

WEST LAKELAND WASTEWATER, LLC  
1902 BARTON PARK RD #201  
AUBURNDALE, FL. 33840  
863-904-5574

September 16, 2013

Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL. 32399

RECEIVED-FPSC  
13 SEP 18 AM 9:16  
COMMISSION  
CLERK

RE: Docket # 120270-SU

Dear Commission Clerk:

In accordance with commission order, enclosed please find proof of adjustments made to the utilities books as result of the rate case.

On behalf of the utility,



Mike Smallridge

**Issue 4:** What is the appropriate average test year rate base for West Lakeland?

**Recommendation:** The appropriate average test year rate base for West Lakeland is zero. West Lakeland should complete the pro forma items within 12 months of the issuance of the consummating order. If the Utility encounters any unforeseen events that will impede the completion of the pro forma items, the Utility should immediately notify the Commission in writing. (Golden)

**Staff Analysis:** West Lakeland's rate base was last established in its 1999 staff-assisted rate case (SARC) by Order No. PSC-00-1163-PAA-SU.<sup>8</sup> Staff selected the test year ended September 30, 2012, for the instant rate case. A summary of each component and the recommended adjustments are discussed below:

**Utility Plant in Service (UPIS):** The Utility recorded a test year UPIS balance of \$237,239. Due to abandonment of the Utility by its prior owners in 2009, Commission audit staff was unable to obtain books or records between 1999 and 2009. However, audit staff was able to confirm the addition of several plant items since 2007. Staff recommends the following adjustments to the Utility's recorded UPIS.

Table 4-1

	Adjustment Description	Wastewater	
1.	To reflect 2007 plant addition of a new lift station panel to Acct. No. 370.	\$2,651	(A)
2.	To reflect 2007 retirement of lift station panel to Acct. No. 370.	(1,988)	(B)
3.	To reflect 2009 plant addition of replacement discharge pipe in lift station to Acct. No. 370.	2,438	(C)
4.	To reflect 2009 retirement of discharge pipe in lift station to Acct. No. 370.	(1,829)	(D)
5.	To reflect 2010 plant addition of pump in lift station to Acct. No. 370.	2,282	(E)
6.	To reflect 2010 plant addition of auto dialer at wastewater treatment plant to Acct. No. 380.	2,480	(F)
7.	To record 2011 retirement of pump to Acct. No. 370 (retired 7/11/2011).	(1,016)	(G)
8.	To record 2011 retirement of pump to Acct. No. 370 (retired 10/11/2011).	(1,071)	(H)
9.	To reclassify 2011 pump from expense Acct. No. 720 to Acct. No. 371.	218	(I)
10.	To reclassify 2012 pump from expense Acct. No. 775 to Acct. No. 371.	500	(J)
11.	To reflect 2012 plant addition of pump to Acct. 360.	1,342	(K)
12.	To reflect the Utility's share of allocated common plant.	1,461	(L)
13.	To reflect pro forma plant addition for manhole ring replacement/raising to Acct. No. 361.	2,530	(M)
14.	To reflect pro forma plant addition for lift station rehabilitation to Acct. No. 371.	8,023	(N)
15.	To reflect pro forma plant addition for check valve replacement to Acct. No. 380.	967	(O)
16.	To reflect pro forma retirement of replaced check valve to Acct. No. 380.	(725)	(P)
17.	To reflect an averaging adjustment.	(1,939)	
	Total	\$16,323	

<sup>8</sup> See Order No. PSC-00-1163-PAA-SU, issued June 26, 2000, in Docket No. 990937-SU, In re: Application for staff-assisted rate case in Polk County by ABCA, Inc.

## West Lakeland Wastewater General Journal Transaction December 31, 2011

Num	Name	Memo	Account	Class	Debit	Credit
70		Per PSC - 20...	370 Receiving Wells		2,651.00	
		Per PSC - 20...	370 Receiving Wells			1,988.00
		Per PSC - 20...	370 Receiving Wells		2,438.00	
		Per PSC - 20...	370 Receiving Wells			1,829.00
		Per PSC - 20...	370 Receiving Wells		2,282.00	
		Per PSC - 20...	370 Receiving Wells			1,016.00
		Per PSC - 20...	370 Receiving Wells			1,071.00
		Per PSC - 20...	380 Treatment & ...		2,480.00	
		Per PSC -pro...	380 Treatment & ...		967.00	
		Per PSC -pro...	380 Treatment & ...			725.00
		Per PSC -Re...	371 Pumping Equi...		218.00	
		Per PSC -Re...	720 Materials & S...			218.00
		Per PSC -Re...	371 Pumping Equi...		500.00	
		Per PSC -Re...	775 Misc. Expense			500.00
		Per PSC -pro...	371 Pumping Equi...		8,023.00	
		Per PSC - 20...	360 Collection Se...		1,342.00	
		Per PSC - pr...	361 Collection - S...		2,530.00	
		Per PSC - Uti...	101 Utility Plant in ...		1,461.00	
		Per PSC - To...	101 Utility Plant in ...			1,939.00
		Per PSC - To...	271.2 New CIAC			20,240.00
		Per PSC - To...	271.2 New CIAC			20,240.00
		Per PSC - To...	271.2 New CIAC			6,160.00
		Per PSC - To...	271.2 New CIAC			11,440.00
		Per PSC - Ru...	108 Accumulated ...			1,672.00
		Per PSC - To...	108 Accumulated ...			180.00
		Per PSC - To...	108 Accumulated ...		32.00	
		Per PSC - To...	108 Accumulated ...		146.00	
		Per PSC - Ad...	272.4 Accum. Am...			18,667.00
		Per PSC - Ad...	272.4 Accum. Am...		7,186.00	
		Per PSC - To...	272.4 Accum. Am...			255.00
		Per PSC - 20...	32000 Members E...		55,884.00	
					<u>88,140.00</u>	<u>88,140.00</u>
					<u>88,140.00</u>	<u>88,140.00</u>
TOTAL					<u>88,140.00</u>	<u>88,140.00</u>

**OPERATING REVENUES**

1. To reflect the appropriate test year services revenues.	\$64,948
2. To reflect the appropriate test year miscellaneous service revenues.	3,379
Subtotal	<u>\$68,327</u>

**OPERATION AND MAINTENANCE EXPENSES**

1. Salaries and Wages - Employees (701)	\$5,746
a. To reflect the Utility's allocated share of billing employee's salary.	7,793
b. To reflect the Utility's allocated share of maintenance employee's salary.	<u>\$13,539</u>
Subtotal	
2. Salaries and Wages - Officers (703)	<u>\$17,446</u>
a. To reflect the Utility's allocated share of president's salary.	
3. Employee Pensions and Benefits (704)	\$1,599
a. To reflect the Utility's allocated share of president's benefits.	\$503
b. To reflect the Utility's allocated share of employee health insurance.	<u>\$2,102</u>
Subtotal	
4. Purchased Power (715)	(\$597)
a. To remove penalties and interest.	(\$179)
b. To reflect the Utility's allocated share of purchased power expense.	<u>(\$776)</u>
Subtotal	
5. Chemicals (718)	(\$324)
a. To remove chemical expenses that occurred outside the test year.	\$814
b. To reflect pro-forma adjustment for Root X chemical expense.	<u>\$490</u>
Subtotal	
6. Contractual Services - Professional (731)	\$14,174
a. To reverse correcting entries that occurred outside the test year.	(200)
b. To reclassify two accounting service payments to accounts payable.	8,839
c. To reflect the Utility's allocated share of contractual bookkeeping expense.	400
d. To reflect pro-forma adjustment for accounting services.	<u>\$23,213</u>
Subtotal	
7. Contractual Services - Testing (735)	<u>(\$728)</u>
a. To reverse correcting entries that occurred outside the test year.	
8. Contractual Services - Other (736)	(\$13,446)
a. To reverse correcting entries that occurred outside the test year.	(600)
b. To remove non-recurring expense for original cost study.	120
c. To reflect 5-year amortization of original cost study (\$600/5).	14,580
d. To reflect the Utility's allocated share of contractual services - other.	3,660
e. To reflect pro-forma adjustment to include meter reading service.	<u>\$4,314</u>
Subtotal	

**WEST LAKE LAND WASTEWATER, LLC**  
**TEST YEAR ENDED 09/30/12**  
**ADJUSTMENTS TO OPERATING INCOME**

9. Rent Expense ( 740)	<u>\$1,712</u>
a. To reflect the Utility's allocated share of rent expense.	
10. Transportation Expense (750)	(\$2,151)
a. To correct truck loan payments.	170
b. To reflect the Utility's allocated share of truck maintenance expense.	<u>1,100</u>
c. To reflect the Utility's allocated share of transportation expense.	<u>(\$881)</u>
Subtotal	
11. Insurance Expenses (755)	(\$292)
a. To reflect pro-forma adjustment to reflect appropriate plant insurance expense.	<u>\$685</u>
b. To reflect the Utility's allocated share of property insurance expense.	<u>\$393</u>
Subtotal	
12. Regulatory Commission Expense (765)	<u>\$384</u>
a. To reflect 4-year amortization of rate case expense (\$1,537/4).	
13. Miscellaneous Expense (775)	\$609
a. To reverse a misclassified credit.	(\$988)
b. To reclassify shared meter reading equipment to common allocated plant.	(\$1,415)
c. To reflect the Utility's allocated share of miscellaneous expense.	
d. To reflect pro-forma adjustment to reflect appropriate garbage expense for Utility plant.	
Subtotal	<u>(\$1,913)</u>
<b>TOTAL OPERATION &amp; MAINTENANCE ADJUSTMENTS</b>	<u>\$59,295</u>
<b>DEPRECIATION EXPENSE</b>	
1. To reflect test year depreciation calculated per 25-30.140, F.A.C.	\$584
2. To reflect test year depreciation on allocated common plant.	180
3. To reflect depreciation expense for pro forma plant additions.	693
4. To reflect the appropriate amortization of CIAC.	<u>(\$09)</u>
Total	<u>\$948</u>
<b>TAXES OTHER THAN INCOME</b>	
1. To reflect the appropriate test year RAFs.	(\$1,498)
2. To reflect appropriate test year utility property taxes.	(65)
3. To reflect non-used and useful adjustment to utility property taxes.	(27)
4. To reflect the Utility's allocated share of FICA on employee salaries.	<u>1,036</u>
Total	<u>(\$554)</u>

WEST LAKELAND WASTEWATER	Acct #	Acct #	Acct #	Acct #	Acct #	Acct #	Acct #	Acct #	Acct #	Acct #	Acct #	Acct #	Acct #	Acct #	Acct #	Acct #	Acct #	Totals
GJE ADJUSTMENTS PER PSC	403	408	461.1	474	701	703	704	715	718	731	735	736	740	750	755	765	775	
Service Revenues			(64,948.00)															(64,948.00)
Misc. Service Revenues				(3,379.00)														(3,379.00)
Billing Employees					5,746.00													5,746.00
Maintenance Employees					7,793.00													7,793.00
President's Salary						17,446.00												17,446.00
President's Pensions/Benefits							1,599.00											1,599.00
Employee Pensions/Benefits							503.00											503.00
Purchased Power -Int/Penalties								(597.00)										(597.00)
Purchased Power - Allocated Shr								(179.00)										(179.00)
Chemicals - Remove Prior Yr									(324.00)									(324.00)
Chemicals - Pro Forma Adj RootX									814.00									814.00
Contrctl Services - Revrs Prior Yr Adj										14,174.00								14,174.00
Contrctl Services - (2) Accounting										(200.00)								(200.00)
Contrctl Services - Alloc. Shr Bookkeeping										8,839.00								8,839.00
Contrctl Services - ProForma Adj										400.00								400.00
Contrctl Services Testing											(728.00)							(728.00)
Contrctl Srvc - Other Revrs Prior Yr Adj												(13,446.00)						(13,446.00)
Contrctl Srvc - Other Rmv Non Recrng												(600.00)						(600.00)
Contrctl Srvc - Other 5 yr Amort Case Stdy												120.00						120.00
Contrctl Srvc - Other Alloc. Shr												14,580.00						14,580.00
Contrctl Srvc - Other ProForma Adj												3,660.00						3,660.00
Rent Expense													1,712.00					1,712.00
Transportation - Truck Loan Payments														(2,151.00)				(2,151.00)
Transportation - Allocated Truck Maintenance														170.00				170.00
Transportation - Allocated Transportation														1,100.00				1,100.00
Insurance - ProForma Adjustment															(292.00)			(292.00)
Insurance - Allocated Shr Property														685.00				685.00
Regulatory Commission Expense																384.00		384.00
Miscellaneous Exp - revrs misclassified credits																	609.00	609.00
Miscellaneous Exp - reclass shrd mtr reading Equip																	(988.00)	(988.00)
Miscellaneous Exp - Allocated Share of expense																	(1,415.00)	(1,415.00)
Depreciation - Calculated per 25-30.140, FAC	584.00																	584.00
Depreciation - Allocated on Common Plant	180.00																	180.00
Depreciation - ProForma Plant Additions	693.00																	693.00
Depreciation - Appropriate Amortiz of CIAC	(509.00)																	(509.00)
Taxes Other than Income - test year RAF		(1,498.00)																(1,498.00)
Taxes Other than Income - test year Property Tax		(65.00)																(65.00)
Taxes Other than Income - Utility Property		(27.00)																(27.00)
Taxes Other than Income - Allocated Shr FICA Tax		1,036.00																1,036.00
	948.00	(554.00)	(64,948.00)	(3,379.00)	13,539.00	17,446.00	2,102.00	(776.00)	490.00	23,213.00	(728.00)	4,314.00	1,712.00	(881.00)	393.00	384.00	(1,794.00)	(8,519.00)

## West Lakeland Wastewater General Journal Transaction December 31, 2011

Num	Name	Memo	Account	Class	Debit	Credit
71		Per PSC - 25...	403 Depreciation ...		584.00	
		Per PSC - To...	403 Depreciation ...		180.00	
		Per PSC - O ...	403 Depreciation ...		693.00	
		Per PSC - To...	403 Depreciation ...			509.00
		Per PSC - To...	408 Taxes-Other...			1,498.00
		Per PSC - To...	408 Taxes-Other...			65.00
		Per PSC - To...	408 Taxes-Other...			27.00
		Per PSC - To...	408 Taxes-Other...		1,036.00	
		Per PSC - To...	522.1 Residential ...			64,948.00
		Per PSC - To...	536 Other Waster...			3,379.00
		Per PSC - To...	701 Salaries & Wa...		5,746.00	
		Per PSC - To...	701 Salaries & Wa...		7,793.00	
		Per PSC - To...	703 Salaries & Wa...		17,446.00	
		Per PSC - To...	704 Employee Pe...		1,599.00	
		Per PSC - To...	704 Employee Pe...		503.00	
		Per PSC - To...	715 Purchased Po...			597.00
		Per PSC - To...	715 Purchased Po...			179.00
		Per PSC - To...	718 Chemicals			324.00
		Per PSC - To...	718 Chemicals		814.00	
		Per PSC - To...	731 Contractual S...		14,174.00	
		Per PSC - To...	731 Contractual S...			200.00
		Per PSC - To...	731 Contractual S...		8,839.00	
		Per PSC - To...	731 Contractual S...		400.00	
		Per PSC - To...	735 Contractual S...			728.00
		Per PSC - To...	736 Contractual S...			13,446.00
		Per PSC - To...	736 Contractual S...			600.00
		Per PSC - To...	736 Contractual S...		120.00	
		Per PSC - To...	736 Contractual S...		14,580.00	
		Per PSC - To...	736 Contractual S...		3,660.00	
		Per PSC - To...	740 Rents		1,712.00	
		Per PSC - To...	750 Transportatio...			2,151.00
		Per PSC - To...	750 Transportatio...		170.00	
		Per PSC - To...	750 Transportatio...		1,100.00	
		Per PSC - To...	755 Insurance Exp...			292.00
		Per PSC - To...	755 Insurance Exp...		685.00	
		Per PSC - To...	765 Regulatory Co...		384.00	
		Per PSC - To...	775 Misc. Expense		609.00	
		Per PSC - To...	775 Misc. Expense			988.00
		Per PSC - To...	775 Misc. Expense			1,415.00
		Per PSC	32000 Members E...		8,519.00	
					<u>91,346.00</u>	<u>91,346.00</u>
					<u>91,346.00</u>	<u>91,346.00</u>
	TOTAL				<u>91,346.00</u>	<u>91,346.00</u>