5.50%	10,935
43	Federal Taxable Income	187,882
44	Income Tax Rate 34.00%	63,880
45		
46	Total Income Taxes	74,815
47	Less: Amount per Books	<u>0</u>
48	TOTAL	<u>\$74,815</u>

Schedule of Requested Cost of Capital

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Historic Projected
 Water Sewer

Schedule: G-6
 Page: 1 of 1
 Preparer: Guastella Associates

	(1)	(2)	(3)	(4)	(5)
Line No.	Class of Capital	Reconciled To Interim Rate Base	Ratio	Cost Rate	Weighted Cost
1	Long-Term Debt	\$0	0.0%	10.00%	0.00%
2	Short-Term Debt	0	0.0%		0.00%
3	Preferred Stock	0	0.0%		0.00%
4	Common Stock	7,500	0.1%	8.93%	0.01%
5	Customer Deposits	212,083	3.4%	6.00%	0.21%
6	Tax Credits - Zero Cost	0	0.0%		0.00%
7	Tax Credits - Weighted Cost	0	0.0%		0.00%
8	Accumulated Deferred Income Taxes	0	0.0%		0.00%
9	Other-Retained Earnings	5,971,738	96.5%	8.93%	8.61%
10	Total	<u>\$6,191,321</u>	<u>100.0%</u>		<u>8.83%</u>

Revenue Schedule at Present and Proposed Rates

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Water [X] or Sewer []

Schedule: G-7W
 Page: 1 of 1
 Preparer: Guastella Associates

Explanation: Provide a calculation of revenues at present and proposed rates using the billing analysis. Explain any differences between these revenues and booked revenues. If a rate change occurred during the test year, a revenue calculation must be made for each period.

(1) Class/Meter Size	(2) Number Bills	(3) Consumption in 1,000 gal.	(4) Present Rate	(5) Revenue at Present	(6) Proposed Rate	(7) Revenue at Proposed
Residential						
5/8" X 3/4"	20,196	275,085	\$8.98	\$181,360	\$9.50	\$191,862
1"	0		22.45	0	\$23.76	0
1-1/2"			44.90		\$47.52	0
2"			71.85		\$76.05	0
3"			143.70		\$152.10	0
4"			224.51		\$237.63	0
6"			449.03		\$475.28	0
Gallonge charge						
All Gallons		140,035	\$0.84	117,630	\$0.89	124,632
		75,786	0.84	63,660	0.89	67,450
		59,263	0.84	49,781	0.89	52,744
Total Residential	20,196	275,085		\$412,431		\$436,687
Average Bill				\$20.42		\$21.62
General Service						
5/8" X 3/4"	4,536	61,542	\$8.98	\$40,733	\$9.50	\$43,092
1"	828	58,226	22.45	18,589	23.76	19,673
1-1/2"	336	22,980	44.90	15,086	47.52	15,967
2"	828	134,078	71.85	59,492	76.05	62,969
3"	60	13,907	143.70	8,622	152.10	9,126
4"	36	12,482	224.51	8,082	237.63	8,555
6"	48	114,308	449.03	21,553	475.28	22,813
Gallonge charge						
All Gallons		417,523	\$0.84	350,719	\$0.89	371,595
Total General Service	6,672	417,523		\$522,877		\$553,791
Average Bill				\$78.37		\$83.00
Totals	26,868	692,607		\$935,308		\$990,478
Fire Protection						
1-1/2"	0		\$14.98	\$0	\$15.86	\$0
2"	456		23.75	10,830	25.14	11,464
3"	0		74.83	0	79.20	0
4"	72		149.67	10,776	158.42	11,406
6"	96		149.67	14,368	158.42	15,208
8"	60		149.67	8,980	158.42	9,505
10"	12		149.67	1,796	158.42	1,901
	696			\$46,751		\$49,485
Unbilled Revenues				0		0
Guaranteed Revenues				0		0
Misc. Service Charge				9,580		9,580
Total Revenue				\$991,639		\$1,049,543

This schedule reflects annualized bills and consumption for year-end 12/31/07 and adjustments as reflected on Sch E-2w, pg1.

Revenue Schedule at Present and Proposed Rates

Florida Public Service Commission

Southlake Utilities, Inc.
 Docket No. 080597-WS
 Base Year Ended 12/31/07
 Water [] or Sewer [X]

Schedule: G-7S
 Page: 1 of 1
 Preparer: Guastella Associates

Explanation: Provide a calculation of revenues at present and proposed rates using the billing analysis. Explain any differences between these revenues and booked revenues. If a rate change occurred during the test year, a revenue calculation must be made for each period.

(1) Class/Meter Size	(2) Number Bills	(3) Usage in 1,000 gal.	(4) Present Rate	(5) Revenue at Present	(6) Proposed Rate	(7) Revenue at Proposed
Residential						
5/8" X 3/4"	20,148	269,672	\$9.76	\$196,644	\$14.33	\$288,721
1"	0		9.76	0	14.33	0
1-1/2"			9.76		14.33	0
2"			9.76		14.33	0
3"			9.76		14.33	0
4"			9.76		14.33	0
6"			9.76		14.33	0
Gallonge charge Usage Under 10 tq Cap		137,280	\$0.86	118,061	\$1.26	172,973
		74,295	0.00	0	0.00	0
		58,097	0.00	0	0.00	0
Total Residential	20,148	269,672		\$314,705		\$461,694
Average Bill				\$15.62		\$22.92
General Service						
5/8" X 3/4"	3,816	50,772	\$9.76	\$37,244	\$14.33	\$54,683
1"	648	29,562	24.41	15,818	35.83	23,218
1-1/2"	216	10,559	48.80	10,541	71.63	15,472
2"	696	89,074	78.08	54,344	114.60	79,762
3"	36	13,374	156.18	5,622	229.23	8,252
4"	36	12,482	224.02	8,065	328.80	11,837
6"	48	114,308	488.02	23,425	716.28	34,381
Gallonge charge All Gallons		320,131	\$1.02	326,534	\$1.50	480,197
Total General Service	5,412	320,131		\$481,592		\$707,802
Average Bill				\$88.99		\$130.78
Totals	25,560	589,803		\$796,297		\$1,169,496
Unbilled Revenues				0		0
Guaranteed Revenues				0		0
Misc. Service Charge				0		0
Total Revenue				\$796,297		\$1,169,496

This schedule reflects annualized bills and consumption for year-end 12/31/07 and adjustments as reflected on Sch E-2s, pg1.

Volume 3H

SOUTHLAKE UTILITIES, INC.

Full Time Employee	Duties / Responsibilities	Certificates Held	Wage Allocation
Kimberly Kitchen	Water Conservation Compliance Coordinator Accounts Payable and Receivable Customer Service	N/A	Expense Only
James McCloskey	Water Conservation Field Representative Backflow Prevention Coordinator Customer Service	1 Back Flow Tester Training Certification 2 Back Flow Assembly Repair & Maint. Technician 3 Water Treatment Plant Operator (I) CEU Program	Expense Only
Eduardo Garcia	Water Treatment Plant Operator Wastewater Treatment Plant Operator Field Operations Supervisor	1 Water Treatment Plant Operator - State of Florida License No. 0013538, Class "C" 2 Wastewater Treatment Plant Operator - State of Florida License No. 0014360, Class "C"	Expense Only
Angel DeLeon	Wastewater Treatment Plant Operator Water Treatment Plant Operator	1 Technological Institute Of Puerto Rico Associate Degree, Chemistry Technology 2 Wastewater Treatment Plant Operator - State of Florida License No. 0013887, Class "C" 3 Water Treatment Plant Operator - State of Florida License No. 0015281, Class "C"	Expense Only
Part Time Employee			
Juan Jimenez	Meter Reader General Maintenance	N/A	Expense Only



There are no company vehicles.

Employees are reimbursed for mileage.

Volume 3J



There is no formal complaint log kept.

There were no PSC complaints in the year 2007.