

JAMES L. ADE, P.L.
ATTORNEY AT LAW
841 PRUDENTIAL DRIVE - SUITE 1400
JACKSONVILLE, FLORIDA 32207
(904) 858-0123
FACSIMILE (904) 858-0124
JLA@JAXBUSINESSLAW.COM

February 17, 2009

VIA FEDERAL EXPRESS

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

RECEIVED-FPSC
09 FEB 18 AM 11:21
COMMISSION
CLERK

Dear Ms. Cole:

In connection with the Application of Placid Lakes Utilities, Inc. ("Applicant") for Increased Water Rates in Highlands County ("Application"), Docket No. 080353-WU, the following information is submitted in response Staff's First Data Request.

Request #1) With regard to the projected plant additions reflected on MFR Schedule A-3, Page 2 of 2, Lines 1 through 13, please provide the following:

- a. a detailed statement why this addition is necessary;
- b. a copy of all invoices and other support documentation if the plant has been completed;
- c. a copy of the signed contract or bids, if the plant addition has not been completed;
- d. a status of the engineering and permitting efforts, if the plant addition has not been through the bidding process;
- e. the projected in-service date, if the plant addition has not be completed;
- f. all supporting documentation for the Utility's original cost of all its projected retirements; and
- g. for any projected retirements the Utility cannot support the original cost, provide the original in-service date of the plant retired and the Utility's estimate of the original cost using the Handy-Whitman Index or any other appropriate index.

COM
ECR
GCL
OPC
RCP
SSC
SGA
ADM
CLK

Response:

Line 3, Mains – reflects the cost of plant additions required to serve pro forma customer growth based on the cost per connection experienced during the 2007 base year.

2007 Plant Installed

\$ 44,989

DOCUMENT NUMBER-DATE

01348 FEB 18 09

FPSC-COMMISSION CLERK

2007 Number of Connections	58
Cost per Connection	\$ 775.67
Pro Forma Cost for 16 Connections	<u>\$ 12,411</u>

Line 4, Services - reflects the cost of plant additions required to serve pro forma customer growth based on the cost per connection experienced during the 2007 base year.

2007 Plant Installed	\$ 16,416
2007 Number of Connections	58
Cost per Connection	\$ 283.06
Pro Forma Cost for 16 Connections	<u>\$ 4,528</u>

Line 5, Meters & Installations - reflects cost anticipated for pro forma customer growth based on the meter installation fees stated on Schedule E-10.

Cost per Connection	\$ 283.06
Pro Forma Cost for 16 Connections	<u>\$ 4,529</u>

Line 7, Meter Replacement is a continuation of the current meter replacement program established by the PSC in the Company's 2001 limited proceeding. The project costs are based on 9 replacements per month and uses a current meter replacement cost estimate of \$80 per meter.

This has been an ongoing request from the utility. Especially in the Limited Proceeding we requested funds for meter replacement to correct the problem with the old meters jetting and causing customers to overpay. In the limited proceeding we asked for and were provided actual estimated costs to install a new emergency generator, extend a water line on Placid View Drive for pressure purposes and for the meter replacement. The commission granted half of the funds requested. We spent the funds for the generator and the line extension and any left went to meter replacement. Of course, since we did not receive what we had requested there were not sufficient funds to replace all the meters that needed to be replaced. Therefore there are still customers with old style meters that need to be replaced.

In addition, now the DEP is stepping up enforcement of the need for backflow protection. They would like to require all customers to have back flow prevention. A back flow device costs approximately \$300. The radio read meter and meter box costs the same and comes with a back flow device installed. The meter can tell if and/or when a back flow occurs, when there is a leak, and other valuable information that would be beneficial to the company and the customer. These meters will reduce the time, man power and equipment needed to read meters which would save the company money. We have seen a decrease in revenue due to the meters changed out so far. We would expect an additional decrease if all the old meters were replaced.

Line 8, Meter Retirements related to the meter replacements reflect the approximate original cost of a 15+ year old meter. The cost was estimated at \$51 per meter installation based on the Handy-Whitman Index.

Line 9, Valve Encasement project costs are based on an estimate provided by the Company for repairing 260 valves at a cost of \$12,844.60. A copy of the Estimate is attached as Exhibit A.

This was also a DEP requirement. We have worked hard to locate and encase all valves in the system. We have completed work on approximately three fourths of the system so far.

Line 10, Remote Reader Installation costs are based on a quote provided by Sunstate Meter & Supply, Inc. (Quote # 1772) at a unit cost of \$313.50 (\$188.50 for encoder + \$125.00 for sending device). It is anticipated that approximately 200 units will be installed annually. A copy of the Quotation is attached as Exhibit B.

This project is associated with the radio read meters and discussed above. The Company received two estimates of costs which are attached. The quotes show a unit cost of \$313.50 from Sunstate Meter and \$338.00 from Municipal Water Works. A copy of the Quotation from Sunstate Meter & Supply Company, Inc. is attached as Exhibit B and a copy of the Quotation from Municipal Water Works is attached as Exhibit C.

Line 11, Valve Installation-Isolation project costs are based on a quote provided by KDL Underground & Development, Inc. for the installation of two 8" valves at \$2,400 each, six 10" valves at \$3,200 each and six 14" valves at \$6,800 each. A copy of the Quotation is attached as Exhibit D.

The utility had a major line break and the whole system had to be shut down to repair the break. We discovered that some isolation valves were inoperative. In addition, there is a need to place several more isolation valves so sections can be isolated to avoid a full system shut down.

Line 12, Truck replacement costs are based on an estimate provided by the Company for a new pick-up truck at a cost of \$17,000. A copy of the Quotation is attached as Exhibit E.

Line 13, Truck retirement reflects the original cost of the 1999 Ford F150 pick-up truck as stated at \$10,000 on the Company's property records.

Request #2) Please provide all support documentation, including but not limited to, work papers, bases, and/or assumptions for the adjustments to expenses reflected on MFR Schedule B-3, Page 1 of 4, Lines 9 through 17, and for the adjustments to expenses reflected on MFR Schedule B-3, Page 3 of 4 Lines 6 through 12.

Response: **Schedule B-3, Page 1 of 4:**

Line 10, Annualized Payroll is calculated as follows:

Annualized Wages shown on Work Paper 4.	
Wage Expense	\$182,995.39
Annual Bonus Expense	5,982.12
Total Wages	<u>\$188,977.51</u>
Less: Officer Salaries	(30,000.00)
	<u>\$158,977.51</u>
Wages Per Book shown on Work Paper 5.	
Total Wages	\$183,616.35
Less: Officer Salaries	(30,000.00)
	<u>\$153,616.35</u>
Adjustment to Annualize Wage Expense	<u>\$ 5,361</u>

Line 11, Annualized Employee Benefit cost is calculated as follows:

	Base Year	Test Year	
Benefit Costs	\$52,405	\$54,234	
Wage Expense	153,616	158,978	
	divided	multiplied	
\$52,405	by	\$153,616	by \$158,978 = \$54,234
Adjustment to Annualize Employee Benefit Expense		<u>\$ 1,829</u>	

Line 12, Normalized Legal Fees are calculated as follows:

Five Year Expense Total (See Table Attached as Exhibit F)	\$10,541
Annual Average Amount	2,108
Base Year Amount	-
Adjustment to Normalize Expense	<u>\$ 2,108</u>

Line 13, Normalized Testing Fees are calculated as follows:

Five Year Expense Total (See Table Attached as Exhibit F)	\$8,641
Annual Average Amount	1,728

Base Year Amount	1,080
Adjustment to Normalize Expense	<u>\$ 648</u>

Line 14, Contract Services-Operations expense was normalized by removing tank painting costs of \$21,600 from base year (as non-annual expense) and normalized over two years, as that is the normal maintenance cycle for painting tanks and other utility structures. In other words, the base year is adjusted to reflect a normal level of painting costs.

Line 15, Insurance costs were annualized based on 2007 year-end monthly premium costs and are calculated as follows:

		Monthly	Annual	Per Book	Adj
Auto Insurance Policy	Premium	\$264.81	\$3,178	\$3,139	\$39
Gen Liability Policy	Premium 1	752.34			
	Premium 2	216.52	11,626	10,826	800
Workers Compensation	Premium 1	94.75			
	Premium 2	94.75			
	Premium 3	287.17	5,720	5,601	119
Adjustment to Annualize Insurance Expense					<u>\$ 958</u>

Line 16, Normalized Miscellaneous Expenses are calculated as follows:

Five Year Expense Total (See Table Attached Exhibit F)	\$114,375
Annual Average Amount	22,875
Base Year Amount	15,991
Adjustment to Normalize Expense	<u>\$ 6,884</u>

Schedule B-3, Page 3 of 4:

Line 7, Adjusts pro forma wages to allow for a 3% annual wage increase.

Annualized Wages shown on Work Paper 4.	\$158,978
Anticipated Increase	3.0%
Adjustment to Wage Expense	<u>\$ 4,769</u>

Line 8, Adjusts Employee Benefit cost to reflect impacts of annual wage increase.

Annualized Benefit Costs (Sch B-3, line 11 above)	\$ 54,234
Anticipated Increase	3.0%
Adjustment to Wage Expense	<u>\$ 1,627</u>

Line 9, Adjusts Purchased Power cost to reflect impacts of changes in annual water demand.

Pro Forma Test Year Usage (Sch. E-12)	98,157.9
Base Year Usage (Sch. E-12)	100,037.1
Percent Change	-1.88%
Base Year Purchased Power	\$17,458
Adjustment to Purchased Power	<u>\$ (328)</u>

Line 10, Adjusts Chemical cost to reflect impacts of changes in annual water demand.

Pro Forma Test Year Usage (Sch. E-12)	98,157.9
Base Year Usage (Sch. E-12)	100,037.1
Percent Change	-1.88%
Base Year Chemical Expense	\$11,406
Adjustment to Chemical Expense	<u>\$ (214)</u>

Line 11, Record in pro forma O&M expenses the annual amortization of rate case expense (see Schedule B-10).

Request #3) The following items relate to Utility's requested rate case expense:

- a. For each individual person, in each firm providing consulting services to the applicant pertaining to this docket, providing the billing rate, and an itemized description of work performed. Please provide detail of hours worked associated with each activity. Also provide a description and associated cost for all expenses incurred to date.
- b. For each firm or consultant providing services for the applicant in this docket, please provide copies of all invoices for services provided to date.
- c. If rate consultant invoices are not broken down by hour, please provide reports that detail by hour, a description of actual duties performed, and amount incurred to date.
- d. Please provide an estimate of costs to complete the case by hour for each consultant or employee, including a description of estimated work to be performed, and detail of the estimated remaining expense to be incurred through the PAA process.
- e. Please provide an itemized list of all other costs estimated to be incurred through the PAA process.

Response:

A copy of fees and costs incurred and to be incurred by James L. Ade, P.L. is attached as Exhibit G.

A copy of fees and costs incurred and to be incurred by Guastella Associates is attached as Exhibit H.

Request #4) The following items are related to Miscellaneous Service Charges. Please complete the following charts:

Response:

Initial Connection and Normal Reconnection:

Component	Normal Hours Hourly Rate	Normal Hours Typical Time	Normal Hours Total Cost	Description
Clerical & Administrative				
Labor	\$ 14.00	0.5	\$ 7.00	
Labor to inspect facilities	\$ 13.57	0.5	\$ 6.79	
Labor to determine complaint resolution				
Transportation costs	\$ 5.70	5 miles	\$ 28.50	
Computer services				
Overhead				
Etc...				
Total Costs			\$ 42.29	

Component	After Hours Hourly Rate	After Hours Typical Time	After Hours Total Cost	Description
Clerical & Administrative	\$ 14.00	0.25	\$ 3.50	
Labor	\$ 20.51	1	\$ 20.51	
Labor to inspect facilities				
Labor to determine complaint resolution				
Transportation costs	\$ 5.70	10 miles	\$ 57.00	

Computer services				
Overhead				
Etc...				
Total Costs			\$ 81.01	

These costs above should address, in detail, the following components:

- a. Office costs, associated with recorded and processing a customer request for service, including labor, computer service, and postage.
- b. Office costs associated with receiving, recording and processing the subsequent customer request for termination of service and final bill, including labor, computer services and postage.
- c. Field costs associated with the inspection of a facility and connection of service including transportation, labor and meter reading expense.
- d. Field costs associated with the disconnection of service including transportation, labor, and meter reading expense.
- e. Overhead costs indirectly related to specific job including an oration of general office facilities and equipment, supervision, insurance and small miscellaneous expenses required to support service activities.
- f. In addition, please provide the number of initial connections and reconnections during the proceeding 12 months.
- g. Provide the above information for after hours as well.

Premises Visit

Component	Normal Hours Hourly Rate	Normal Hours Typical Time	Normal Hours Total Cost	Description
Clerical & Administrative				
Labor	\$ 14.00	0.5	\$ 7.00	
Labor to inspect facilities				
Labor to determine complaint resolution	\$ 13.57	0.5	\$ 6.79	
Transportation costs	\$ 5.70	5 miles	\$ 28.50	
Computer services				
Overhead				
Etc...				
Total Costs			\$ 42.29	

Component	After Hours Hourly Rate	After Hours Typical Time	After Hours Total Cost	Description
Clerical & Administrative				
Labor	\$ 14.00	0.25	\$ 3.50	
Labor to inspect facilities	\$ 20.51	1	\$ 20.51	
Labor to determine complaint resolution				
Transportation costs	\$ 5.70	10 miles	\$ 57.00	
Computer services				
Overhead				
Etc...				
Total Costs			\$ 81.01	

These costs above should address, in detail the following components:

- a. Office costs associated with receiving, recording and processing a customer request or complaint, including labor and computer service.
- b. Field costs associated with the inspection of a facility and determination of complaint resolution including transportation and labor. This may include outside services.
- c. Field costs associated with the disconnection of service including transportation, labor, and meter reading expense.
- d. Overhead costs indirectly related to a specific job including a portion of general office facilities and equipment, supervision, insurance and small miscellaneous expenses required to support service activities.
- e. In addition, please provide the number of premises visits during the preceding 12 months.
- f. Provide the above information for after hours rates as well.

Premises Visit - SHUT-OFF (average monthly activity)

Component	Normal Hours Hourly Rate	Normal Hours Typical Time	Normal Hours Total Cost	Description
Clerical & Administrative	\$ 14.00	8	\$ 112.00	Print, fold, stuff & stamp
Labor				
Labor to inspect facilities	\$ 13.57	25	\$ 339.25	Turn off, turn back on

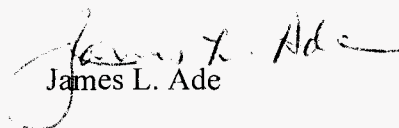
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Page 10

Labor to determine complaint resolution				
Transportation costs	\$ 5.70	225 miles	\$1,282.50	Trucks, gas, etc
Computer services				
Overhead				
Etc...	\$ 0.57	90	\$ 51.30	Postage, materials
Total Costs			\$1,785.05	

# Monthly shut-offs	45	\$ 39.66	Average cost per event
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I trust that the information contained in this letter will contain sufficient responses to the Staff's First Request. If, however, you have any questions or need any additional information, please do not hesitate to contact me.

Sincerely yours,



James L. Ade

JLA/lefr

ESTIMATE FOR REPAIRS/CONCRETE FOR VALVES			
COST TO ENCASE VALVES IN CONCRETE			
FOR PROTECTION FROM COUNTY MOWERS			
AND FOR LOCATING VALVES FOR EXERCISING			
COST PER 260 VALVES			
12' SONOTUBE PRODUCES 36 4" RINGS			
260/36= 8 TUBES	96'	@ 10.60/FT =	\$ 1,017.60
Concrete-	46 bags per pallet	2 bags per ring	
520/46 = 11 pallets		11 X 177.00	\$ 1,947.00
Labor -	1 Man Hr/per ring	260X\$20	\$ 5,200.00
	Includes Truck with cement mixer.		
6" 2 pc PVC Caps	260 X 18		\$ 4,680.00
			\$ 12,844.60
	12844.60./260=\$49.41		

EXHIBIT A



Sunstate Meter & Supply, Inc.
 Phone: (352) 332-7108 Fax: (352) 332-5604
 *** PROPOSAL ***

Quote #: 1772

Page: 1

Date: 12/06/2007
 Customer: 200657

Salesman: Jay Meyers

Bill To:

Ship To:

PLACID LAKES UTILITIES
 410 WASHINGTON BLVD. N.W.
 LAKE PLACID, FL 33852
 USA

PLACID LAKES UTILITIES
 410 WASHINGTON BLVD. N.W.
 LAKE PLACID, FL 33852
 USA

Expiration	Order Date	Cust PO #	Shipping Instructions
	12/06/2007		TRUCK ALLOW

Quantity	UM	Part#/Description	Price	Amount
1,000	EA	ED2B21R7G8SG52 5/8X3/4 T10 PROREAD GALLON MET W/BRZ. BTM., 6-WHEEL ROLL SEALED ENCODER, PREWIRED TO R900 V3 PIT MIU W/6 FT WIRE S/N	\$188.50	\$188,500.00
1,000	EA	G148-233T FORD SINGLE GULFBOX 3/4" P1/CTS INLET X 3/4" MIPT OUTLET - W/LOCKING LID & TOUCH READ HOLE	\$125.00	\$125,000.00

Terms: Net 30 days

Remit Payment to:
 Sunstate Meter & Supply, Inc.
 14001 W. Newberry Road
 Newberry, FL 32669-2710

Subtotal	\$313,500.00
Tax (Florida Sale)	\$18,593.75
Freight	\$0.00
Less Deposit	\$0.00
Amount Due	\$333,093.75

Quoted by: *M. J. ...*

EXHIBIT B

Municipal WATER WORKS

3028 MERCY DRIVE
 ORLANDO, FL 32808-3138
 Voice: 407-295-2400
 Fax: 407-295-2455

QUOTATION

Quote Number: 340
 Quote Date: Aug 23, 2007
 Quote Expires: Nov 23, 2007
 Page: 1

PLACID LAKES UTILITIES, INC.
 ATTN: PAM BREWER
 410 WASHINGTON BLVD NW
 LAKE PLACID, FL 33852
 Phone: 883-486-0345
 Fax: 883-486-1313

Ship Via: PPA-Best Way

2057	11/23/07	Net 30 Days
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Quantity	Item Code	Description	Unit Price	Total Price
1,000.00	BL05-1MD-NAA-2	5/8" X 3/4" NSF-61 BLMJ METER DIALOG 3G-DS RF GAL REGISTER AND PL LID	177.50	177,500.00
1,000.00	19800704	DIALOG 3G-DS INTERPRETER REGISTER KIT FOR NEPTUNE W/MECHANICAL DISPLAY	140.00	140,000.00
1.00	3G DRIVE BY	TOUGHBOOK SEMI-RUGGED VEHICLE READING SYSTEM; MASTERLINK DATA COLLECTION SOFTWARE W/"MOVING MAPS"; DMMR RECEIVER W/CABLES & ANTENNA; 2-DAY ON-SITE TRAINING FIRST YEAR SUPPORT	20,500.00	20,500.00
		FREIGHT AND TAX NOT INCLUDED. FREIGHT ALLOWED WITH NET ORDER OF \$15,000 OR MORE.		
		NOTE: UTILITY'S CURRENT BILLING SOFTWARE MUST PROVIDE THE ABILITY IMPORT AND EXPORT ROUTE DATA FILES. ANY ADDITIONAL COSTS FOR BILLING SOFTWARE UPGRADES TO INTERFACE THIS SYSTEM, IF NECESSARY, ARE NOT INCLUDED.		

Accepted By: _____

Date: _____

Subtotal	Continued
Sales Tax	Continued
Freight	

EXHIBIT C

Municipal WATER WORKS

3028 MERCY DRIVE
 ORLANDO, FL 32808-3139
 Voice: 407-295-2400
 Fax: 407-295-2455

QUOTATION

Quote Number: 340
 Quote Date: Aug 23, 2007
 Quote Expires: Nov 23, 2007
 Page: 2

PLACID LAKES UTILITIES, INC.
 ATTN: PAM BREWER
 410 WASHINGTON BLVD NW
 LAKE PLACID, FL 33852
 Phone: 863-485-0345
 Fax: 863-485-1313

Ship Via: PPA-Best Way

2057	11/23/07	Net 30 Days
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	<p>SCHEDULING OF LAPTOP AND SOFTWARE TRAINING 6 TO 10 WEEKS AFTER POINTS OF PURCHASE UNDERSTANDING IS SIGNED AND A SMALL ROUTE IS SET UP FOR THE USE OF THE TRAINING.</p> <p>-----</p> <p>ANNUAL SUPPORT AFTER FIRST YEAR IS \$1200 PER YEAR.</p> <p>-----</p> <p>Customer is responsible for freight to Master Meter on all products returned under warranty. All material returned is subject to a 25% restocking fee. Should any cost increase outside of any mandated changes be required after the initial quote date, increase will be limited to the Producers Price Index for the Greater Dallas/Ft. Worth Texas area.</p> <p>-----</p> <p>ANY QUESTIONS OR COMMENTS ABOUT THE QUOTE, PLEASE CONTACT JIMMY MATHIS AT 407-416-0220.</p>	
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Accepted By:

Date:

Subtotal	338,000.00
Sales Tax	
Freight	

EXHIBIT C



K.D.L. Underground & Development, Inc.

Fax

To: LAKE PLACID HOLDING CO. From: DAVE HIGH
Fax: 465-1313 Date: 12/17/2007
Phone: 465-0345 Pages: 1 (including cover page)
Re: VALVE REPLACEMENT CC:

Urgent For Review Please Comment Please Reply Please Recycle

NATHAN;

PER YOUR RECENT REQUEST I HAVE INCLUDED THE FOLLOWING PRICES FOR VALVE REPLACEMENTS IN PLACID LAKES. WE INCLUDE ALL VALVES AND ACCESSORIES TO CUT THE VALVES INTO THE SYSTEM. WE LOOK TO YOU TO TURN OFF WATER TO THE AREA AFFECTED AND WE DO NOT INCLUDE ANY PIPE REPLACEMENT IF PIPE CRACKS OR RUPTURES NEAR THE VALVE. I HOPE THIS HELPS YOU WITH THE INFO FOR THE RATE INCREASES AND IF YOU NEED ANYTHING ELSE, PLEASE CALL.

8" -\$2400.00
10" -\$3200.00
14" -\$5800.00

THANKS,

Dave
DAVE.

EXHIBIT D



PHONE (863) 453-3117
FAX (863) 453-8792



MERCURY



BILL JARRETT FORD-MERCURY, Inc.
1305 U.S. 27 North • AVON PARK, FLORIDA 33825

52446



DEAL # 4224
CUST# 42792

PURCHASER (Print) PLACID LAKES UTILITIES INC DATE 09/16/2008
CO-PURCHASER (Print) _____ PHONE HM. (863)465-0345
STREET ADDRESS 410 WASHINGTON BLVD NW PHONE WK. (863)465-0345

CITY LAKE PLACID STATE FL ZIP CODE 33852 COUNTY HIGHLANDS

I hereby agree to purchase from you, under the terms and conditions specified below and on the reverse side hereof, the following:

NEW	USED	DEMO	YEAR	MAKE	MODEL	TYPE	SERIAL NUMBER	STOCK NUMBER
<input checked="" type="checkbox"/>			2008	FORD	F-150	PV	1ETPF12248K506697	81137
COLOR			UPHOLSTERY		ODOMETER	TAG NO.	D.O.B.	DL #
WHITE					6			NO FL DL
DECAL NO.			D.O.B.		DL #			

TRADE IN INFORMATION #1

MILEAGE	YR.	MAKE	MODEL	BASE PRICE OF VEHICLE	
	1999	FORD	F250		18291.00

SER.#	COLOR	OPTIONS ADDED:
1F1NX21L3XEC13284	WHITE	

TRADE IN INFORMATION #2

MILEAGE	YR.	MAKE	MODEL

SER.#	COLOR

PAY OFF INFORMATION

PAY OFF INSTITUTION _____

STREET ADDRESS _____

CITY, STATE, ZIP _____

ACCOUNT NUMBER _____

AMOUNT: \$ _____ GOOD UNTIL _____

HOW TITLED _____

ANY 2ND LIEN & AMOUNT: 2ND PAYOFF: _____

TO WHOM: _____

VERIFIED BY: _____ VERIFIED ON: _____

LIEN INFORMATION TO: FORD MOTOR CREDIT COMPA

ADDRESS PO BOX 105704

CITY ATLANTA STATE GA ZIP 30348

AMOUNT OF CHECK _____

DATE OF LIEN _____

CONFIRMED BY _____

THE INFORMATION YOU SEE ON THE WINDOW FORM FOR THIS VEHICLE IS PART OF THIS CONTRACT. INFORMATION ON THE WINDOW FORM OVERRIDES ANY CONTRARY PROVISIONS IN THE CONTRACT OF SALE.

I warrant the title to said vehicle to be in my name, and that same is free from all encumbrances and all debts except disclosed amount which amount BILL JARRETT FORD, does assume; that I have good right to sell and deliver the above described Vehicle and title and possession thereof. I will warrant against claims of all parties whatsoever, except as above described; and I further warrant that this Vehicle has not been rebuilt.

It is agreed and understood that no warranties of any kind of character, either express or implied are made by BILL JARRETT FORD, of and concerning the Vehicle to be delivered to me, other than the usual manufacturer's warranties as it applies.

THIS WRITTEN CONTRACT CONTAINS THE ENTIRE AGREEMENT BETWEEN THE PARTIES. THIS AGREEMENT MAY NOT BE MODIFIED OR CHANGED BY TRADE CUSTOM OR PRACTICE OF ANY KIND, BY VERBAL STATEMENTS OF ANY KIND, OR BY WRITTEN COMMUNICATIONS OF ANY KIND, EXCEPT WHEN SIGNED AND APPROVED BY AN OFFICER OF THE COMPANY. NO PROMISE, REPRESENTATION, WARRANTY, COVENANT, OR CONDITION, NOT SPECIFICALLY INCLUDED HEREIN, HAS BEEN, MAY BE, OR IS RELIED UPON BY EITHER PARTY.

THIS ORDER SHALL NOT BECOME BINDING UNTIL ACCEPTED BY DEALER OR HIS AUTHORIZED REPRESENTATIVE AND, IN THE EVENT OF A TIME SALE, DEALER SHALL NOT BE OBLIGATED TO SELL VEHICLE UNTIL APPROVAL OF THE TERMS HEREOF IS GIVEN BY A BANK OR FINANCE COMPANY WILLING TO PURCHASE A RETAIL INSTALLMENT CONTRACT BETWEEN THE PARTIES HERE TO BASED ON SUCH TERMS.

SIGNED Scott Brewer, VP/Sec

Allyson Brewer, VP/Sec
Purchaser's Signature

David Paul
Dealer or His Authorized Representative

EXHIBIT E

Co-Purchaser's Signature

GONZALEZ, DAVID PAUL
Salesman

09/16/2008
Date

REQUEST 2 - ATTACHMENT

Table of 2002-2006 Expense

	<u>Jan '02 - Dec 06</u>	<u>Jan - Dec 06</u>	<u>Jan - Dec 05</u>	<u>Jan - Dec 04</u>	<u>Jan - Dec 03</u>	<u>Jan - Dec 02</u>
633 · Contract Services - Legal						
633.8 · Contract Svcs. - Legal - Admin.	10,541.47	6,427.22	1,256.00		2,858.25	
Total 633 · Contract Services - Legal	<u>10,541.47</u>	<u>6,427.22</u>	<u>1,256.00</u>	0.00	<u>2,858.25</u>	0.00
635 · Contract Services - Testing						
635.1 · Contract Svcs.-Testing - Supply	4,426.00	1,136.00	1,180.00	680.00		1,430.00
635.3 · Contract Svcs - Testing - Treat	4,215.00	450.00	0.00	625.00	3,140.00	
Total 635 · Contract Services - Testing	<u>8,641.00</u>	<u>1,586.00</u>	<u>1,180.00</u>	<u>1,305.00</u>	<u>3,140.00</u>	<u>1,430.00</u>
675 · Miscellaneous Expenses						
675.1 · Misc. Exp. - Supply - Oper.	9,034.16	2,946.44	1,692.62	1,275.98	2,012.72	1,106.40
675.2 · Misc. Exp. - Supply - Maint.	2,282.50	314.00	1,517.32	330.53	120.65	
675.3 · Misc. Exp. - Treat. - Oper.	883.18			883.18		
675.6 · Misc. Exp. - Distr. - Maint.	20,575.32	1,486.66	7,566.95	6,804.21	2,842.50	1,875.00
675.7 · Misc. Exp. - Customer Accts	63,093.72	8,860.59	4,018.43	19,806.77	16,944.66	13,463.27
675.8 · Misc. Exp. - Admin. & General	18,506.49	4,141.60	3,152.06	5,089.75	3,475.01	2,648.07
Total 675 · Miscellaneous Expenses	<u>114,375.37</u>	<u>17,749.29</u>	<u>17,947.38</u>	<u>34,190.42</u>	<u>25,395.54</u>	<u>19,092.74</u>

EXHIBIT F

Placid Lakes Utilities, Inc
Rate Case Hours

	JFG	GCW	JMG	Admin	Description
July-07	3.50	64.00	-	0.50	Develop MFR Rate Model & Data Input
August-07	1.00	24.00	-	0.50	Data input for TY 6/30/08
October-07	23.50	23.50	1.00	0.50	Rate Model and MFR data revisions, U&U
November-07	3.50	19.50	1.50	0.50	MFR data revisions, U&U
December-07	9.00	18.50	-	0.50	MFR review, revisions, billing analysis
January-08	10.50	7.50	0.50	0.50	MFR simple average revision, test year letter, U&U, related management issues
February-08	10.50	-	-	0.50	Review and revise MFRs, demand & capacity data and U&U analysis
March-08	3.00	-	-	0.50	Review U&U calculation and proposed FPSC rule on U&U
April-08	15.50	4.50	-	0.50	Review and distribute MFR (draft), meet with FPSC Staff Engineer
May-08	-	5.00	-	0.50	Review billing analysis schedules & revise
	80.00	166.50	3.00	5.00	Total Hours for MFR submitted TY 6/30/08
July-08	1.50	58.00	-	0.50	Update rate model to YE 2007 (TY 12/31/08)
August-08	1.00	16.50	-	0.50	Update rate model and billing analysis to YE 2007
September-08	0.50	26.00	-	4.75	Update U&U, finalize MFRs, compile Engin. Info
October-08	1.00	1.50	-	4.25	Filing application
	4.00	102.00	-	10.00	Total Hours to revise MFR for TY 12/31/08
November-08	6.00	9.50	-	0.50	Deficiency Issues
	90.00	278.00	3.00	15.50	Total Hours for Accepted MFRs
November-08	-	5.50	-	-	Responses to audit requests
December-08	2.00	13.00	-	0.50	Responses to audit requests
January-09	3.00	12.00	-	0.50	Responses to interrogatories, review interim rates
	5.00	30.50	-	1.00	Hours to-date for discovery
	95.00	308.50	3.00	16.50	Total Hours to-date

EXHIBIT 6

Basis for Rate Case Expense Estimate in MFR Schedule B-10:

G. White 240.0 Hours Required for submittal of MFRs
100.0 Hours Required for responses to discovery

340.0 Total Hours required for PAA

J Guastella 40.0 Hours Required for submittal of MFRs
 40.0 Hours Required for responses to discovery

 80.0 Total Hours required for PAA

Clerical 50.0 Total Hours required for PAA

470.0 Total Hours - Guastella Associates
\$190 Average Hourly Rate

\$89,300 Estimated Rate Case Expense Through PAA

	Expenses		
<u>Air</u>	<u>Ground</u>	<u>Shipping</u>	<u>Printing</u>

\$ 112.50

\$ 738.50 \$ 174.54

\$ 9.00

\$ 359.13 \$ 653.65

PLACID LAKES UTILITIES, INC.

JAMES L. ADE, P.L. – RATE CASE HOURS AND FEES

HOURS INCURRED THROUGH FEBRUARY 11, 2009

Rate Case Matter	Hours Through February 11, 2009
Review prior Florida Public Service Commission (“Commission”) Rate Case Orders and preliminary draft of Minimum Filing Requirements (“MFRs”)	4.50
Prepare, coordinate with Guastella Associates, Inc. and file Request For Test Year Approval; revise Request For Test Year Approval per Staff Request to update historical and future test years;	4.75
Prepare Application of Placid Lakes Utilities, Inc. (“Placid Lakes Utilities”) for Increased Water Rates in Highlands County (“Application”); revise Application as required by updated MFRs;	11.75
Review original MFRs and updated MFRs for updated historical and future test years;	4.25
Receive and review Commission Order re: Interim Rates; obtain, review and analyze Staff Recommendation re: Interim Rates; prepare and submit letter extending time for Commission to issue Order re: Interim Rates;	4.25
Prepare and file Response to Commission Letter of Deficiencies; obtain and coordinate information from Placid Lakes and Guastella Associates, Inc. to prepare responses to each issue raised in the Letter of Deficiencies;	17.25
Prepare Initial Customer Notice, Rate Case Synopsis, Revised Tariff Sheets, Notice of Interim Rate Increase and Escrow Agreement for submission to Staff for review and approval;	14.50
Receive, review and analyze Staff’s First Request; prepare draft of Response to Staff’s First Request; obtain information from Placid Lakes Utilities and Guastella Associates, Inc. to prepare responses to each request of Staff;	6.75
Receive and review Staff’s Audit Report	<u>.50</u>
TOTAL HOURS FOR JAMES L. ADE THROUGH FEBRUARY 11, 2009	68.50

EXHIBIT H

Total Hours and Fees for James L. Ade
through February 11, 2009

68.50 Hours x \$260 = \$17,810

**ESTIMATE OF FUTURE HOURS TO BE INCURRED THROUGH THE PAA
PROCESS**

Rate Case Matter	Hours
Staff Requests and Other Discovery;	10.00
Preparation for and attendance at Customer Meeting; prepare responses to issues raised at Customer Meeting;	10.00
Meetings and Consultations with Staff to resolve issues;	8.00
Preparation for and Attendance at PAA Commission Meeting;	<u>9.00</u>
TOTAL ESTIMATED HOURS FOR JAMES L. ADE THROUGH THE PAA PROCESS	37.00

Total Estimated Future Hours and Fees for James L. Ade 37.00 Hours x \$260 = \$9,620

TOTAL HOURS AND FEES FOR JAMES L. ADE THROUGH THE PAA PROCESS **105.50 Hours = \$27,430**

EXPENSES INCURRED THROUGH FEBRUARY 11, 2009

10/21/08 – Fed Ex – Shipping Application, Minimum Filing Requirements, System Maps, Affidavit and check to Commission	\$31.39
10/21/08 – Fed Ex – Shipping Application, Minimum Filing Requirements, System Maps, Affidavit and check to Commission	14.50
11/25/08 – All-State Legal – Tabs for Responses to Letter of Deficiencies	68.21
12/03/08 – Office Depot – Tabs for Responses to Letter of Deficiencies	56.50
12/04/08 – Fed-Ex – Shipping Memorandum of Responses to Letter of Deficiencies, copies of Responses and the Instructions for Inserting the Responses into Minimum Filing Requirements to the Commission	<u>14.25</u>
TOTAL EXPENSES INCURRED THROUGH FEBRUARY 11, 2009	\$184.85

**ESTIMATE OF FUTURE EXPENSES TO BE INCURRED
THROUGH THE PAA PROCESS**

Expenses	Costs
Fed-Ex – Shipping documents to Commission	\$29.00
Travel Expenses	<u>1,000.00</u>
TOTAL FUTURE EXPENSES	<u>\$1,029.00</u>
TOTAL EXPENSES THROUGHOUT THE PAA PROCESS	<u>\$1,213.85</u>