

# LAKE IDLEWILD UTILITY COMPANY

March 8, 2019

FILED 3/8/2019  
DOCUMENT NO. 02913-2019  
FPSC - COMMISSION CLERK

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

Re: Docket No. 20180216-WU - Petition for Limited Alternative Rate Increase in Lake County  
by Lake Idlewild Utility Company – *Response to Customer Meeting*

Dear Commission Clerk,

Please include the attached responses to customers' concerns from the customer meeting in the above  
referenced docket.

If you have any questions, please do not hesitate to contact me at (727) 848-8292, ext. 245.

Respectfully Submitted,



Troy Rendell  
Vice President  
Investor Owned Utilities  
*// for Lake Idlewild Utility Company*

Cc: Commission Clerk, Florida Public Service Commission

# LAKE IDLEWILD UTILITY COMPANY

March 8, 2019

Charles & Gail Rager  
4143 Bergen Hall Rd  
Fruitland Park, FL 34731

**Re: DOCKET NO. 20180216-WS - PETITION OF LAKE IDLEWILD UTILITY COMPANY FOR LIMITED ALTERNATIVE RATE INCREASE PURSUANT TO RULE 25-30.458, FLORIDA ADMINISTRATIVE CODE IN LAKE COUNTY, FLORIDA**

Dear Mr. and Mrs. Rager,

I want to thank you for attending and participating in the customer meeting held on February 27, 2019 at Lady Lake City Hall. It is important to hear from our customers. You requested a listing of capital improvement items that have been undertaken since the purchase of Lake Idlewild Utility Company. I've put together a listing of items that have been completed and billed to the utility below:


<u>Date</u>	<u>Item Description</u>	<u>Amount</u>
7/22/2016	Meter replacement	\$ 43.87
12/31/2016	Meter replacement	\$ 43.87
4/12/2017	Meter replacement	\$ 43.87
7/25/2017	Replaced pump & motor at Well #1	\$ 5,962.61
8/17/2017	Repaired 6" water main - 4121 Bair Ave	\$ 2,389.13
6/30/2018	Meter replacement	\$ 43.87
7/20/2018	Repaired 6" water main - 4128 Bair Ave	\$ 1,395.97
9/30/2018	Repaired 1" service leak - Lake Idlewild	\$ 1,103.81

In addition, at the request of the Lake Idlewild Homeowners Association (HOA), the utility recently installed an additional fire hydrant on Lake Idlewild Blvd. Although this has recently been installed, the utility has not received the invoice for this installation.

Further, as I indicated at the customer meeting the utility will be sandblasting and re-coating the hydro-tank in the near future. This is the result of a recent tank inspection completed last year. The anticipated cost of this is approximately \$7,500 - \$8,500.

If you have any questions, please do not hesitate to contact me at (727) 848-8292, ext. 245.

Respectfully Submitted,



Troy Rendell  
Vice President  
Investor Owned Utilities  
// for Lake Idlewild Utility Company

Cc: Commission Clerk, Florida Public Service Commission

4939 Cross Bayou Boulevard ~ New Port Richey, Florida 34652  
Tel: 727-848-8292

# LAKE IDLEWILD UTILITY COMPANY

March 8, 2019

Thad Carroll  
4202 Williams St.  
Fruitland Park, FL 34731

**Re: DOCKET NO. 20180216-WS - PETITION OF LAKE IDLEWILD UTILITY COMPANY FOR LIMITED ALTERNATIVE RATE INCREASE PURSUANT TO RULE 25-30.458, FLORIDA ADMINISTRATIVE CODE IN LAKE COUNTY, FLORIDA**

Dear Mr. Carroll,

I want to thank you for attending and participating in the customer meeting held on February 27, 2019 at Lady Lake City Hall. It is important to hear from our customers. You inquired as to capital reinvestments of the utility. I've put together a listing of items that have been completed and billed to the utility below:

<u>Date</u>	<u>Item Description</u>	<u>Amount</u>
7/22/2016	Meter replacement	\$ 43.87
12/31/2016	Meter replacement	\$ 43.87
4/12/2017	Meter replacement	\$ 43.87
7/25/2017	Replaced pump & motor at Well #1	\$ 5,962.61
8/17/2017	Repaired 6" water main - 4121 Bair Ave	\$ 2,389.13
6/30/2018	Meter replacement	\$ 43.87
7/20/2018	Repaired 6" water main - 4128 Bair Ave	\$ 1,395.97
9/30/2018	Repaired 1" service leak - Lake Idlewild	\$ 1,103.81

In addition, at the request of the Lake Idlewild Homeowners Association (HOA), the utility recently installed an additional fire hydrant on Lake Idlewild Blvd. Although this has recently been installed, the utility has not received the invoice for this installation.

Further, as I indicated at the customer meeting the utility will be sandblasting and re-coating the hydro-tank in the near future. This is the result of a recent tank inspection completed last year. The anticipated cost of this is approximately \$7,500 - \$8,500.

In addition, you expressed concerns relating to the water pressure throughout the distribution system. This item was previously addressed in the utility's last staff assisted rate case (SARC). I've attached both the utility's response to the pressure issue as well as the FPSC Order No. PSC-16-0305-PAA-WU, issued July 28, 2016. The response letter attached addressed customers previous concerns on pressure. I hope this addresses your concerns.

Lake Idlewild Utility Company  
Limited Alternative Rate Increase  
March 8, 2019

If you have any questions, please do not hesitate to contact me at (727) 848-8292, ext. 245.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Troy Rendell". The signature is fluid and cursive, with a large initial "T" and "R".

Troy Rendell  
Vice President  
Investor Owned Utilities  
*// for Lake Idlewild Utility Company*

Cc: Commission Clerk, Florida Public Service Commission



# LAKE IDLEWILD UTILITY COMPANY

FILED JUN 10, 2016  
DOCUMENT NO. 03513-16  
FPSC - COMMISSION CLERK

June 10, 2016

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

Re: Docket No. 150236-WU - Application of Lake Idlewild Utility Company for Staff Assisted Rate Case in Lake County

Dear Commission Clerk,

Lake Idlewild Utility Company (Lake Idlewild) submits additional information for consideration in the above referenced docket.

## **Customer Meeting & Customer Letters**

At the customer meeting held on May 12, 2016, there were two customers who proffered comments concerning the quality of service. Specifically, these two customers gave comments concerning the low water pressure experienced at their residence.

On May 13, 2016, Lake Idlewild conducted on-site visits to these two customers' residences.

Linda Bartholomew – 4037 Bergan Hall Rd. – the operator tested both the chlorine residual and the water pressure at Ms. Bartholomew's residence. The water pressure was recorded at 47 psi, which is well above the FDEP requirement of 20 psi in the distribution system. The chlorine residual was also recorded at .6 mg/l, which is above the FDEP requirement of .2 mg/l in the distribution system. The customer was informed of these findings at the time of the site visit. In addition, a technician was dispatched to his residence on June 8, 2016 to analyze the amount of water being delivered through the meter. A typical 5/8 x 3/4" meter should deliver approximately 12 gallons a minute through the service lines. The on site visit concluded that the meter was delivering 21.7 gallons per minute out of meter, which is well above the minimum amount. Therefore, Lake Idlewild concluded there was no issue with the delivery of water or pressure.

Justin Letsinger – 36839 Woods Dr. - the operator tested both the chlorine residual and the water pressure at Ms. Bartholomew's residence. The water pressure was recorded at 47 psi, which is well above the FDEP requirement of 20 psi in the distribution system. The chlorine residual was also recorded at .6 mg/l, which is above the FDEP requirement of .2 mg/l in the distribution system. A door tag was left at the residence informing them of the results since no one was at home. . In addition, a technician was dispatched to his residence on June 8, 2016 to analyze the amount of water being delivered through the meter. A typical 5/8 x 3/4" meter should deliver approximately 12 gallons a minute through the service lines. The on site visit concluded that the meter was delivering 19.6 gallons per minute out of meter, which is well above the minimum

**5320 Captains Court, New Port Richey, Florida 34652**  
**Mailing: C/O 4939 Cross Bayou Boulevard, New Port Richey, Florida 34652**  
**Tel: 727-848-8292**

amount. Therefore, Lake Idlewild concluded there was no issue with the delivery of water or pressure.

BW Christensen – 4103 Bergen Hall Rd. – Mr. Christensen sent in a letter to the FPSC on May 16, 2016. The customer was providing comments on the water pressure at his residence and explained the configuration of the distribution system and service lines. The service lines will be addressed below. Concerning his pressure issues, a technician was dispatched to his residence on June 8, 2016 to analyze the amount of water being delivered through the meter. A typical 5/8 x 3/4" meter should deliver approximately 12 gallons a minute through the service lines. The on site visit concluded that the meter was delivering 16.3 gallons per minute out of meter, which is well above the minimum amount. Therefore, Lake Idlewild concluded there was no issue with the delivery of water or pressure.

Robert and Mary Dickenson – 4137 Bair Ave. – The Dickenson's sent in a letter to the FPSC on May 23, 2016. The customer expressed concerns on the water pressure. A technician was dispatched to his residence on June 8, 2016 to analyze the amount of water being delivered through the meter. A typical 5/8 x 3/4" meter should deliver approximately 12 gallons a minute through the service lines. The on site visit concluded that the meter was delivering 17.5 gallons per minute out of meter, which is well above the minimum amount. Therefore, Lake Idlewild concluded there was no issue with the delivery of water or pressure.

Concerning the service lines, as indicated in Mr. Christensen's letter, the service lines were installed at the time of development. The service lines are composed of a single line which is then split to two separate homes for water service. This is a typical installation for a majority of systems throughout the state of Florida. As Mr. Christensen acknowledges in his letter, this type of installation can create pressure issues when certain combined activities take place, such as irrigation, at the adjacent homes. As indicated in the Staff Report dated April 11, 2016, the customers use high volumes of water for irrigation. The Staff Report indicated that the average usage of the customers is almost 17,000 gallons a month. This is a high usage. Part of this is a result of the rates. This utility has not had a rate case in over 23 years dating back to 1993.

Lake Idlewild placed water pressure data loggers in the distribution system. The data loggers recorded pressure from May 22, 2016 through June 1, 2016. The attached graphs were obtained from two data loggers at two separate hydrants in the distribution system. The graphs show that the water pressure in the system was well above 40 psi. One graph shows the pressure from 42 psi through 62 psi; while the other indicated pressure from 50 psi to 71 psi. There were also data loggers placed at the two residences who spoke at the customer meeting. Unfortunately, there were issues downloading this data, therefore the data loggers were reset and placed back at the residence to record pressure. At the time of this letter, the data was not available, but will be supplied at a later date once a week's worth of data is collected.

Taking into consideration that (a) there are no system-wide pressure issues, (b) the configuration of the service lines, and (c) high volume of irrigation water used; the only viable solution would be to install additional dedicated service lines to these customers. However, that would come at a cost. Either the customers would be required to bear the additional cost to tap the main and

Lake Idlewild Utility Company  
Staff Assisted Rate Case  
June 10, 2016

install a separate service line at their request, or the costs would be included in the plant in service and the resulting rates would need to be increased to cover these additional plant costs.

### **Rate Case Expense**

Please find attached supporting documentation on the travel expenses related to this SARC for the customer meeting and agenda conference for consideration.

### **Monthly Billing**

The customers have raised concerns over the change from quarterly billing to monthly billing. This requested change was approved in Order No. PSC-14-0681-TRF-WU, issued December 9, 2014. The Commission stated in this order:

We agree with the Utility that monthly billing is beneficial to both the customers and the Utility. Monthly billing encourages water conservation because customers will get more timely information of their water usage patterns. Also, monthly billing allows the Utility to match revenues as closely as possible to expenses.

As previously discussed, this utility has not had a rate case in 23 years since 1993. In addition, the existing rates have resulted in high consumption due to irrigation. The monthly billing encourages water conservation by providing timely information on consumption patterns.

### **Rate Structure**

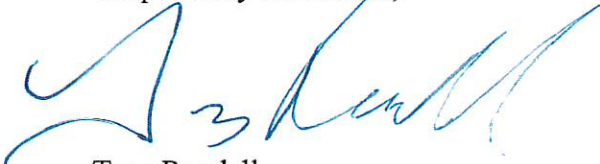
Lake Idlewild has significant concerns with the rate structure contained in the Staff Report dated April 11, 2016. In the Staff Report, the preliminary rates were calculated using 25 percent of the revenue requirement to be recovered through the BFC. This is a concern to the utility. As previously indicated the rates have not been increased in 23 years and there is high consumption due to irrigation. Lake Idlewild is concerned that if there is a significant decrease in the gallons, the utility will not be able to cover its fixed costs. There are many fixed costs, such as operations, testing, meter reading, billing that are not related to consumption. If only 25% of the revenue requirement is recovered through the BFC and the consumption drops, the utility will be placed in a financial situation where it may not be able to cover these costs. Lake Idlewild is unaware of a similar utility that only recovers 25% of its revenue requirement through the BFC.

In a related utility, LP Waterworks, the Commission approved a SARC in Order PSC-14-0413-PAA-WS, issued August 14, 2014. Since the implementation of rates, the consumption has significantly dropped from 14.7 million gallons down to 9.7 million gallons – or a 5 million gallon drop. This significant drop in consumption has left LP Waterworks in a situation of not recovering its approved revenue requirement and will be faced with the decision to file a subsequent SARC.

Lake Idlewild Utility Company  
Staff Assisted Rate Case  
June 10, 2016

Lake Idlewild does not want to be placed in a similar situation of having to file another SARC within a year due to a significant drop in consumption and a BFC that only recovers 25% of its revenue requirement.

Respectfully Submitted,

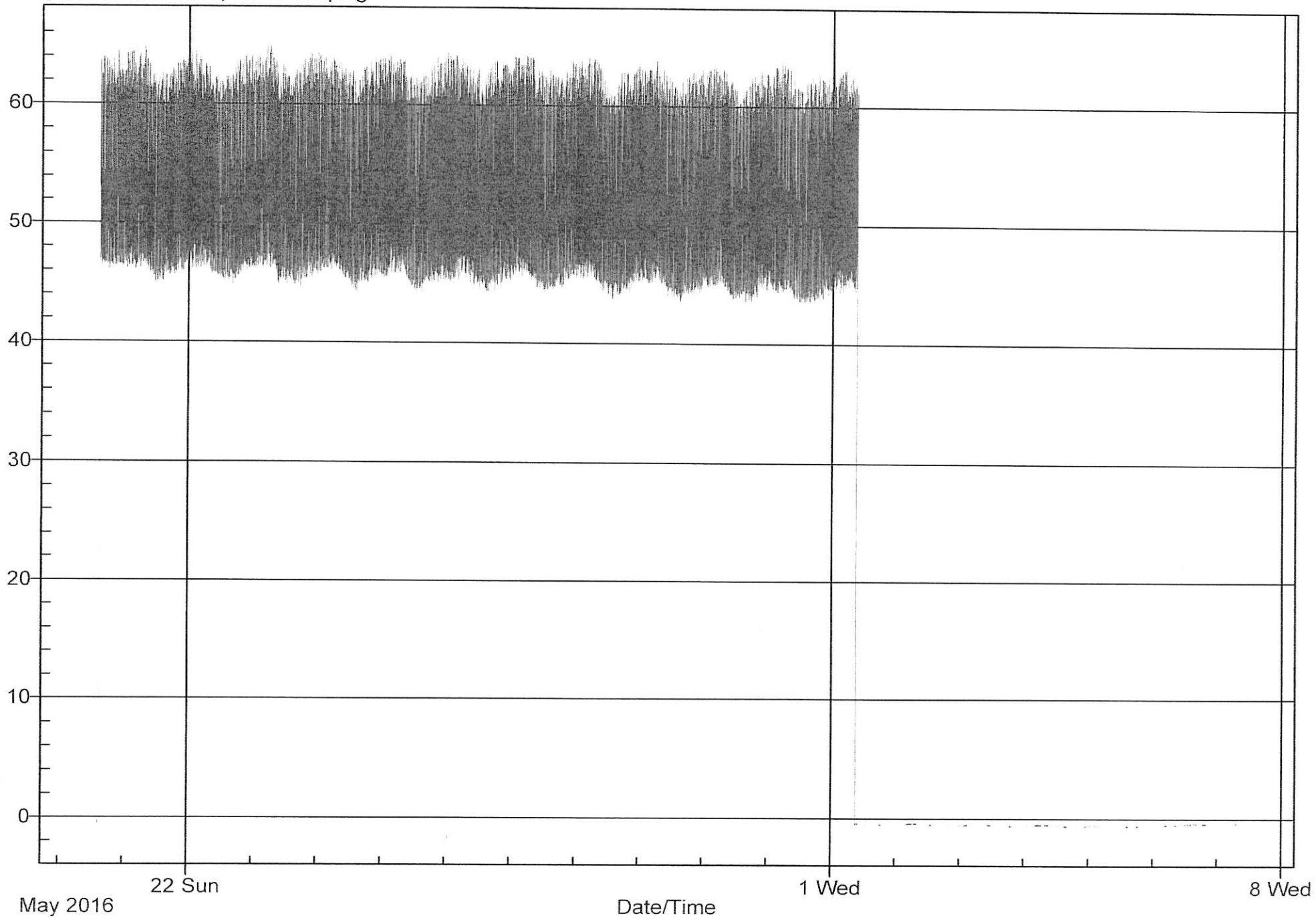


Troy Rendell  
Manager of Regulated Utilities  
*// for Lake Idlewild Utility Company*



# Downloaded Data Fire Hydrant Bair Ave. by Plant - Tuesday, June 07, 2016

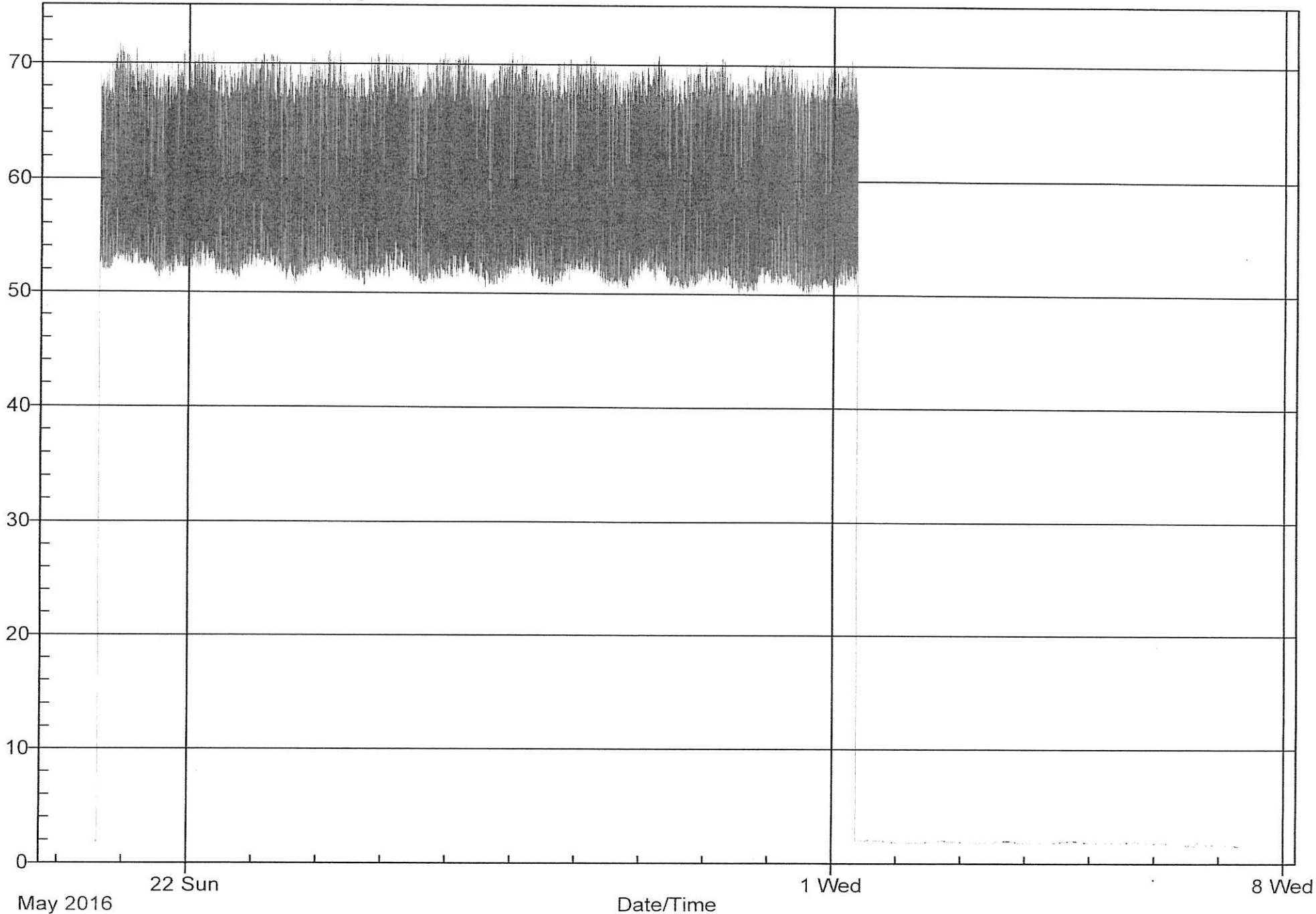
(PR325 15209015)-Pressure/psig





# Downloaded Data 4204 Bergen Haul Hydrant - Tuesday, June 07, 2016

(PR325 15204073)-Pressure/psig



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for staff-assisted rate case in  
Lake County, by Lake Idlewild Utility  
Company.

DOCKET NO. 150236-WU  
ORDER NO. PSC-16-0305-PAA-WU  
ISSUED: July 28, 2016

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman  
LISA POLAK EDGAR  
ART GRAHAM  
RONALD A. BRISÉ  
JIMMY PATRONIS

NOTICE OF PROPOSED AGENCY ACTION  
ORDER APPROVING RATE INCREASE FOR  
LAKE IDLEWILD UTILITY COMPANY  
AND FINAL ORDER ON RECOVERY OF RATE CASE EXPENSES,  
TEMPORARY RATES AND ACCOUNTING ADJUSTMENTS

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission (Commission) that the action discussed herein, except for (1) the granting of temporary rates in the event of protest, (2) the reduction of rates after four years based upon recovery of rate case expense, and (3) proof of adjustment of books and records, is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.). The granting of temporary rates in the event of a protest, the reduction of rates after four years, and the proof of adjustment of books and records are final agency actions and subject to reconsideration and appeal as described below under the heading, "NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW."

BACKGROUND

Lake Idlewild Utility Company (Lake Idlewild or Utility) is a Class C utility providing water service to approximately 77 residential customers in Lake County. Certificate No. 531-W was initially granted to W.B.B. Utilities, Inc. (WBB) in 1991.<sup>1</sup> WBB had been in operation since 1983, serving 21 lots, but had not been subject to this Commission's jurisdiction because of its

<sup>1</sup>Order No. 24007, issued January 22, 1991, in Docket No. 900826-WU, *In re: Application for a water certificate in Lake County by W.B.B. Utilities, Inc.*

size. Rates were last established for this system in 1994.<sup>2</sup> The system was transferred to Lake Idlewild in 2015.<sup>3</sup>

On December 23, 2015, Lake Idlewild officially filed its application for a staff-assisted rate case (SARC). According to Lake Idlewild's 2015 Annual Report, total gross revenues were \$33,764 and total operating expenses were \$36,917, resulting in a net loss of \$3,153.

A customer meeting was held on May 12, 2016, at the Town of Lady Lake, Town Commission Chambers, to receive customer questions and comments concerning the Utility's rate case and quality of service. We have jurisdiction in this case pursuant to Section 367.0814, Florida Statutes (F.S.).

## DECISION

### Quality of Service

Pursuant to Rule 25-30.433(1), F.A.C., in water and wastewater rate cases, this Commission must determine the overall quality of service provided by the utility. This is derived from an evaluation of three separate components of the utility's operations. These components are the quality of the utility's product, the operational conditions of the utility's plant and facilities, and the utility's attempt to address customer satisfaction. The rule further provides that sanitary surveys, outstanding citations, violations, and consent orders on file with the Department of Environmental Protection (DEP) and the county health department over the preceding three-year period must be considered. Additionally, Section 367.0812(1)(c), F.S., requires us to consider the extent to which the utility provides water service that meets secondary water quality standards as established by the DEP.

Lake Idlewild's service territory is located in Lake County within the St. John's River Water Management District (SJRWMD), with a consumptive use permit expiring in August 2020. Lake Idlewild serves residential customers in one subdivision from water it produces and treats with its own water system.

### *Quality of Utility's Product*

Our evaluation of Lake Idlewild's water quality consisted of a review of the Utility's compliance with the DEP primary and secondary drinking water standards and customer complaints regarding the water quality. Primary standards protect public health while secondary standards regulate contaminants that may impact the taste, odor, and color of drinking water.

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<sup>2</sup>Order No. PSC-94-0236-FOF-WU, issued March 3, 1994, in Docket No. 930656-WU, *In re: Application for a staff-assisted rate case in Lake County by W.B.B. Utilities, Inc.*

<sup>3</sup>Order No. PSC-15-0140-PAA-WU, issued March 23, 2015, in Docket No. 140170-WU, *In re: Application for approval of transfer of Certificate No. 531-W from W.B.B. Utilities, Inc. to Lake Idlewild Utility Company in Lake County.*

We reviewed the chemical analysis of samples dated April 23, 2015. All of the primary and secondary contaminants were below the Maximum Contaminant Level established by DEP. Our review of complaints filed with this Commission, did not reveal any issues or concerns regarding the quality of Lake Idlewild's product.

On June 14, 2016, we requested complaints against the system filed with DEP for the test year and four years prior. DEP reported that it did not receive any complaints regarding secondary water standards during that period, but had received one complaint against the system in 2011, which is discussed below under the subheading "Complaints."

Based on our review, giving consideration to the Utility's current compliance with DEP standards, as well as the lack of customer complaints, we find that the quality of Lake Idlewild's product to be satisfactory.

#### *Operating Condition of the Utility's Plant and Facilities*

Our evaluation of Lake Idlewild's facilities included a review of the Utility's compliance standards of operation as well as a site visit. We reviewed the latest DEP sanitary survey report, dated July 23, 2014, which was conducted when the prior owners, WBB, operated the system. No deficiencies were found, and DEP determined that the system was in compliance with its rules and regulations. Our staff did not identify any issues or concerns during its May 12, 2016, site visit. Therefore, we find the operating condition of Lake Idlewild's water treatment plant and facilities to be satisfactory.

#### *The Utility's Attempt to Address Customer Satisfaction*

The final component of the overall quality of service that must be assessed is the Utility's attempt to address customer satisfaction. We assessed this by reviewing the Utility's response to comments provided as a result of a customer meeting, both written and oral, and to complaints filed by its customers.

#### *Customer Meeting/Written Comments*

As part of our evaluation of customer satisfaction, we held a customer meeting (May 12, 2016) to receive customer comments concerning Lake Idlewild's quality of service. Seven customers attended the meeting, and five of them provided comments. We also received correspondence from two customers.

Four of the customers who spoke at the customer meeting objected to the magnitude of the proposed rate increase. Two of those customers were specifically concerned that the Utility's decision to change from quarterly to monthly billing would further increase rates. Two customers reported problems with water pressure when their neighbor is irrigating his/her lawn. One customer reported that the water smelled like rotten eggs.

Both of the customers who provided written comments to this Commission subsequent to the customer meeting objected to the magnitude of the rate increase. Additionally, one of the customers expressed concerns with the switch from quarterly to monthly billing, as well as pressure problems experienced when a neighbor is irrigating the lawn.

On June 10, 2016, Lake Idlewild provided a written response to the oral and written concerns regarding the water pressure and monthly billing. For each customer who expressed a concern with the water pressure, the Utility sent a technician to the affected residences to test the water flow delivered at the meter. The water delivered at one customer's meter was 21.7 gallons per minute (gpm), and the flow delivered at the other customer's meter was 19.6 gpm. Based on these tests, the Utility asserts that its test demonstrated it delivered adequate water flow at the customers' meters. The Utility also tested the chlorine residual at each residence and found that each reading was within the range required by DEP for safe drinking water.

To further test whether the water pressure was adequate, the Utility placed water pressure data loggers at these customers' residences (on an outside water faucet) to record a week-long sample of data. The data loggers show that for one resident, the water pressure never dropped below 30 pounds per square inch (psi) (20 psi is the DEP minimum requirement). The other resident's water pressure remained above 20 psi with one exception, when it dropped just below 10 psi.

Finally, the Utility installed water pressure data loggers within the distribution system at two fire hydrants to test the overall system pressure. The data loggers recorded the water pressure at the two points in the system for a period of one week. One data logger recorded pressures during the test period of 42 psi to 62 psi. The other data logger recorded pressures from 50 psi to 71 psi. These readings are above the minimum system pressure required by DEP of 20 psi. Thus, we find that the pressure delivered by the Utility is sufficient overall.

The Utility asserts that it does not have system-wide pressure problems, and it delivers sufficient pressure at the customers' meters. The Utility stated that the configuration of the service lines, with one line from the main used to supply two adjacent houses, is common in Florida, but it can lead to the pressure problems some residents experience when their neighbor is irrigating. The Utility also noted that many residents use an unusually high volume of water for irrigation. Given these conditions, it appears that a viable solution would be to install additional dedicated service lines to these customers, the cost of which would be borne by the customer requesting a dedicated tap from the main.

On June 20, 2016, the Utility provided a supplemental written response that addressed one of the comments made at the customer meeting, and provided more information on some of the complaints filed with the Utility during the test year. The Utility's response indicated that, after the customer meeting, Utility representatives spoke with the customer who reported his water smelling like rotten eggs. The Utility reported that the customer indicated that it happened in the past, that it was a one-time event, and has not happened since.



In addressing the issue of changing from quarterly to monthly billing, the Utility quoted this Commission's order approving the requested change:<sup>4</sup>

We agree with the Utility that monthly billing is beneficial to both the customers and the Utility. Monthly billing encourages water conservation because customers will get more timely information of their water usage patterns. Also, monthly billing allows the Utility to match revenues as closely as possible to expenses.

The Utility also asserts that the customers' high level of irrigation, which leads to the water pressure problems reported, is partly a result of rates that were set by this Commission in 1994 and are much lower than they should be. Consistent with this Commission's order, the Utility asserts that monthly billing will help encourage water conservation by providing timely information on consumption patterns.

### Complaints

We requested copies of complaints filed with the Utility during the test year and four years prior. The Utility did not have customer complaint records from the previous owner, but reported a total of 22 customer contacts associated with 17 different accounts during the test year. This includes eight billing inquiries, eight interruptions of service, two reconnections, two general inquiries, and two water quality issues. Lake Idlewild addressed the complaints as shown in table "Lake Idlewild Complaints" below.

#### Lake Idlewild Complaints

<b>Complaint</b>	<b>Resolution</b>
Billing	Adjusted bill, checked for leaks, or provided bill clarification, as appropriate.
Service Interruption	Repaired water main breaks; issued precautionary boil water notices.
Reconnection	Reconnected customers when payment received.
General Inquiry	1) Provided bill when asked why customer had not received one. 2) Tenant requested to be billed directly. Utility requested copy of lease for tenancy verification, but tenant moved out without providing it.
Water quality	1) Strong chlorine smell – checked chlorine residual. It was within the maximum-minimum limits set by DEP. 2) Bad smell and discolored after a water outage. It had cleared up when technician arrived, and chlorine residual tested within the limits set by DEP.

<sup>4</sup>Order PSC-14-0681-TRF-WU, issued December 9, 2014, in Docket No. 140171-WU, *In re: Request for approval of water rate tariff for a revision in customer billing from quarterly billing to monthly billing by W.B.B. Utilities, Inc. in Lake County.*

In response to our request for complaints against the system filed with DEP for the test year and four years prior, DEP provided information regarding a complaint concerning system water pressure filed in 2011, when the Utility was owned by WBB. The customer stated that the water pressure in the community would drop considerably when the pump for WBB's larger well failed. He asked what the DEP's requirement was for minimum water pressure. DEP replied that its minimum system water pressure was 20 psi, below which the water service provider would be required to issue precautionary boil water notices. DEP stated in its 2011 response to the customer that there had been two such events since 2009.

Finally, we reviewed our complaint records and found no complaints filed against either of the utilities that had ownership of the water system for the period September 30, 2011, through June 1, 2016. Based on the Utility's response to customers' written and oral concerns expressed in connection with the customer meeting, the lack of complaints filed with this Commission, the scarcity and age of those filed with DEP, as well as its response to complaints filed directly with the Utility, we find the Utility's attempt to address customer satisfaction to be satisfactory.

#### *Quality of Service Summary*

Based on the foregoing, we find that the overall quality of service provided by Lake Idlewild to be satisfactory.

#### Used and Useful Percentage (U&U)

Lake Idlewild's water system is served by two wells, 6-inch and 8-inch in diameter, capable of producing 50 and 750 gpm, respectively. The raw water is treated by hypochlorination prior to entering the water distribution system. The Water Treatment Plant (WTP) recently reduced its permitted capacity to 252,000 gallons per day (gpd). The Utility is permitted to withdraw an average of 60,000 gpd on an annual basis through August 2020 and is currently in compliance with its permit.

The distribution system is a network of approximately 5,025 linear feet of 4-inch PVC pipe and 942 linear feet of 2-inch PVC pipe. The distribution system seems to be properly sized and engineered to meet pressure and supply demands.

#### *Water Treatment System Used & Useful*

Rule 25-30.4325, F.A.C., describes the calculation of U&U for WTP as the sum of the maximum peak demand, plus fire flow demand, plus a growth allowance minus excessive unaccounted for water (EUW), all divided by the water system's firm reliable capacity. As the system does not have significant storage capacity, this calculation is based on its flow rate in gpm. We previously calculated a 100 percent U&U for the WTP based on a single well.<sup>5</sup> As the

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<sup>5</sup>Order No. PSC-94-0236-FOF-WU, issued March 3, 1994, in Docket No. 930656-WU, *In re: Application for a staff-assisted rate case in Lake County by W.B.B. Utilities, Inc.*

system has expanded since the last SARC to include a second well, we recalculated the U&U based upon the current water treatment system.

The firm reliable capacity is defined for systems with more than one well as the pumping capacity of all wells combined minus the largest individual well. For Lake Idlewild, this yields a value of 50 gpm. DEP rates the treatment facilities at a capacity of 252,000 gpd, or 175 gpm. Therefore the well-based capacity is not constrained by treatment capacity.

Based on the Monthly Operating Reports (MORs) provided by the Utility, it experienced a peak day on August 10, 2015, with a daily flow of 106,000 gallons. Utility records indicate a line break occurred that day, which disqualifies it from consideration. The second highest peak day during the test year was May 8, 2015, with a daily flow of 80,000 gallons, with regular operating conditions. Converting this value to a gpm basis results in a maximum peak demand of 55.6 gpm. As noted in Lake Idlewild's application, Lake County requires a fire flow of 750 gpm. Lastly, as discussed below, no growth allowance or EUW have been identified for this system.

The final calculation of U&U ( $[\text{Peak Demand} + \text{Fire Flow} + \text{Growth} - \text{EUW}] / \text{Capacity}$ ) exceeds 100 percent. Based on this, we find the WTP to be 100 percent U&U.

#### Excessive Unaccounted for Water

Rule 25-30.4325(1)(e), F.A.C., describes EUW as unaccounted for water in excess of 10 percent of the amount produced. When establishing the Rule, we recognized that some uses of water are readily measurable and others are not. Unaccounted for water is all water that is produced that is not sold, metered or accounted for in the records of the Utility. The Rule provides that to determine whether adjustments to plant and operating expenses, such as purchased electrical power and chemical costs, are necessary, this Commission will consider all relevant factors as to the reason for EUW, solutions implemented to correct the problem, or whether the proposed solution is economically feasible. The unaccounted for water is calculated by subtracting both the gallons used for other purposes, such as flushing, and the gallons sold to customers from the total gallons pumped for the test year. Review of the MORs that the Utility files with the DEP and the Utility's water sales indicates an unaccounted for water value of less than 10 percent. Therefore, there appears to be no EUW to be considered, and we find that no adjustment shall be made to operating expenses for chemicals and purchase power due to EUW.

#### *Water Distribution System Used & Useful*

Pursuant to Rule 25-30.431, F.A.C., the U&U calculation for the distribution system is based on the average customers during the test year plus a growth allowance, divided by the distribution system capacity. In the last rate case, we found the system to be 90.91 percent U&U based upon a total of 30 customers, including a growth allowance, and a system capacity of 33 customers.<sup>6</sup> During the current test year, approximately 77 customers were present, with a system capacity of 80 due to expansion of the water distribution system since the last SARC.

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<sup>6</sup>Order No. PSC-94-0236-FOF-WU, issued March 3, 1994, in Docket No. 930656-WU, *In re: Application for a staff-assisted rate case in Lake County by W.B.B. Utilities, Inc.*

Analysis of the system indicates there has been no growth of the system in the past five years. During our staff's site visit, only one vacant lot was identified, therefore, we find the water distribution system 100 percent U&U.

*Used & Useful Summary*

We find the Utility's water treatment and distribution systems to be 100 percent U&U, and no adjustments shall be made for EUW.

Rate Base

The appropriate components of the Utility's rate base include utility plant in service, land, contributions-in-aid-of-construction (CIAC), accumulated depreciation, amortization of CIAC, and working capital. Lake Idlewild's net book value was last determined by Order No. PSC-15-0140-PAA-WU in a 2014 certificate transfer docket.<sup>7</sup> Rate base was last established in the Utility's last SARC in 1994.<sup>8</sup> We selected the test year ended September 30, 2015, for the instant case. We determined that the Utility's books and records are in compliance with the National Association of Regulatory Utility Commissioners' Uniform System of Accounts (NARUC USOA). A summary of each component of rate base and the adjustments are discussed below.

*Utility Plant in Service (UPIS)*

We approved a UPIS balance of \$192,336 in the Utility's 2014 transfer docket. In the current docket, the Utility recorded \$192,336 in UPIS. No exceptions to the Utility's UPIS balances were noted in the Lake Idlewild audit. No averaging adjustment is necessary for ratemaking; therefore, we find a UPIS balance of \$192,336.

*Land and Land Rights*

We approved a land balance of \$1,905 in the Utility's 2014 transfer docket. We determined that there has been no activity related to land since this case, therefore, we find that no adjustments are necessary. We find a land and land rights balance of \$1,905.

*Non-Used and Useful Plant*

As discussed above under the heading "Used and Useful Percentage (U&U)," Lake Idlewild's water treatment plant and distribution system are considered 100 percent U&U. Therefore, we find a U&U adjustment is not necessary.

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<sup>7</sup>Order No. PSC-15-0140-PAA-WU, issued March 23, 2015, in Docket No. 140170-WU, *In re: Application for approval of transfer of Certificate No. 351-W from W.B.B. Utilities, Inc. to Lake Idlewild Utility Company in Lake County.*

<sup>8</sup>Order No. PSC-94-0236-FOF-WU, issued March 3, 1994, in Docket No. 930656-WU, *In re: Application for staff-assisted rate case in Lake County by W.B.B. Utilities, Inc.*

*Contribution in Aid of Construction (CIAC)*

The Utility recorded CIAC balances of \$91,720 for water. We found no additions in the test year, and determined that no adjustments are necessary. As such, we find a CIAC balance of \$91,720.

*Accumulated Depreciation*

Lake Idlewild recorded a test year accumulated depreciation balance of \$99,717. We calculated accumulated depreciation using the prescribed rates set forth in Rule 25-30.140, F.A.C. We decreased total accumulated depreciation by \$3,091 to reflect an averaging adjustment. As such, we find an accumulated depreciation balance of \$96,626.

*Accumulated Amortization of CIAC*

Lake Idlewild recorded an amortization of CIAC balance of \$44,231. We calculated amortization of CIAC using composite depreciation rates, and determined that no adjustments are necessary. We decreased this account by \$1,470 to reflect an averaging adjustment. We find an accumulated amortization of CIAC balance of \$42,761.

*Working Capital Allowance*

Working capital is defined as the investor-supplied funds that are necessary to meet operating expenses of the Utility. Consistent with Rule 25-30.433(2), F.A.C., we used the one-eighth of the operation and maintenance (O&M) expense formula approach for calculating the working capital allowance. Applying this formula, we find a working capital allowance of \$3,856 (based on O&M expense of \$30,848/8).

*Rate Base Summary*

Based on the foregoing, we find that the appropriate average test year rate base is \$52,512. Rate base is shown on Schedule No. 1-A. The related adjustments are shown on Schedule No. 1-B.

Return on Equity (ROE)

The Utility's capital structure has been reconciled with our approved rate base. We find that the Utility has no debt. In addition, we find that the Utility has not collected customer deposits.

The appropriate ROE is 8.74 percent based upon our approved leverage formula currently in effect.<sup>9</sup> We find an ROE of 8.74 percent, with a range of 7.74 percent to 9.74 percent, and an

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<sup>9</sup>Order No. PSC-15-0259-PAA-WS, issued July 2, 2015, in Docket No. 150006-WS, *In re: Water and wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.*



overall rate of return of 8.74 percent. The ROE and overall rate of return are shown on Schedule No. 2.

### Test Year Revenues

Lake Idlewild recorded total test year revenues of \$32,262. The water revenues included \$31,844 of service revenues and \$418 of miscellaneous revenues. Based on our review of the Utility's billing determinants and the service rates that were in effect during the test year, we determined test year service revenues shall be \$32,090. This results in an increase of \$246 (\$32,090 - \$31,844) to service revenues for water.

During the test year, the Utility charged incorrect initial and normal connection charges and unauthorized late payment and Non-Sufficient Funds (NSF) charges. The Utility has provided refunds via credits to customer's accounts to reflect the appropriate connection charges and reimbursements for unauthorized late payment and NSF charges. Since refunds were made, we find no enforcement actions are warranted at this time. Subsequent to the test year, we approved late payment and NSF charges for the Utility.<sup>10</sup> Therefore, we find it is appropriate to include the number of occurrences during the test year for late payments and returned checks. Based on our review of the number of miscellaneous service occurrences during the test year and the Utility's approved miscellaneous service charges, we determined miscellaneous revenues shall be \$376. This results in a decrease of \$42 (\$418 - \$376) to miscellaneous revenues for water. Based on the above, we find that the appropriate test year revenues for Lake Idlewild's water system are \$32,466 (\$32,090 + \$376).

### Operating Expenses

Lake Idlewild recorded operating expense of \$40,393 for the test year ended September 30, 2015. The test year O&M expenses have been reviewed, including invoices, canceled checks, and other supporting documentation. We made several adjustments to the Utility's operating expenses as summarized below.

#### *Operation and Maintenance (O&M) Expenses*

##### Salaries and Wages - Officers (603)

The Utility recorded \$4,000 in this account for the test year to reflect the president's monthly salary of \$333. According to the Utility's 2015 Annual Report, Lake Idlewild's officers also include a vice-president and administrator who do not receive a salary. In addition, the Utility indicated in audit work papers that the president only receives compensation through distribution of retained earnings if there are any net operating profits from operations that are not

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<sup>10</sup>Order Nos. PSC-16-0084-TRF-WS, issued February 22, 2016, in Docket No. 150260-WS, *In re: Request for approval of late payment charges and return check (NSF) charge and request for approval of amendment to tariff sheets for miscellaneous service charges in Lake County by Brendenwood Waterworks, Inc., Harbor Waterworks, Inc., Lake Idlewild Waterworks, Inc., and Raintree Waterworks, Inc., and in Highlands County by Country Walk Utilities, Inc.*

used for continuing operations or capital improvements. As such, we find salaries and wages – officers expense for the test year of \$4,000.

#### Purchased Power (615)

The Utility recorded purchased power expense of \$3,199. Lake Idlewild's actual test year purchased power was \$3,199, therefore, no adjustments are necessary. We find purchased power expense for the test year of \$3,199.

#### Chemicals (618)

The Utility recorded chemicals expense of \$936. Lake Idlewild's actual test year chemicals was \$936, therefore, no adjustments are necessary. We find chemicals expense for the test year of \$936.

#### Contractual Services - Accounting (632)

The Utility recorded \$1,000 for test year contractual services – accounting expense, for preparation of the Utility's tax return. Lake Idlewild's actual test year accounting expense was \$1,000, therefore, no adjustments are necessary. We find contractual services – accounting expense for the test year of \$1,000.

#### Contractual Services - Legal (633)

The Utility recorded \$590 for test year contractual services – legal expense. Lake Idlewild's actual test year legal expense was \$590, therefore, no adjustments are necessary. We find contractual services – legal expense for the test year of \$590.

#### Contractual Services - Other (636)

The Utility recorded \$19,073 in this account. Lake Idlewild receives all of its operational and administrative services under a contract with an affiliated company, U.S. Water Services Corporation (USWSC). We previously reviewed and approved expenses related to the USWSC management services contracts for six of Lake Idlewild's sister utilities.<sup>11</sup> In the four most recent related dockets, we found USWSC's costing and allocation model to be reasonable with the

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<sup>11</sup>Order No. PSC-14-0413-PAA-WS, issued August 14, 2014, in Docket No. 130153-WS, *In re: Application for staff-assisted rate case in Highlands County, by L.P. Utilities Corporation c/o LP Waterworks, Inc.*; Order No. PSC-15-0013-PAA-WS, issued January 2, 2015, in Docket No. 130194-WS, *In re: Application for staff-assisted rate case in Lake County by Lakeside Waterworks, Inc.*; Order No. PSC-15-0282-PAA-WS, issued July 8, 2015, in Docket No. 140158-WS, *In re: Application for increase in water/wastewater rates in Highlands County by HC Waterworks, Inc.*; Order No. PSC-15-0329-PAA-WU, issued August 14, 2015, in Docket No. 140186-WU, *In re: Application for staff-assisted rate case in Brevard County by Brevard Waterworks, Inc.*; Order No. PSC-15-0335-PAA-WS, issued August 20, 2015, in Docket No. 140147-WS, *In re: Application for staff-assisted rate case in Sumter County by Jumper Creek Utility Company*. In addition, we approved similar expenses in Docket No. 150199-WU, *In re: Application for staff-assisted rate case in Lake County by Raintree Waterworks, Inc.*, Order No. PSC-16-0256-PAA-WS, issued June 30, 2016

exception of some allocated expenses related to salary overtime, fuel, and vehicle maintenance which were adjusted in those dockets.<sup>12</sup>

USWCS did not include adjustments to Lake Idlewild's USWSC contract to remove salary overtime or fuel and vehicle maintenance expenses. USWSC subsequently determined that Lake Idlewild's actual test year overtime, fuel, and vehicle maintenance expenses were \$357 less than the amount allocated in the test year contract.<sup>13</sup> As such, we decreased this account by \$357 to reflect Lake Idlewild's actual test year overtime, fuel, and vehicle maintenance expenses. The adjusted annual contract fee of \$18,716 (\$19,073 - \$357) equals an average of \$243 per equivalent residential connection (ERC), which is comparable to the amounts approved by us for Lake Idlewild's sister utilities.

The Utility confirmed that USWSC's current cost model continues to include 1,000 additional projected ERCs.<sup>14</sup> Inclusion of 1,000 potential future ERCs that are expected to be added through growth or acquisitions serves to spread the costs over a larger base and lowers the cost per ERC. Making the adjustments above and including the additional ERCs, Lake Idlewild receives an annual subsidy of approximately \$900 from USWSC. In addition to the cost subsidy resulting from USWSC's cost model, we find that Lake Idlewild is experiencing additional cost savings related to expenses such as chemicals, testing, and miscellaneous expenses that are attributable to economies of scale achieved through operations provided under the USWSC contract.

USWSC and its managers bring considerable management and operator experience and expertise at a comparably reasonable cost. By spreading costs over multiple systems, and adding ERCs to recognize potential future growth, Lake Idlewild's customers are realizing operational and cost benefits that would not be available if the Utility operated on a stand-alone basis. We find that the adjusted cost of the USWSC management services contract is reasonable. Therefore, we find contractual services – other expense for the test year of \$18,716.

#### Insurance Expense (655)

The Utility recorded \$1,341 in this account for test year insurance expense. Lake Idlewild's actual test year accounting expense was \$1,341, therefore, no adjustments are necessary. The Utility provided a copy of the general liability policy as support documentation for this amount. We find insurance expense for the test year of \$1,341.

#### Regulatory Commission Expense (665)

The Utility recorded \$214 in this account. Regarding the instant case, the Utility is required by Rule 25-22.0407, F.A.C., to provide notices of the customer meeting and notices of

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<sup>12</sup>Order Nos. PSC-15-0282-PAA-WS, PSC-15-0329-PAA-WU, and PSC-15-0335-PAA-WS. This Commission again found USWSC's costing and allocation model to be reasonable, with the exception of some allocated expenses related to fuel and vehicle maintenance, in Docket No. 150199-WU, *In re: Application for staff-assisted rate case in Lake County by Raintree Waterworks, Inc.*, Order No. PSC-16-0256-PAA-WS, issued June 30, 2016.

<sup>13</sup>Document No. 02798-16, filed on May 6, 2016, in Docket No. 150236-WU.

<sup>14</sup>Document No. 02798-16.

final rates in this case to its customers. For noticing, we estimated \$75 for postage expense, \$46 for printing expense, and \$8 for envelopes. This results in \$129 for the noticing requirement. The Utility paid a \$200 rate case filing fee. The Utility also requested additional rate case expense of \$500 to cover travel expenses for two Utility representatives to attend both the customer meeting and our Commission Conference (\$250 each trip).<sup>15</sup> On June 10, 2016, the Utility filed updated rate case expense for one employee to attend each event.<sup>16</sup> The Utility provided a hotel receipt for \$149 to attend the customer meeting and a reservation confirmation showing estimated charges of \$110 to attend the Commission Conference. Based on our review, the updated travel expense of \$259 (\$149 + \$110) appears reasonable. Pursuant to Section 367.0816, F.S., rate case expense is amortized over a four-year period. Based on the above, we find a total rate case expense of \$588 (\$129 + \$200 + \$259), which amortized over four years is \$147. Based on the above, our total adjustment to this account is a decrease of \$67 (\$214 - \$147). Therefore, we find a regulatory commission expense of \$147.

Bad Debt Expense (670)

The Utility recorded \$283 in this account for test year bad debt expense, which equals 0.87 percent of the test year revenues or 0.66 percent of our approved revenue requirement. The previous owners did not report any bad debt expense in the annual reports filed with this Commission. While our current practice is to calculate bad debt expense using a three-year average, three years of records are not yet available for the current owners. As such, we find the Utility's recorded bad debt expense is reasonable and representative of the Utility's expected bad debt expense going forward. Therefore, we find bad debt expense for the test year of \$283.

Miscellaneous Expense (675)

The Utility recorded \$572 for miscellaneous expense. We determined that the actual balance on September 30, 2015, was \$711. According to the Lake Idlewild audit report, this amount was overstated by \$75. As such, we find a miscellaneous expense of \$636 (\$711 - \$75) for the test year.

*Operation and Maintenance Expense (O&M Summary)*

Based on the adjustments above, we find that O&M expense shall be reduced by \$499, resulting in total O&M expense of \$30,848. Our approved adjustments to O&M expense are shown on Schedule Nos. 3-A, 3-B, and 3-C.

*Depreciation Expense (Net of Amortization of CIAC)*

The Utility's records reflect test year depreciation of \$6,182 and CIAC amortization of \$2,940, for a net depreciation expense of \$3,242 (\$6,182 - \$2,940 = \$3,242). We calculated

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<sup>15</sup>This Commission previously approved rate case related travel expenses ranging from \$450 to \$1,570 in the four most recent dockets for Lake Idlewild's sister utilities. See Docket Nos. 140158-WS, 140147-WS, 140186-WU, and 150199-WU.

<sup>16</sup>Document No. 03513-16, filed on June 10, 2016, in Docket No. 150236-WU.

depreciation expense using the prescribed rates set forth in Rule 25-30.140, F.A.C., and calculated CIAC amortization based on composite rates. We find that no adjustments are necessary. Therefore, we find a net depreciation expense of \$3,242.

*Taxes Other Than Income (TOTI)*

Lake Idlewild recorded taxes other than income (TOTI) of \$5,804 for the test year. The Utility recorded \$1,569 for regulatory assessment fees (RAFs). Based on our approved test year revenues of \$32,466 the Utility's RAFs shall be \$1,461. Therefore, we decreased this account by \$108 to reflect the appropriate RAFs. Also, the Utility recorded property tax accruals of \$4,235 during the test year. We determined that the Utility's actual property taxes for the 2014 tax year were \$2,389. However, subsequent to the audit, the 2015 property tax records became available, indicating that Lake Idlewild paid lower property taxes of \$2,153 for the 2015 tax year. Based on the 2015 property taxes, we decreased this account by \$2,082 to reflect the appropriate property taxes going forward ( $\$4,235 - \$2,153 = \$2,082$ ). Our total adjustment to test year TOTI is a decrease of \$2,190 ( $\$108 + \$2,082 = \$2,190$ ).

In addition, as discussed below under the heading "Revenue Requirement," revenues have been increased by \$10,291 to reflect the change in revenue required to cover expenses and allow the recommended rate of return. As a result, TOTI shall be increased by \$463 to reflect RAFs of 4.5 percent of the change in revenues. Therefore, we find a TOTI of \$4,077.

*Operating Expenses Summary*

The application of our approved adjustments to Lake Idlewild's test year operating expenses result in operating expenses of \$38,167. Operating expenses are shown on Schedule No. 3-A. The adjustments are shown on Schedule No. 3-B.

Revenue Requirement

Lake Idlewild shall be allowed an annual increase of \$10,291 (31.70 percent). This will allow the Utility the opportunity to recover its expenses and earn an 8.74 percent return on its investment. The calculations are shown below in Table "Water Revenue Requirement."



**Table 7-1  
Water Revenue Requirement**

Adjusted Rate Base	\$52,512
Rate of Return	x 8.74%
Return on Rate Base	\$4,590
Adjusted O&M Expense	30,848
Depreciation Expense (Net)	3,242
Taxes Other Than Income	4,077
Income Taxes	0
Revenue Requirement	\$42,757
Less Adjusted Test Year Revenues	32,466
Annual Increase	\$10,291
Percent Increase	31.70%

Rate Structure

Lake Idlewild is located in Lake County within the St. John’s River Water Management District (SJRWMD). The Utility provides water service to approximately 77 residential customers. The Utility has no general service customers. Approximately 4 percent of the residential customer bills during the test year had zero gallons indicating a non-seasonal customer base. The average residential water demand is 16,854 gallons per month. The Utility’s current water system rate structure for residential customers consists of a Base Facility Charge (BFC) and a uniform gallonage charge. There is no current rate structure for general service customers.

We analyzed the Utility’s billing data in order to evaluate the appropriate rate structure for the residential water customers. The goal of the evaluation was to select the rate design parameters that: (1) produce the recommended revenue requirement; (2) equitably distribute cost recovery among the Utility’s customers; (3) establish the appropriate non-discretionary usage threshold for restricting repression; and (4) implement, where appropriate, water conserving rate structures consistent with our practice.

Due to the average residential water demand of 16,854 gallons, we find 31.50 percent of the revenue requirement shall be recovered through the BFC in order to design gallonage charges that send the appropriate pricing signals for conservation and maintain revenue stability. In addition, the average people per household served by the water system is two; therefore, based on the number of persons per household, 50 gallons per day per person, and the number of days per month, the non-discretionary usage threshold should be 3,000 gallons per month. We find a

traditional BFC and gallonage charge rate structure with separate gallonage charges for discretionary and non-discretionary usage for residential water customers. Although the Utility does not have customers for general service, irrigation service, and private fire protection, the Utility would like to establish and maintain rates for those customer classes. We find a BFC and uniform gallonage charge rate structure for general and irrigation services. The private fire protection rate shall be one-twelfth of the approved BFC pursuant to Rule 25-30.465, F.A.C.

Further, based on the approved revenue increase of approximately 32 percent, the residential consumption can be expected to decline by 1,924,000 gallons resulting in anticipated average residential demand of 14,533 gallons per month. We find a 13.8 percent reduction in total test year residential gallons for rate setting purposes and corresponding reductions of \$441 for purchased power, \$129 for chemical expense, and \$27 for RAFs to reflect the anticipated repression. These adjustments result in a post repression revenue requirement of \$41,785.

Our approved rate structure and monthly water rates are shown on Schedule No. 4. The Utility shall file revised tariff sheets and a proposed customer notice to reflect our approved rates. The approved rates shall be effective for service rendered on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates shall not be implemented until our staff has approved the proposed customer notice and the notice has been received by the customers. The Utility shall provide proof of the date notice was given within 10 days of the date of the notice.

#### Rate Reduction (Final Agency Action)

Section 367.0816, F.S., requires that the rates be reduced immediately following the expiration of the four-year period by the amount of the rate case expense previously included in the rates. The reduction will reflect the removal of revenues associated with the amortization of rate case expense, the associated return on working capital, and the gross-up for RAFs which is \$156. Using the Utility's current revenues, expenses, and customer base, the reduction in revenues will result in the rate decrease shown on Schedule No. 4.

Lake Idlewild shall be required to file revised tariff sheets no later than one month prior to the actual date of the required rate reduction. The Utility also shall be required to file a proposed customer notice setting forth the lower rates and the reason for the reduction. If Lake Idlewild files this reduction in conjunction with a price index or pass-through rate adjustment, separate data shall be filed for the price index and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense.

#### Initial Customer Deposits

Rule 25-30.311, F.A.C., contains the criteria for collecting, administering, and refunding customer deposits. Customer deposits are designed to minimize the exposure of bad debt expense for the Utility and, ultimately, the general body of ratepayers. Historically, we have set initial

customer deposits equal to two times the average estimated bill.<sup>17</sup> Currently, the Utility does not have initial customer deposits. Based on our approved water rates and the post repression average residential demand, the appropriate initial customer deposit shall be \$101 for water to reflect an average residential customer bill for two months.

We find that the appropriate water initial customer deposit shall be \$101 for the residential 5/8 inch x 3/4 inch meter size. The initial customer deposits for all other residential meter sizes and all general service meter sizes shall be two times the average estimated bill for water service. The approved initial customer deposits shall be effective for connections made on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475, F.A.C.

#### Temporary Rates (Final Agency Action)

This Order approves an increase in rates. A timely protest might delay what may be a justified rate increase resulting in an unrecoverable loss of revenue to the Utility. Therefore, pursuant to Section 367.0814(7), F.S., in the event of a protest filed by a party other than the Utility, we find that the rates be approved as temporary rates. The Utility shall file revised tariff sheets and a proposed customer notice to reflect our approved rates. The approved rates shall be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the temporary rates shall not be implemented until our staff has approved the proposed notice, and the notice has been received by the customers. Our approved rates collected by the Utility shall be subject to the refund provisions discussed below. The Utility shall be authorized to collect the temporary rates upon our staff's approval of an appropriate security for the potential refund and the proposed customer notice. Security shall be in the form of a bond or letter of credit in the amount of \$6,860. Alternatively, the Utility could establish an escrow agreement with an independent financial institution.

If the Utility chooses a bond as security, the bond shall contain wording to the effect that it will be terminated only under the following conditions:

1. The Commission approves the rate increase; or,
2. If the Commission denies the increase, the Utility shall refund the amount collected that is attributable to the increase.

If the Utility chooses a letter of credit as a security, it shall contain the following conditions:

1. The letter of credit is irrevocable for the period it is in effect; and
2. The letter of credit will be in effect until a final Commission order is rendered, either approving or denying the rate increase.

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<sup>17</sup>Order Nos. PSC-13-0611-PAA-WS, issued November 19, 2013, in Docket No. 130010-WS, *In re: Application for increase in water rates in Lee County and wastewater rates in Pasco County by Ni Florida, LLC.*, and PSC-14-0016-TRF-WU, issued January 6, 2014, in Docket No. 130251-WU, *In re: Application for approval of miscellaneous service charges in Pasco County, by Crestridge Utility Corporation.*

If security is provided through an escrow agreement, the following conditions shall be part of the agreement:

1. The Commission Clerk, or his or her designee, must be a signatory to the escrow agreement.
2. No monies in the escrow account may be withdrawn by the Utility without the prior written authorization of the Commission Clerk, or his or her designee.
3. The escrow account shall be an interest bearing account.
4. If a refund to the customers is required, all interest earned by the escrow account shall be distributed to the customers.
5. If a refund to the customers is not required, the interest earned by the escrow account shall revert to the Utility.
6. All information on the escrow account shall be available from the holder of the escrow account to a Commission representative at all times.
7. The amount of revenue subject to refund shall be deposited in the escrow account within seven days of receipt.
8. This escrow account is established by the direction of the Florida Public Service Commission for the purpose(s) set forth in its order requiring such account. Pursuant to Cosentino v. Elson, 263 So. 2d 253 (Fla. 3d DCA 1972), escrow accounts are not subject to garnishments.
9. The account must specify by whom and on whose behalf such monies were paid.

In no instance shall the maintenance and administrative costs associated with the refund be borne by the customers. These costs are the responsibility of, and shall be borne by, the Utility. Irrespective of the form of security chosen by the Utility, an account of all monies received as a result of the rate increase shall be maintained by the Utility. If a refund is ultimately required, it shall be paid with interest calculated pursuant to Rule 25-30.360(4), F.A.C.

The Utility shall maintain a record of the amount of the bond, and the amount of revenues that are subject to refund. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility shall file reports with our Clerk's office no later than the 20th of every month indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report filed shall also indicate the status of the security being used to guarantee repayment of any potential refund.

Proof of Adjustments (Final Agency Action)

The Utility shall be required to notify us, in writing that it has adjusted its books in accordance with our decision. Schedule No. 5 reflects the accumulated plant, depreciation, CIAC, and amortization of CIAC balances as of September 30, 2015. Lake Idlewild shall submit a letter within 90 days of the final order in this docket, confirming that the adjustments to all the applicable NARUC USOA primary accounts, as shown on Schedule No. 5, have been made to the Utility's books and records. In the event the Utility needs additional time to complete the adjustments, notice shall be provided within seven days prior to the deadline. Upon providing

good cause, our staff shall be given administrative authority to grant an extension of up to 60 days.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Lake Idlewild Utility Company's application for an increase in rates and charges is hereby approved as set forth in the body of this Order. It is further

ORDERED that each of the findings made in the body of this Order is hereby approved in every respect. It is further

ORDERED that all matters contained in the attachments and schedules appended hereto are incorporated by reference. It is further

ORDERED that the overall quality of service provided by Lake Idlewild Utility Company is satisfactory. It is further

ORDERED that Lake Idlewild Utility Company's water treatment and distribution systems is considered 100 percent Used and Useful, and no adjustments shall be made for excessive unaccounted for water. It is further

ORDERED that the appropriate average test year rate base for Lake Idlewild Utility Company is \$52,512. It is further

ORDERED that the appropriate return on equity (ROE) for Lake Idlewild Utility Company is 8.74 percent with a range of 7.74 percent to 9.74 percent. The appropriate overall rate of return is 8.74 percent. It is further

ORDERED that the appropriate test year revenues for Lake Idlewild Utility Company's water system are \$32,466. It is further

ORDERED that the appropriate amount of operating expense for Lake Idlewild Utility Company is \$38,167. It is further

ORDERED that the appropriate revenue requirement for Lake Idlewild Utility Company is \$42,757, resulting in an annual increase of \$10,291 (31.70 percent). It is further

ORDERED that the approved rate structure and monthly water rates for Lake Idlewild Utility Company are shown on Schedule No. 4. Lake Idlewild Utility Company shall file revised tariff sheets and a proposed customer notice to reflect the approved rates shown on Schedule 4. The approved rates shall be effective for service rendered on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates shall not be implemented until our staff has approved the proposed customer notice and the notice has



been received by the customers. Lake Idlewild Utility Company shall provide proof of the date notice was given within 10 days of the date of the notice. It is further

ORDERED that, subject to the conditions set forth in the body of this Order, immediately following the expiration of the four-year rate case expense recovery period, the water rates for Lake Idlewild Utility Company shall be reduced as shown on Schedule No. 4, to remove rate case expense grossed-up for Regulatory Assessment Fees and amortized over a four-year period. It is further

ORDERED that Lake Idlewild Utility Company shall be required to file revised tariffs and a proposed customer notice setting forth the lower rates and the reason for the reduction no later than one month prior to the actual date of the required rate reduction. It is further

ORDERED that if Lake Idlewild Utility Company files this reduction in conjunction with a price index or pass-through rate adjustment, separate data shall be filed for the price index and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense. It is further

ORDERED that the appropriate water initial customer deposit for Lake Idlewild Utility Company shall be \$101 for the residential 5/8 inch x 3/4 inch meter size. The initial customer deposits for all other residential meter sizes and all general service meter sizes shall be two times the average estimated bill for water service. The approved initial customer deposits shall be effective for connections made on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475, F.A.C. It is further

ORDERED that the approved rates for Lake Idlewild Utility Company are approved on a temporary basis, subject to refund, in the event of a protest filed by a party other than the Utility. Lake Idlewild Utility Company shall file revised tariff sheets and a proposed customer notice to reflect the approved rates. The approved rates shall be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. The temporary rates shall not be implemented until our staff has approved the proposed notice, and the notice has been received by the customers. It is further

ORDERED that prior to implementation of any temporary rates, Lake Idlewild Utility Company shall provide appropriate security. The temporary rates collected by Lake Idlewild Utility Company are subject to refund provisions. It is further

ORDERED that, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., Lake Idlewild Utility Company shall file reports with the Office of Commission Clerk no later than the 20th of every month indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report filed shall also indicate the status of the security being used to guarantee repayment of any potential refund. It is further

ORDERED that Lake Idlewild Utility Company shall be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's

decision. Lake Idlewild Utility Company shall submit a letter within 90 days of the final order in this docket, confirming that the adjustments to all the applicable NARUC USOA primary accounts as shown on Schedule No. 5 attached to this Order have been made to its books and records. In the event Lake Idlewild Utility Company needs additional time to complete the adjustments, notice shall be provided within seven days prior to the deadline. Upon providing good cause, our staff shall be given administrative authority to grant an extension of up to 60 days. It is further

ORDERED that, except for the granting of temporary rates in the event of protest, the reduction for rate case expense, and the proof of adjustment of books, which are final agency action, the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, F.A.C., is received by the Office of the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that if no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, a Consummating Order shall be issued. The docket shall remain open for our staff's verification that the revised tariff sheets and customer notice have been filed by Lake Idlewild Utility Company and approved by our staff. Once these actions are complete, this docket shall be closed administratively. It is further

ORDERED that upon the issuance of the Consummating Order in this docket, the surety bond, if any, shall be released.

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DOCKET NO. 150236-WU  
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By ORDER of the Florida Public Service Commission this 28th day of July, 2016.

/s/ Carlotta S. Stauffer

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CARLOTTA S. STAUFFER  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399  
(850) 413-6770  
[www.floridapsc.com](http://www.floridapsc.com)

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

As identified in the body of this order, the actions proposed herein are preliminary in nature, except the decisions regarding (1) the granting of temporary rates in the event of protest, (2) the reduction for rate case expense, and (3) the proof of adjustment to NARUC USOC accounts, which are final agency action. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on August 18, 2016.

If such a petition is filed, mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing. In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

Any party adversely affected by the Commission's final action in this matter may request: (1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, within fifteen (15) days of the issuance of this Order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Office of Commission Clerk and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this Order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

<b>LAKE IDLEWILD UTILITY COMPANY</b>		<b>SCHEDULE NO. 1-A</b>	
<b>TEST YEAR ENDED 09/30/15</b>		<b>DOCKET NO. 150236-WU</b>	
<b>SCHEDULE OF WATER RATE BASE</b>			
<b>DESCRIPTION</b>	<b>BALANCE PER UTILITY</b>	<b>COMMISSION ADJUSTMENTS TO UTIL. BAL.</b>	<b>BALANCE PER COMMISSION</b>
UTILITY PLANT IN SERVICE	\$192,336	\$0	\$192,336
LAND & LAND RIGHTS	1,905	0	1,905
NON-USED AND USEFUL COMPONENTS	0	0	0
CIAC	(91,720)	0	(91,720)
ACCUMULATED DEPRECIATION	(99,717)	3,091	(96,626)
AMORTIZATION OF CIAC	44,231	(1,470)	42,761
WORKING CAPITAL ALLOWANCE	<u>0</u>	<u>3,856</u>	<u>3,856</u>
<b>WATER RATE BASE</b>	<b><u>\$47,035</u></b>	<b><u>\$5,477</u></b>	<b><u>\$52,512</u></b>



<b>LAKE IDLEWILD UTILITY COMPANY</b> <b>TEST YEAR ENDED 09/30/15</b> <b>ADJUSTMENTS TO RATE BASE</b>	<b>SCHEDULE NO. 1-B</b> <b>DOCKET NO. 150236-WU</b>
<b><u>ACCUMULATED DEPRECIATION</u></b>	<b><u>WATER</u></b>
To reflect an averaging adjustment.	<u>\$3,091</u>
<b><u>AMORTIZATION OF CIAC</u></b>	
To reflect an averaging adjustment.	<u>(\$1,470)</u>
<b><u>WORKING CAPITAL ALLOWANCE</u></b>	
To reflect 1/8 of test year O & M expenses.	<u>\$3,856</u>

LAKE IDLEWILD UTILITY COMPANY						SCHEDULE NO. 2			
TEST YEAR ENDED 09/30/15						DOCKET NO. 150236-WU			
SCHEDULE OF CAPITAL STRUCTURE									
CAPITAL COMPONENT	PER UTILITY	SPECIFIC ADJUSTMENTS	BALANCE BEFORE PRO RATA ADJUSTMENTS	PRO RATA ADJUSTMENTS	BALANCE PER COMMISSION	PERCENT OF TOTAL	COST	WEIGHTED COST	
1. COMMON STOCK	\$0	\$0	\$0						
2. RETAINED EARNINGS	0	0	0						
3. PAID IN CAPITAL	0	0	0						
4. OTHER COMMON EQUITY	<u>54,528</u>	<u>(1,990)</u>	<u>52,538</u>						
TOTAL COMMON EQUITY	\$54,528	(\$1,990)	\$52,538	(\$26)	\$52,512	100.00%	8.74%	8.74%	
5. LONG TERM DEBT	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	
6. SHORT-TERM DEBT	0	0	0	0	0	0.00%	0.00%	0.00%	
7. PREFERRED STOCK	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>	0.00%	0.00%	
TOTAL LONG TERM DEBT	\$0	\$0	\$0	\$0	\$0	0.00%			
8. CUSTOMER DEPOSITS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.00%</u>	2.00%	<u>0.00%</u>	
9. TOTAL	<u>\$54,528</u>	<u>(\$1,990)</u>	<u>\$52,538</u>	<u>(\$26)</u>	<u>\$52,512</u>	<u>100.00%</u>		<u>8.74%</u>	
<b>RANGE OF REASONABLENESS</b>						<b>LOW</b>	<b>HIGH</b>		
RETURN ON EQUITY						<u>7.74%</u>	<u>9.74%</u>		
OVERALL RATE OF RETURN						<u>7.74%</u>	<u>9.74%</u>		

LAKE IDLEWILD UTILITY COMPANY			SCHEDULE NO. 3-A		
TEST YEAR ENDED 09/30/15			DOCKET NO. 150236-WU		
SCHEDULE OF WATER OPERATING INCOME					
	TEST YEAR PER UTILITY	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR	ADJUST. FOR INCREASE	REVENUE REQUIREMENT
1. OPERATING REVENUES	<u>\$32,262</u>	<u>\$204</u>	<u>\$32,466</u>	<u>\$10,291</u> 31.70%	<u>\$42,757</u>
<b>OPERATING EXPENSES:</b>					
2. OPERATION & MAINTENANCE	\$31,347	(\$499)	\$30,848	\$0	\$30,848
3. DEPRECIATION (NET)	6,182	0	6,182	0	6,182
4. AMORTIZATION	(2,940)	0	(2,940)	0	(2,940)
5. TAXES OTHER THAN INCOME	5,804	(2,190)	3,614	463	4,077
6. INCOME TAXES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
7. TOTAL OPERATING EXPENSES	<u>\$40,393</u>	<u>(\$2,689)</u>	<u>\$37,704</u>	<u>\$463</u>	<u>\$38,167</u>
8. OPERATING INCOME/(LOSS)	<u>(\$8,131)</u>		<u>(\$5,238)</u>		<u>\$4,590</u>
9. WATER RATE BASE	<u>\$47,035</u>		<u>\$52,512</u>		<u>\$52,512</u>
10. RATE OF RETURN	<u>-17.29%</u>		<u>-9.98%</u>		<u>8.74%</u>

<b>LAKE IDLEWILD UTILITY COMPANY</b>		<b>SCHEDULE NO. 3-B</b>
<b>TEST YEAR ENDED 09/30/15</b>		<b>DOCKET NO. 150236-WU</b>
<b>ADJUSTMENTS TO OPERATING INCOME</b>		
		<b><u>WATER</u></b>
<b>OPERATING REVENUES</b>		
1.	To reflect the appropriate test year services revenues.	\$246
2.	To reflect the appropriate test year miscellaneous service revenues.	<u>(42)</u>
	Subtotal	<u>\$204</u>
<b>OPERATION AND MAINTENANCE EXPENSES</b>		
1.	Contractual Services - Other (636) To reflect appropriate fuel and vehicle maintenance expense.	<u>(\$357)</u>
2.	Regulatory Commission Expense (665) To reflect 4-year amortization of rate case expense.	<u>(\$67)</u>
3.	Miscellaneous Expense (675) To reflect appropriate miscellaneous expense per audit.	<u>(\$75)</u>
<b>TOTAL OPERATION &amp; MAINTENANCE ADJUSTMENTS</b>		<b><u>(\$499)</u></b>
<b>TAXES OTHER THAN INCOME</b>		
1.	To reflect appropriate test year RAFs.	(\$108)
2.	To reflect appropriate utility property taxes.	<u>(2,082)</u>
	Total	<u>(\$2,190)</u>

<b>LAKE IDLEWILD UTILITY COMPANY</b>		<b>SCHEDULE NO. 3-C</b>	
<b>TEST YEAR ENDED 09/30/15</b>		<b>DOCKET NO. 150236-WU</b>	
<b>ANALYSIS OF WATER OPERATION AND MAINTENANCE EXPENSE</b>			
	<b>TOTAL PER UTILITY</b>	<b>COMMISSION ADJUST- MENT</b>	<b>TOTAL PER COMMISSION</b>
(601) SALARIES AND WAGES - EMPLOYEES	\$0	\$0	\$0
(603) SALARIES AND WAGES - OFFICERS	4,000	0	4,000
(604) EMPLOYEE PENSIONS AND BENEFITS	0	0	0
(610) PURCHASED WATER	0	0	0
(615) PURCHASED POWER	3,199	0	3,199
(616) FUEL FOR POWER PRODUCTION	0	0	0
(618) CHEMICALS	936	0	936
(620) MATERIALS AND SUPPLIES	0	0	0
(630) CONTRACTUAL SERVICES - BILLING	0	0	0
(632) CONTRACTUAL SERVICES - ACCT.	1,000	0	1,000
(633) CONTRACTUAL SERVICES - LEGAL	590	0	590
(636) CONTRACTUAL SERVICES - OTHER	19,073	(357)	18,716
(640) RENTS	0	0	0
(650) TRANSPORTATION EXPENSE	0	0	0
(655) INSURANCE EXPENSE	1,341	0	1,341
(665) REGULATORY COMMISSION EXPENSE	214	(67)	147
(670) BAD DEBT EXPENSE	283	0	283
(675) MISCELLANEOUS EXPENSE	<u>711</u>	<u>(75)</u>	<u>636</u>
	<u>\$31,347</u>	<u>(\$499)</u>	<u>\$30,848</u>



LAKE IDLEWILD UTILITY COMPANY		SCHEDULE NO. 4	
TEST YEAR ENDED 09/30/2015		DOCKET NO. 150236-WU	
MONTHLY WATER RATES			
	UTILITY CURRENT RATES	COMMISSION APPROVED RATES	4 YEAR RATE REDUCTION
<b><u>Residential, General Service, and Irrigation*</u></b>			
Base Facility Charge by Meter Size			
5/8" X 3/4"	\$12.08	\$15.88	\$0.06
3/4"	\$18.13	\$23.82	\$0.09
1"	\$30.21	\$39.70	\$0.15
1-1/2"	\$60.41	\$79.40	\$0.29
2"	\$96.66	\$127.04	\$0.47
3"	\$181.24	\$254.08	\$0.94
4"	\$302.07	\$397.00	\$1.47
6"	\$604.15	\$794.00	\$2.94
Charge per 1,000 gallons - Residential and Irrigation			
All gallons	\$1.58		
0 - 3,000 gallons		\$2.08	\$0.01
Over 3,000 gallons		\$2.44	\$0.01
Charge per 1,000 gallons - General Service			
	N/A	\$2.38	\$0.01
<b><u>Private Fire Protection</u></b>			
2"	N/A	\$10.59	\$0.04
3"	N/A	\$21.17	\$0.08
4"	N/A	\$33.08	\$0.12
6"	N/A	\$66.17	\$0.24
8"	N/A	\$105.87	\$0.39
10"	N/A	\$152.18	\$0.56
<b><u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u></b>			
3,000 Gallons	\$16.82	\$22.12	
10,000 Gallons	\$27.88	\$39.20	
16,000 Gallons	\$37.36	\$53.84	
*Currently, the utility does not have rates for general and irrigation services.			

LAKE IDLEWILD UTILITY COMPANY			SCHEDULE NO. 5	
TEST YEAR ENDED 9/30/2015			DOCKET NO. 150236-WU	
SCHEDULE OF WATER PLANT, DEPRECIATION, CIAC, & CIAC AMORTIZATION BALANCES				
ACCT. NO.	DEPR. RATE PER RULE 25-30.140	DESCRIPTION	UPIS 9/30/2015 (DEBIT)	ACCUM. DEPR. 9/30/2015 (CREDIT)
303	0.00%	LAND AND LAND RIGHTS (NON-DEPRECIABLE)	\$1,905	\$0
304	3.70%	STRUCTURES AND IMPROVEMENTS	5,642	857
307	3.70%	WELLS AND SPRINGS	19,011	12,301
309	3.13%	SUPPLY MAINS	15,793	5,883
310	5.88%	POWER GENERATION EQUIPMENT	3,038	3,378
311	5.88%	PUMPING EQUIPMENT	20,285	15,178
320	5.88%	WATER TREATMENT EQUIPMENT	20,337	14,874
330	3.03%	DISTRIBUTION RESERVOIRS AND STANDPIPES	32,468	969
331	2.63%	TRANSMISSION AND DISTRIBUTION MAINS	57,238	27,864
333	2.86%	SERVICES	44	40
334	5.88%	METERS AND METER INSTALLATIONS	9,020	10,376
335	2.50%	HYDRANTS	<u>9,460</u>	<u>4,906</u>
		<b>TOTAL INCLUDING LAND</b>	<b><u>\$194,241</u></b>	<b><u>\$96,626</u></b>
			<b>CIAC</b>	
			<b>AMORT.</b>	<b>CIAC</b>
			<b>9/30/2015</b>	<b>9/30/2015</b>
			<b>(DEBIT)</b>	<b>(CREDIT)</b>
			<b>\$42,761</b>	<b>\$91,720</b>