

**Marguerite McLean**

100426-WS

**From:** Dana Rudolf [DRudolf@RSBAttorneys.com]  
**Sent:** Thursday, April 07, 2011 4:02 PM  
**To:** Filings@psc.state.fl.us  
**Cc:** Christian W. Marcelli; smlubertozzi@uiwater.com; jrstover@uiwater.com; keweeks@uiwater.com; Patrick Flynn; JDWilliams@uiwater.com; frankdenjup@att.net; dswain@milianswain.com; Bart Fletcher; Dale Buys; reilly.steve@leg.state.fl.us  
**Subject:** Docket No. 100426-WS; Application for increase in water and wastewater rates in Lake County by Lake Utility Services, Inc.

**Attachments:** PSC Clerk 10 (NOF AOM Notice to Customers).ltr.pdf

- a) Christian W. Marcelli, Esquire  
 Rose, Sundstrom & Bentley, LLP  
 766 North Sun Drive, Suite 4030  
 Lake Mary, FL 32746  
 Phone: (407) 830-6331  
 Fax: (407) 830-8522  
[cmarcelli@rsbattorneys.com](mailto:cmarcelli@rsbattorneys.com)
- b) Docket No. 100426-WS  
 Application for increase in water and wastewater rates in Lake County by Lake Utility Services, Inc.
- c) Lake Utility Services, Inc.
- d) 11 pages
- e) Notice of Filing the Affidavit of Mailing of Notice to Customers

DOCUMENT NUMBER-DATE

02325 APR-7

FPSC-COMMISSION CLERK

4/7/2011

LAW OFFICES  
**ROSE, SUNDBSTROM & BENTLEY, LLP**

www.rsbatorneys.com

Please Respond to the Lake Mary Office

April 7, 2011

VIA E-FILING

FREDERICK L. ASCHAUER, JR.  
CHRIS H. BENTLEY, P.A.  
ROBERT C. BRANNAN  
F. MARSHALL DETERDING  
MARTIN S. FRIEDMAN, P.A.  
JOHN J. FUMERO, P.A.  
BRIDGET M. GRIMSLEY  
JOHN R. JENKINS, P.A.  
KYLE L. KEMPER

CHRISTIAN W. MARCELLI  
STEVEN T. MINDLIN, P.A.  
THOMAS F. MULLIN  
CHASITY H. O'STEEN  
WILLIAM E. SUNDBSTROM, P.A.  
DIANE D. TREMOR, P.A.  
JOHN L. WHARTON

ROBERT M.C. ROSE, (1924-2006)

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

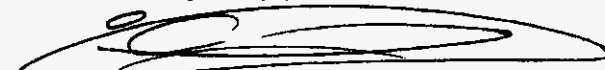
Re: Docket No. 100426-WS; Application for increase in water and wastewater rates in Lake  
County by Lake Utility Services, Inc.  
Our File No.: 30057.194

Dear Ms. Cole:

Enclosed for filing in the above-referenced docket is a Notice of Filing and the  
Affidavit of Mailing evidencing that the attached Notice to Customers has been sent to  
the customers of Lake Utility Services, Inc.

Should you or Staff have any questions regarding this filing, please do not hesitate  
to give me a call.

Very truly yours,



CHRISTIAN W. MARCELLI  
For the Firm

CWM/der  
Enclosures

cc: Steven M. Lubertozzi, Executive Dir. of Regulatory Accounting & Affairs (w/enclosures)  
(via e-mail)  
John Stover, Vice President and Secretary (w/enclosures) (via e-mail)  
Kirsten Weeks, Manager of Regulatory Accounting (w/enclosures) (via e-mail)  
Patrick C. Flynn, Regional Director (w/enclosures) (via e-mail)  
John Williams, Director of Governmental Affairs (w/enclosures) (via e-mail)  
Frank Seidman (w/enclosures) (via e-mail)  
Deborah Swain (w/enclosures) (via e-mail)  
Bart Fletcher, Division of Economic Regulation (w/enclosures) (via e-mail)  
Dale Buys, Division of Economic Regulation (w/enclosures) (via e-mail)  
Steve Reilly, Esquire, Office of Public Counsel (w/enclosures) (via e-mail)

DOCUMENT NUMBER - DATE

02325 APR-7 =

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Application of  
**LAKE UTILITY SERVICES, INC.**  
for an increase in water and wastewater  
rates in Lake County, Florida

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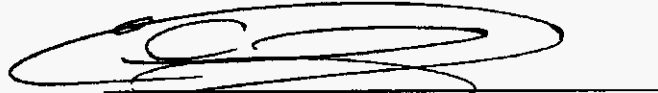
DOCKET NO. 100426-WS

**NOTICE OF FILING**

Applicant, LAKE UTILITY SERVICES, INC., by and through its undersigned counsel, hereby gives notice of filing in the above-referenced docket the Affidavit of Mailing evidencing that the Notice to Customers has been mailed to the customers of Lake Utility Services, Inc.

Respectfully submitted this 7<sup>th</sup> day of  
April, 2011, by:

ROSE, SUNDSTROM & BENTLEY, LLP  
766 North Sun Drive, Suite 4030  
Lake Mary, FL 32746  
Phone: (407) 830-6331  
Fax: (407) 830-8522  
[cmarcelli@rsbattorneys.com](mailto:cmarcelli@rsbattorneys.com)



CHRISTIAN W. MARCELLI  
Florida Bar No.: 64946  
For the Firm

DOCUMENT NUMBER-DATE  
02325 APR-7 =  
FPSC-COMMISSION CLERK

**AFFIDAVIT OF MAILING**

STATE OF ILLINOIS

COUNTY OF COOK

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared Kirsten Weeks, who, after being duly sworn on oath, did depose on oath and say that she is a Manager of Regulatory Accounting of Utilities, Inc., the sole shareholder of Lake Utility Services, Inc., and that on April 6<sup>th</sup>, 2011, she did send by regular U.S. Mail, a copy of the Combined Customer Notice, attached hereto, to all customers of the utility.

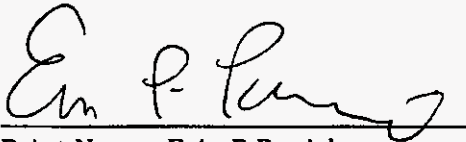
FURTHER AFFIANT SAYETH NAUGHT.



Print Name: Kirsten Weeks

Print Title: Manager of Regulatory Accounting

Sworn to and subscribed before me this 7<sup>th</sup> day of April, 2011, by Kirsten Weeks, who is personally known to me.



Print Name: Erin P Povich

NOTARY PUBLIC

My Commission Expires: April 30, 2011



DOCUMENT NUMBER-DATE

02325 APR-7 =

FPSC-COMMISSION CLERK

BEFORE THE PUBLIC SERVICE COMMISSION

**COMBINED NOTICE:**

**INITIAL CUSTOMER NOTICE  
AND  
NOTICE OF CUSTOMER MEETING**

**TO THE CUSTOMERS OF  
LAKE UTILITY SERVICES, INC.  
AND  
ALL OTHER INTERESTED PERSONS**

**RE: DOCKET NO. 100426-WS; APPLICATION FOR INCREASE IN WATER AND  
WASTEWATER RATES IN LAKE COUNTY BY LAKE UTILITY SERVICES, INC.**

April 6, 2011

**NOTICE** is hereby given that the Staff of the Public Service Commission (the "Commission") will conduct a customer meeting to discuss the Application for an increase in water and wastewater rates of Lake Utility Services, Inc. (the "Utility"). The meeting will be held at the following time and place:

Wednesday, April 27, 2011  
6:00 p.m.  
Jenkins Auditorium  
691 W. Montrose Street  
Clermont, Florida 34711

All persons who wish to comment are urged to be present at the beginning of the meeting, since the meeting may be adjourned early if no customers are present. One or more of the Commissioners of the Florida Public Service Commission may attend and participate in this meeting. The meeting will begin as scheduled and will continue until all of the customers have been heard.

The purpose of this meeting is to give customers and other interested persons an opportunity to offer comments to Commission Staff regarding the quality of service the Utility provides and to ask questions, and comment on the rates proposed in this docket as well as other issues. Commission Staff will be available to address and coordinate customers' comments and to assist members of the public. A representative from the Utility may also be in attendance. At the beginning of the meeting, procedures will be established for the order of comments. Commission Staff will have sign-up sheets, and customers will be called in the order that they sign up to speak.

Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting because of a physical impairment

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should call the Office of Commission Clerk at (850) 413-6770 at least 48 hours prior to the meeting. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at 1-800-955-8771 (TDD) or 1-800-955-8770 (Voice).

### **Emergency Cancellation of Customer Meeting**

If a named storm or other disaster requires cancellation of the meeting, Commission staff will attempt to give timely direct notice to the parties. Notice of cancellation of the meeting will also be provided on the Commission's website (<http://www.psc.state.fl.us/>) under the Hot Topics link found at the bottom of the home page. Cancellation can also be confirmed by calling the Office of the General Counsel at 850-413-6199.

### **How To Contact The Commission**

Any person who wishes to comment or provide information to Commission Staff may do so at the meetings, either orally or in writing. Other written comments regarding the Utility and the proposed rates, or requests to be placed on the mailing list for this case, may be directed to this address:

Office of the Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

### **CASE BACKGROUND**

Lake Utility Services, Inc. (the "Utility") is a water and wastewater utility whose regional offices are located at 200 Weathersfield Avenue, Altamonte Springs, Florida 32714. The Utility's water and wastewater facilities are located in Lake County, Florida.

The Utility filed an application with the Florida Public Service Commission (the "Commission") for increase water and wastewater rates for its customers on December 27, 2010. The application was assigned Docket No. 100426-WS, and February 18, 2011, was established as the official date of filing.

The Utility is requesting a rate increase because the existing rates do not provide sufficient revenues to cover the required expenses of operations on a going-forward basis and a fair return on the Utility's investment in used and useful property for the public use. The Utility's rates were last reviewed in Docket No. 070693-WS, which culminated in Order No. PSC-09-0101-PAA-WS, issued February 16, 2009. The Utility has incurred substantial additional operating costs and capital investment.

As reported in its Minimum Filing Requirements ("MFRs") filed with its application to the Commission, the Utility's revenues are \$4,233,759, with operating expenses of \$3,580,981, for its water system, and revenues of \$2,096,964, with operating expenses of

\$1,605,602, for its wastewater system, resulting in a net operating income of \$652,778 for its water system, and net operating income of \$491,362 for its wastewater system. The rate increase application has been filed by the Utility because of inadequate earnings.

Copies of the MFRs will be available for inspection at the following locations:

Cooper Memorial Library  
821 W. Minneola Avenue  
Clermont, FL 34711

Lake Utility Services, Inc.  
200 Weathersfield Avenue  
Altamonte Springs, FL 32714

Hours of Operation:  
Monday to Thursday 10:00 a.m. to 7:00 p.m.  
Friday 10:00 a.m. to 5:00 p.m.  
Saturday 10:00 a.m. to 2:00 p.m.

Office Hours:  
Monday through Friday 8:00 a.m. to 4:30 p.m.

A "Rate Case Synopsis" will also be available, along with the application and MFRs. The test period for setting rates is the year ended June 30, 2010.

The following tentative schedule was established by the Commission for the remaining major events in the Utility's rate case:

<b><u>Schedule Item</u></b>	<b><u>Due Date</u></b>
Staff Audit Report	March 21, 2011
Customer Meeting	April 27, 2011
Staff's Proposed Agency Action ("PAA") Recommendation	June 29, 2011
Commission Conference on PAA Rates	July 12, 2011
PAA Order	August 1, 2011
Protest Period Expires	August 22, 2011

**CURRENT AND PROPOSED CHARGES**

The current and proposed rates and charges follow. These rates are subject to change based on information gathered at the customer meeting, further Staff review, and the final decision by the Commissioners.

**Water Service**

<u>Residential, Multi-Residential and General Service</u> <i>MONTHLY</i>	<u>Rates Prior to Filing</u>	<u>Utility's Requested Interim Rates</u>	<u>Utility's Requested Final Rates</u>	<u>Commission Approved Interim Rates</u> <i>(In effect as of March 6, 2011)</i>
<b>Base Facility Charge:</b> <b><u>Meter Size</u></b>				
5/8"	\$8.48	\$11.31	\$ 11.74	\$11.08
1"	\$21.21	\$28.29	\$ 29.36	\$27.71
1-1/2"	\$42.41	\$56.56	\$ 58.71	\$55.40
2"	\$67.85	\$90.49	\$ 93.93	\$88.63
3"	\$135.71	\$180.99	\$187.88	\$177.27
4"	\$212.03	\$282.78	\$293.53	\$276.97
6"	\$424.06	\$565.55	\$587.07	\$553.95
8"	\$763.32	\$1,018.00	\$1,056.74	\$997.12
10"	\$1,229.79	\$1,640.10	\$1,702.52	\$1,606.45



**Water Service (continued)**

<b>Residential and Multi-Residential – Consumption Charge (per 1,000 gallons)</b>	<b><u>Rates Prior to Filing</u></b>	<b><u>Utility's Requested Interim Rates</u></b>	<b><u>Utility's Requested Final Rates</u></b>	<b><u>Commission Approved Interim Rates</u></b>
0 to 5,000 gallons	\$1.72	\$2.29	\$2.38	\$2.24
5,001 to 10,000 gallons	\$2.15	\$2.86	\$2.98	\$2.81
Over 10,000 gallons	\$2.58	\$3.44	\$3.57	\$3.37
<b>General Service – Consumption Charge (per 1,000 gallons)</b>	<b>\$2.32</b>	<b>\$3.10</b>	<b>\$3.21</b>	<b>\$3.04</b>

**Wastewater Service**

<b><u>Residential</u> <i>MONTHLY</i></b>	<b><u>Rates Prior to Filing</u></b>	<b><u>Utility's Requested Final Rates</u></b>
<b>Base Facility Charge: <u>Meter Size</u></b>		
All Sizes Residential	\$24.57	\$27.48
Gallonage Charge (per 1,000 gallons) (Maximum 10,000 gallons per month)	\$4.48	\$5.01
<b><u>Multi-Residential and General Service</u> <i>MONTHLY</i></b>	<b><u>Rates Prior to Filing</u></b>	<b><u>Utility's Requested Final Rates</u></b>
<b>Base Facility Charge: <u>Meter Size</u></b>		
5/8" x 3/4"	\$ 24.57	\$ 27.48
1"	\$ 61.44	\$ 68.71

**Wastewater Service (continued)**

<u>Multi-Residential and General Service</u> Base Facility Charge: <u>Meter Size</u>	<u>Rates Prior to Filing</u>	<u>Utility's Requested Final Rates</u>
1-1/2"	\$ 122.87	\$ 137.41
2"	\$ 196.60	\$ 219.86
3"	\$ 393.21	\$ 439.73
4"	\$ 614.38	\$ 687.06
6"	\$1,228.78	\$1,374.14
8"	\$2,211.79	\$2,473.44
10"	\$3,563.46	\$3,985.02
Gallonage Charge (per 1,000 gallons)	\$5.39	\$6.02
<u>Irrigation Quality Reuse Service</u> <i>MONTHLY</i> All Meter Sizes:	<u>Rates Prior to Filing</u>	<u>Utility's Requested Final Rates</u>
Residential Base Facility Charge	\$7.36	\$8.23
Multi-Residential and General Service Base Facility Charge	\$7.36	\$8.23
Residential, Multi-Residential and General Service – Consumption Charge (per 1,000 gallons)	\$1.10	\$1.23

**SERVICE AVAILABILITY CHARGES**

The Utility is requesting a change to its service availability charges. A schedule of the Utility's service availability charges prior to filing and the Utility's proposed service availability charges follows.

**Service Availability Charges – Water Service**

Type of Charge	Charges Prior To Filing	Proposed Charges
Plant Capacity Charge (Lake Groves) Residential-per ERC (350 GPD) All others-per Gallon/Day	\$707.00 \$ 2.02	\$1,783.00 \$ 5.09
Plant Capacity Charge (All Systems) Residential-per ERC (350 GPD) All others-per Gallon/Day	\$270.00	\$1,783.00 \$ 5.09
Main Extension Charge (Lake Groves) Residential-per ERC (350 GPD) All others-per Gallon/Day	Negotiable Negotiable	\$ 800.00 \$ 2.29
Plant Capacity Charge (Lake Groves) Residential-per ERC (350 GPD) All others-per Gallon/Day	\$ 558.00 \$ 1.99	\$ 558.00 \$ 1.99
Main Extension Charge (All Systems) Residential-per ERC (350 GPD) or per lot (___ Front Footage) Multi-Family – per unit All others-per Gallon/Day or per front foot	\$ 270.00	\$ 800.00   \$ 2.29
Meter Installation Charge (Lake Groves)** 5/8" x 3/4" 1" Over 1" 1-1/2" 2" Over 2"	\$ 67.00 \$ 114.00 Actual Cost*    	\$ 150.00 \$ 250.00 N/A \$ 450.00 \$ 650.00 Actual Cost*
Backflow Prevention Installation Charge All meter sizes	Actual Cost*	Actual Cost*
Customer Connection (Tap-In) Charge All meter sizes	Actual Cost*	Actual Cost*
Plan Review Charge	Actual Cost*	Actual Cost*
Inspection Charge	Actual Cost*	Actual Cost*
* Actual cost is equal to the total cost incurred for services rendered.		
** The proposed charges will update the Lake Groves Charges to mirror the present Meter Installation Charges currently approved for the other systems comprising LUSI.		

**Service Availability Charges – Wastewater Service**

Type of Charge	Charges Prior To Filing	Proposed Charges
Meter Installation Charge (Lake Groves)**		
5/8" x 3/4"	\$ 67.00	\$ 150.00
1"	\$ 114.00	\$ 250.00
Over 1"	Actual Cost*	N/A
1-1/2"		\$ 450.00
2"		\$ 650.00
Over 2"		Actual Cost*
Customer Connection (Tap-In) Charge		
All meter sizes	Actual Cost*	Actual Cost*
Plan Review Charge	Actual Cost*	Actual Cost*
Inspection Charge	Actual Cost*	Actual Cost*
* Actual cost is equal to the total cost incurred for services rendered.		
** The proposed charges will update the Lake Groves Charges to mirror the present Meter Installation Charges currently approved for the other systems comprising LUSI.		

**MISCELLANEOUS SERVICE CHARGES**

The Utility is not requesting any changes to its miscellaneous service charges at this time. Even though not requested to do so, the Commission may review and adjust miscellaneous service charges.

Written comments regarding the Utility's service or the requested final rate increases may be sent to the Commission at the following address:

Office of Commission Clerk  
 Florida Public Service Commission  
 2540 Shumard Oak Boulevard  
 Tallahassee, Florida 32399-0850

All comments should refer to Docket No. 100426-WS, which is the docket number that has been assigned to this case. Complaints regarding service may be made to the Commission's Division of Regulatory Compliance and Consumer Assistance at the following toll-free number: 1-800-342-3552.

If you have any questions, please call the Utility's office at (800) 272-1919.

Lake Utility Services, Inc.