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STATE OF FLORIDA



DIVISION OF ENGINEERING
TOM BALLINGER
DIRECTOR
(850) 413-6910

Public Service Commission

April 15, 2014

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

VIA ELECTRONIC MAIL

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

Dear Mr. Deremer:

This will confirm that Commission staff will hold a customer meeting on Thursday, May 15, 2014. We ask that, if at all possible, you or another knowledgeable representative of the Utility attend the meeting in order to answer customer questions. The time and location of the general meeting will be as follows:

6:00 p.m., Thursday, May 15, 2014
Shangri-La By The Lake Clubhouse
100 Shangri-La Blvd.
Leesburg, FL 34788

As required by Rule 25-22.0407(9)(b), Florida Administrative Code (F.A.C.), the Utility must provide, in writing, a customer meeting notice to all customers within its service area no less than 14 days and no more than 30 days prior to the date of a customer meeting. A draft customer meeting notice is enclosed. Please note the date has been left blank so that you can fill in the date that the notice is sent to the customers. Please furnish me with a copy of the notice, as reproduced at the time it is distributed to your customers, together with a cover letter indicating the exact date(s) on which the notice was mailed or otherwise delivered to the customers.

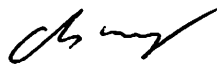
Mr. Gary Deremer
Lakeside Waterworks. Inc.
April 15, 2014
Page 2

We will send you two copies of the staff report no later than **April 15, 2014**. When you receive the staff report, please ensure that a copy of the completed Application for Staff Assistance and the staff report are available for review, pursuant to Rule 25-22.0407(9)(a), F.A.C., by all interested persons at the following location:

Shangri-La By The Lake Clubhouse
100 Shangri-La Blvd.
Leesburg, FL 34788

For your convenience, we have also enclosed a copy of Rule 25-22.0407(9), F.A.C. Should you have any questions about any of the matters contained herein, please do not hesitate to contact me at (850) 413-6191. In addition, you may contact Mrs. Melinda Watts at (850) 413-6952, with any questions.

Sincerely,



Charles Murphy
Senior Attorney

Enclosures

CM:mw:pz

cc: Division of Economics (Daniel, Hudson, Roberts)
Division of Accounting & Finance (Prestwood, Mouring, Barrett)
Division of Engineering (Vickery, Lewis, M. Watts)
Office of General Counsel (Teitzman, Murphy)
Office of Commission Clerk (Docket No. 130194-WS)
Mr. Joseph Gabay, U.S. Water Services Corporation, jgabay@uswatercorp.net

Rule 25-22.0407(9), Florida Administrative Code

(9) When a utility applies for a staff-assisted rate case in accordance with Section 367.0814, Florida Statutes, and Rule 25-30.455, F.A.C., and staff-assistance is granted, the requirements of subsections (2), (3), (4), and (5) of this rule shall not apply.

(a) Upon receipt of the staff reports, the utility shall place two copies of its application for staff-assistance and the staff reports at any business offices it has in its service area. Such copies shall be available for public inspection during the utility's regular business hours. If the utility does not have a business office in its service area, the utility shall place two copies of its application and the staff reports at the main county library, the local community center or other appropriate location that is within or most convenient to the service area and that is willing to accept and provide public access to the copies.

(b) No less than 14 days and no more than 30 days prior to the date of a customer meeting conducted by the Commission staff, the utility shall provide, in writing, a customer meeting notice to all customers within its service area and to all persons in the same service areas who have filed a written request for service or who have been provided a written estimate for service within the 12 calendar months prior to the month the petition is filed.

(c) The customer meeting notice shall be approved by the Commission staff prior to distribution and shall include the following:

1. The date the notice was issued;
2. The time, date, location, and purpose of the customer meeting;
3. A statement that the utility has applied for a staff-assisted rate case and the general reasons for doing so;
4. A statement of the location where copies of the application and the staff reports are available for public inspection and the times during which inspection may be made;
5. A comparison of current rates and charges and the proposed new rates and charges;
6. The utility's address, telephone number, and business hours;
7. A statement that written comments regarding utility service or the proposed rates and charges should be addressed to the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0870, and that such comments should identify the docket number assigned to the proceeding;
8. A statement that complaints regarding service may be made to the Commission's Division of Service, Safety & Consumer Assistance at the following toll-free number: 1(800)342-3552.
9. A statement that the Commission will be reviewing the utility's service availability charges in the pending case and that the Commission may adjust those charges.
10. The docket number assigned by the Commission's Office of Commission Clerk.

(d) The customer meeting notice shall be mailed to the out-of-town address of all customers who have provided the utility with an out-of-town address.

(e) If the proposed agency action order issued in the case is protested and any hearings are subsequently held, the utility shall give notice in accordance with subsections (6) and (7) above.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
NOTICE OF CUSTOMER MEETING
TO THE CUSTOMERS OF LAKESIDE WATERWORKS, INC.
AND
ALL OTHER INTERESTED PERSONS
DOCKET NO. 130194-WS
APPLICATION BY LAKESIDE WATERWORKS, INC.
FOR A STAFF-ASSISTED RATE CASE IN
LAKE COUNTY

Issued: _____

Notice is hereby given that the staff of the Florida Public Service Commission (Commission) will conduct a customer meeting to discuss the application for staff-assisted rate case in Lake County by Lakeside Waterworks, Inc. (Lakeside Waterworks or Utility). The meeting will be held at the following time and place:

6:00 p.m., Thursday, May 15, 2014
Shangri-La By The Lake Clubhouse
100 Shangri-La Blvd.
Leesburg, FL 34788

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 Commission may attend and participate in this meeting. The meeting will begin as scheduled and will continue until all the customers have been heard.

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 the 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 on the home page. Cancellation can also be confirmed by calling the Commission's Office of the General Counsel at (850) 413-6199.

Any person requiring some accommodation at the customer meeting because of a physical impairment should call the Office of Commission Clerk at (850) 413-6770 at least five calendar days prior to the meeting. Any person who is hearing or speech impaired should contact the Commission by using the Florida Relay Service, which can be reached at 1-800-955-8771 (TDD).

PURPOSE

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, the proposed rate increase, and to ask questions and comment on staff's preliminary rates included in this notice as well as other issues. Staff members will summarize the Utility's application, the preliminary work accomplished, and answer questions to the extent possible. A representative from the Utility has also been invited to respond to questions.

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 to speak in the order that they sign up. Staff will be available to coordinate customers' comments and to assist members of the public.

Any person who wishes to comment or provide information to staff may do so at the meetings, orally or in writing. Written comments may also be sent to the Commission at the address given at the end of this notice. Your letter will be placed in the correspondence file of this docket. You may also submit comments through the Commission's toll-free facsimile line at 1-800-511-0809.

BACKGROUND

On December 20, 2012, an application was filed for the transfer of Shangri-La by the Lake Utilities, Inc.'s (Shangri-La's) water and wastewater systems, and Certificate Nos. 567-W and 494-S, to Lakeside Waterworks, Inc. (Lakeside or Utility).¹

On July 19, 2013, Lakeside filed an application for staff-assisted rate case (SARC). The official filing date of the SARC has been determined to be September 17, 2013. Lakeside is a Class C water and wastewater utility serving approximately 183 water and 175 wastewater residential customers in Lake County. The last SARC for the system occurred in Docket No. 110130-WS for Shangri-La.

CURRENT AND PRELIMINARY RATES AND CHARGES

Staff has compiled the following rates and charges for the purpose of discussion at the customer meeting. These rates are preliminary and subject to change based on information gathered at the customer meeting, further staff review, and the final decision by the Commission. The Utility's current, and staff's preliminary rates and charges, are as follows:

¹ See Order No. PSC-13-0425-PAA-WS, issued September 18, 2013, in Docket No. 120317-WS: In re: Application for approval to transfer water and wastewater system Certificate Nos. 567-W and 494-S in Lake County from Shangri-La by the Lake Utilities, Inc. to Lakeside Waterworks, Inc.

MONTHLY WATER RATES	UTILITY EXISTING RATES*	STAFF PRELIMINARY RATES
<u>Residential, General Service, and Irrigation</u>		
Base Facility Charge by Meter Size:		
5/8"X3/4"	\$12.96	\$15.19
3/4"	\$19.45	\$22.79
1"	\$32.42	\$37.98
1-1/2"	\$64.83	\$75.95
2"	\$103.73	\$121.52
3"	\$207.45	\$243.04
4"	\$324.16	\$379.75
6"	\$648.30	\$759.50
*Irrigation customers do not have a base facility charge.		
Charge per 1,000 Gallons - Residential and Irrigation		
0 - 4,000 Gallons		\$3.86
Over 4,000 Gallons		\$8.85
All Gallons	\$1.23	
Charge per 1,000 Gallons – General Service	\$1.23	\$4.90
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u>		
4,000 Gallons	\$17.88	\$30.63
6,000 Gallons	\$20.34	\$48.33
10,000 Gallons	\$25.26	\$83.73

MONTHLY WASTEWATER RATES	UTILITY EXISTING RATES	STAFF PRELIMINARY RATES
<u>Residential</u>		
Base Facility Charge - All Meter Sizes	\$10.01	\$15.32
Charge per 1,000 Gallons- Residential*		
*6,000 gallon cap	\$2.46	\$7.56
<u>General Service</u>		
Base Facility Charge by Meter Size:		
5/8"X3/4"	\$10.01	\$15.32
3/4"	\$15.02	\$22.98
1"	\$25.05	\$38.30
1-1/2"	\$50.08	\$76.60
2"	\$80.14	\$122.56
3"	\$160.26	\$245.12
4"	\$250.41	\$383.00
6"	\$500.84	\$766.00
Charge per 1,000 Gallons - General Service	\$2.95	\$9.07
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u>		
4,000 Gallons	\$19.85	\$45.56
6,000 Gallons	\$24.77	\$60.68
10,000 Gallons	\$24.77	\$60.68

STAFF REPORTS AND UTILITY APPLICATION

The results of staff's preliminary investigation are contained in a staff report dated April 15, 2014. Copies of the report may be examined by interested members of the public from 9:00 a.m. to 3:00 p.m., Monday through Friday at the following location:

Shangri-La By The Lake Clubhouse
100 Shangri-La Blvd.
Leesburg, FL 34788

PROCEDURES AFTER CUSTOMER MEETING

After the customer meeting, Commission staff will prepare a recommendation which is tentatively scheduled to be submitted to the Commission on July 31, 2014. The Commission will then vote on staff's recommendation at its August 12, 2014 Commission Conference. The Commission will thereafter issue a proposed agency action (PAA) order containing rates which may be different from those contained in staff's final recommendation. Substantially affected persons have 21 days from the date that the PAA order is issued to protest the Commission's PAA order. Five to ten customers or persons who attend the meeting, and who wish to receive a copy of the recommendation and the order should so indicate at the meeting. Those individuals are expected to distribute the information in the recommendation and the order to other customers. Anyone who is unable to attend and who wishes to obtain a copy of the recommendation or the order may do so in writing to the Commission at the address at the end of this notice.

HOW TO CONTACT THE COMMISSION

Written comments regarding the Utility and the proposed rates, and requests to be placed on the mailing list for this case, may be directed to this address:

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

All correspondence should refer to "Docket No. 130194-WS – Lakeside Waterworks, Inc." If you wish to contact the Commission regarding complaints about service, you may call the Commission's Office of Consumer Assistance and Outreach at the following toll-free number: 1-800-342-3552. This notice was prepared by Commission staff for distribution by the Utility to its customers.