

LAKESIDE WATERWORKS, INC.FILED 7/25/2019
DOCUMENT NO. 05986-2019
FPSC - COMMISSION CLERK

July 22, 2019

Office of Commission Clerk
Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399to Fiscal for deposit. Fiscal to forward
deposit information to Records.
Initials of person who forwarded check:


Re: Petition of Lakeside Waterworks, Inc. for Limited Alternative Rate Increase for water services in Lake County pursuant to Rule No. 25-30.457, Florida Administrative Code

Dear Commission Clerk,

Lakeside Waterworks, Inc. (Lakeside or Utility) hereby submits its application for a Limited Alternative Rate Increase for water services in Lake County pursuant to Rule No. 25-30.457, Florida Administrative Code (F.A.C.). At this time Lakeside is not requesting an increase in wastewater rates.

In support of its petition thereof, Lakeside Waterworks states the following:

Pursuant to Rule 25-30.457, F.A.C., as an alternative to a rate case, a Class C utility may petition the Commission for a limited alternative rate increase of up to 20 percent of service revenues. This rule was designed to streamline the rate increase process for qualifying small water or wastewater companies, by establishing an abbreviated procedure for a limited rate increase that is less time consuming and thus less costly for the utilities, customers, and Commission staff. This rule is similar to the rules governing price index and pass-through increases, in that an engineering or financial audit of the utility's books and records is not required.

The rule was adopted by the Commission on March 15, 2005. The Commission has previously approved such in the following Orders:

<u>Order No.</u>	<u>Issued</u>	<u>Utility</u>
PSC-06-0822-PAA-WU	October 6, 2006	Pinecrest Ranches, Inc.
PSC-06-0444-PAA-WU	May 22, 2006	Brendenwood Water System, Inc.
PSC-2019-0141-PAA-WS	April 22, 2019	LP Waterworks, Inc.
PSC-2019-0142-PAA-WU	April 22, 2019	Lake Idlewild Utility Company
PSC-2019-0145-PAA-WS	April 23, 2019	Jumper Creek Utility Company

Rule 25-30.457, F.A.C.

Lakeside provides the following criteria for consideration:

- 1) Utility is eligible for staff assistance.

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- 2) Utility's books and records are organized consistent with Rule 25-30.110, F.A. C.
- 3) Utility has on file with the Commission its Annual Reports, including 2018.
- 4) Utility has paid all applicable regulatory assessment fees.
- 5) Utility has at least one year of experience in operations. The Utility was transferred from Shangri-La to Lakeside in 2013.
- 6) Utility has provided additional relevant information contained below within the body of its petition.
- 7) Utility's last rate case was approved in Order No. PSC-2017-0428-PAA-WS, issued November 7, 2017 (SARC Order).
- 8) Said SARC Order established the Utility's rate base, capital structure, annual operating expenses and revenues and was issued within the 7-year period prior to petition.

General Utility Information

- A) The Utility's name as it appears on its certificates and its mailing address are:

Lakeside Waterworks, Inc.
4939 Cross Bayou Blvd.
New Port Richey, Florida 34652
(727) 848-8292 (Telephone)
(727) 848-7701 (Facsimile)

- B) The names and addresses of the Utility's authorized representatives are:

Troy Rendell
Vice President
Investor Owned Utilities
U.S. Water Services Corporation
4939 Cross Bayou Blvd.
New Port Richey, Florida 34652
(727) 848-8292 (Telephone)
(727) 848-7701 (Facsimile)
trendell@uswatercorp.net

- C) Lakeside Waterworks is a Florida corporation authorized to do business in Florida as of August 29, 2019. The names and addresses of the persons who own 5 percent or more of the Utility's stock are:

Gary A. Deremer

Lakeside Waterworks, Inc.
Limited Alternative Rate Increase
July 22, 2019

President and CEO
5320 Captains Court
New Port Richey, FL 34652

Cecil Delcher
Vice President
11702 Forest Hills Dr.
Tampa, FL 33612

Victoria Penick
6043 Fall River Dr
New Port Richey, FL 34655

Petitioner's Schedules and Additional Information

Attached hereto are the following required schedules:

- (a) Annualized revenues by customer class and meter size for the most recent 12-month period using the rates in effect at the time the utility files its petition. For the purposes of this calculation the twelve month period ending May 2019.
- (b) Current and proposed water rates for all classes of customers utilizing 20 percent of the annualized water service revenue.
- (c) Additional informational schedule showing most recent 12-month Operating Expenses.

For the 12-month period ending May 31, 2019, the net operating income for water was approximately \$1,423, which represents an approximate rater of return of 0.68%. The Commission approved an overall rate of return of 8.45% in the last SARC Order. Based on its calculations, Lakeside believes that it may be entitled to approximately a 22.71% increase if it elects to file for a full Staff Assisted Rate Case. This calculation utilized the most recently approved leverage formula for 2019. Lakeside believes that filing for this LARI would be a cost savings to its customers, as well as to the Utility and the Florida Public Service Commission. At this time Lakeside is not requesting an increase to its wastewater rates.

Since rate base was last established by the SARC Order, Lakeside has expended capital in its water plant in service in the amount of \$70,405 from March 30, 2016 through May 31, 2019. In addition Operating Expenses have increased by approximately \$4,600 since the last SARC Order.

Petitioner's Statements

Lakeside Waterworks through the undersigned representative hereby states that the figures and calculations upon which the change in rates is based are accurate.

Lakeside Waterworks, Inc.
Limited Alternative Rate Increase
July 22, 2019

Lakeside Waterworks further states that the change in rates will not cause the Utility to exceed the top of the range of its last authorized rate of return on equity, with a range of 7.85 percent to 9.85 percent as established by Order No PSC-2017-0428-PAA-WS, issued November 7, 2017.

Filing Fee

The total filing fee in the amount of \$1,000 is also attached to this LARI petition pursuant to Rule 25-30.30.020(2)(f), Florida Administrative Code.

WHEREFORE, the Utility respectfully requests that the Commission:

- A. Accept jurisdiction of this Petition and utilize the procedure set forth in Rule 25-30.457, F.A.C.;
- B. Evaluate the petition and determine the petitioner's eligibility for a limited alternative rate increase within 30 days of receipt of said petition.
- C. Notify the petitioner in writing as to whether the petition is accepted or denied.
- D. Approve final rates as requested herein within 90 days from the official filing date as established by Rule 25-30.457(4), F.A.C.;

Respectfully Submitted,



Troy Rendell
Vice President
Investor Owned Utilities
// for Lakeside Waterworks, Inc.

Lakeside Waterworks, Inc.

CALCULATION OF ANNUALIZED REVENUES
Consumption Data for Year Ending May 31, 2019

WATER:

	Number of Bill/Gal. Sold	X	Current Rates	Annualized Revenues
Residential Service:				
Bills:				
5/8" x 3/4" Meters	2,119		\$14.86	\$ 31,488.34
3/4" Meters			\$22.29	\$ -
1" Meters	60		\$37.15	\$ 2,229.00
1 1/2" Meters			\$74.30	\$ -
2" Meters			\$118.88	\$ -
Gallons Sold:				
0 - 4,000 gallons	4,042		\$4.48	\$ 18,108.16
4,001 - 10,000 gallons	668		\$5.68	\$ 3,794.24
Over 10,000 gallons	469		\$9.94	\$ 4,661.86
 <u>Irrigation - Residential</u>				
No Base Fees				
Gallons Sold:				
0 - 4,000 gallons	288		\$4.48	\$ 1,290.24
4,001 - 10,000 gallons	85		\$5.68	\$ 482.80
Over 10,000 gallons	11		\$9.94	\$ 109.34
 General Service:				
Bills:				
5/8" x 3/4" Meters	48		\$14.86	\$ 713.28
3/4" Meters			\$22.29	\$ -
1" Meters			\$37.15	\$ -
1 1/2" Meters			\$74.30	\$ -
2" Meters			\$118.88	\$ -
3" Meters			\$ 237.75	\$ -
4" Meters			\$ 371.50	\$ -
6" Meters			\$ 743.00	\$ -
Gallons Sold:				
All gallons	127		\$ 5.85	\$ 742.95
 Irrigation - Commercial				
5/8" x 3/4" Meters	48		14.86	\$ 713.28
Gallons Sold:				
All gallons	230		5.85	\$ 1,345.50
Total Annualized Water Revenues for Test Year				\$ 65,678.99

LAKESIDE WATERWORKS, INC.
CURRENT AND PROPOSED - WATER

				LAKESIDE WATERWORKS, INC	
Line No.			CURRENT RATES	RATES AFTER INDEXING AND PASS THROUGH	
				20.00%	
1		% Increase			
2	RESIDENTIAL SERVICE				
3		Sheet #	5th Revised		13.0
4	BFC:				
5		5/8" x 3/4" Meters	\$14.86		\$17.83
6		3/4" Meters	\$22.29		\$26.74
7		1" Meters	\$37.15		\$44.58
8		1 1/2" Meters	\$74.30		\$89.16
9		2" Meters	\$118.88		\$142.65
10		3" Meters	\$237.75		\$285.30
11		4" Meters	\$371.50		\$445.80
12		6" Meters	\$743.00		\$891.60
13					
14	Gallonge Charge				
15		0 - 4,000 gallons	\$4.48		\$5.37
16		4,001 - 10,000 gallons	\$5.68		\$6.81
17		Over 10,000 gallons	\$9.94		\$11.92
18					
19	GENERAL SERVICE				
20		Sheet #	5th Revised		12.0
21	BFC:				
22		5/8" x 3/4" Meters	\$14.86		\$17.83
23		3/4" Meters	\$22.29		\$26.74
24		1" Meters	\$37.15		\$44.58
25		1 1/2" Meters	\$74.30		\$89.16
26		2" Meters	\$118.88		\$142.65
27		3" Meters	\$237.75		\$285.30
28		4" Meters	\$371.50		\$445.80
29		6" Meters	\$743.00		\$891.60
30					
31	Gallonge Charge			\$5.85	\$7.02

Lakeside Waterworks, Inc.
Statement of Water Operations
Test Year Ended 05/31/2019

Schedule No. 3-A
Docket No. 2019XXXX-WU

Description	Test Year Per Utility	Adjustments	Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$69,224</u>	<u>\$0</u>	<u>\$69,224</u>	<u>\$16,719</u> 22.71%	<u>\$84,944</u>
Operating Expenses					
2 Operation & Maintenance	53,059	236	53,295	0	53,295
3 Depreciation	10,392	0	10,392	0	10,392
4 Amortization - ALL	224	0	224		224
5 Amortization - Acquis Adjust	0	0	0	0	0
6 Taxes Other Than Income	4,126	0	4,126	707	4,834
7 Income Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
8 Total Operating Expense	<u>67,802</u>	<u>236</u>	<u>68,038</u>	<u>707</u>	<u>68,745</u>
9 Operating Income	<u>\$1,423</u>	<u>-\$236</u>	<u>\$1,186</u>	<u>\$15,012</u>	<u>\$16,198</u>
10 Rate Base	<u>\$209,541</u>		<u>\$209,571</u>		<u>\$209,571</u>
11 Rate of Return	<u>0.68%</u>		<u>0.57%</u>		<u>7.73%</u>

Lakeside Waterworks, Inc.
O&M EXPENSES-WATER
Test Year Ended 05/31/2019

Docket No. 2019XXXX-WU

ACCT NO.	ACCOUNT TITLE	UTILITY		ADJUSTED TEST YEAR
		ADJUSTED TEST YEAR	ADJUSTMENTS	
601	SALARIES AND WAGES - EMPLOYEES	\$0	\$0	\$0
603	SALARIES: OFFICERS, DIRECTORS, ETC.	3,200	0	3,200
604	EMPLOYEE PENSIONS AND BENEFITS	0	0	0
610	PURCHASED WATER	0	0	0
615	PURCHASED POWER	2,682	0	2,682
616	FUEL FOR POWER PRODUCTION	0	0	0
618	CHEMICALS	1,807	0	1,807
620	MATERIALS AND SUPPLIES	0	0	0
631	CONTRACTUAL SERVICES -ENGR.	0	0	0
632	CONTRACTUAL SERVICES - ACCT.	200	0	200
633	CONTRACTUAL SERVICES - LEGAL	150	0	150
634	CONTRACTUAL SERVICES - MGMT. FEES	0	0	0
635	CONTRACTUAL SERVICES - OTHER	0	0	0
636	CONTRACTUAL SERVICES - OPERATIONS	41,050	0	41,050
641	RENTAL OF BUILDING/REAL PROPERTY	0	0	0
641	RENTAL OF LAND	2,594	0	2,594
650	TRANSPORTATION EXPENSES	0	0	0
656	INSURANCE-VEHICLE	0	0	0
657	INSURANCE-GENERAL LIABILITY	595	0	595
658	INSURANCE-WORKMAN'S COMP.	0	0	0
659	INSURANCE-OTHER	0	0	0
660	ADVERTISING EXPENSE	0	0	0
666	AMORT. OF RATE CASE EXPENSE	0	236	236
667	REGULATORY COMM. EXPENSES - OTHER	0	0	0
670	BAD DEBT EXPENSE	491	0	491
675	MISCELLANEOUS EXPENSES	<u>291</u>	<u>0</u>	<u>291</u>
	TOTAL OPERATION AND MAINTENANCE	<u>\$53,059</u>	<u>\$236</u>	<u>\$53,295</u>