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Public Service Commission

March 17, 2014

Mr. Gary Deremer, President
Lakeside Waterworks, Inc.
5320 Captains Court
New Port Richey, FL 34652-3062

STAFF'S SECOND DATA REQUEST

RE: Docket No. 130194-WS- Application for staff-assisted rate case in Lake County by Lakeside Waterworks, Inc.

Dear Mr. Deremer,

By this letter, the Commission staff requests that Lakeside Waterworks, Inc., provide responses to the following data requests.

1. For the purposes of the Lakeside Waterwork, Inc.'s (Utility, Company) Staff Assisted Rate Case (SARC) audit, Commission staff auditors were provided invoices for various management services provided to Shangri-La By The Lake Utilities, Inc., the prior owner of Lakeside Waterworks, Inc. Please answer the following questions:
 - a) As new owners, did Lakeside Waterworks, Inc., attempt to continue, or enter into new contractual arrangements with the entities that provided services to Shangri-La By The Lake Utilities, Inc.? Why or why not?
 - b) As new owners, did Lakeside Waterworks Inc., attempt to entering into contractual arrangements with any other entities for management services? Why or why not?

2. Please answer the following questions in reference to the contract the Utility signed on November 16, 2012 with U.S. Water Services Corporation (U.S. Water).
 - a) Describe how the U.S. Water contract benefits the Utility's customers.
 - b) From the Utility's perspective, describe the economies of scale, if any, that result from this contractual agreement.

3. Please refer to Page 22 of 41 of the Utility's contract with U.S. Water. Table 4 on this page shows the breakdown of cost responsibility between the Utility and U.S. Water. Please list any costs the Utility will incur that are not identified in Table 4. If applicable, provide invoices to support your response.

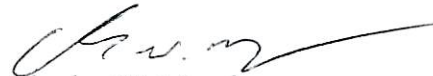
4. Please refer to Page 23 of 41 of the Utility's contract with U.S. Water. Under Section 4.1, the contract states that the Utility pays U.S. Water \$3,183.10 per month for Water Operations.
 - a) What comparative references ("benchmarks") did the Utility use in evaluating the contracted amount it pays U.S. Water for Water Operations?
 - b) Why is this contracted amount justified and reasonable?

5. Please refer to Page 23 of 41 of the Utility's contract with US Water. Under Section 4.1, the contract states that the Utility pays US Water \$2,977.54 per month for Wastewater Operations.
 - a) What comparative references ("benchmarks") did the Utility use in evaluating the contracted amount it pays US Water for Wastewater Operations?
 - b) Why is this contracted amount justified and reasonable?

6. Please describe the affiliate relationship, if any, between the Utility or its officers and U.S. Water or any of its officers.

Please file the original and five copies of the requested information by March 28, 2014, with Ms. Carlotta Stauffer, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6191 if you have any questions.

Respectfully,


Charles W. Murphy
Senior Attorney

CWM/dml

cc: Office of Commission Clerk