

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for approval of transfer of LP Utilities Corporation's water and wastewater systems and Certificate Nos. 620-W and 533-S, to LP Waterworks, Inc., in Highlands County.

DOCKET NO. 130055-WS
ORDER NO. PSC-14-0130-PAA-WS
ISSUED: March 17, 2014

The following Commissioners participated in the disposition of this matter:

RONALD A. BRISÉ, Chairman
LISA POLAK EDGAR
ART GRAHAM
EDUARDO E. BALBIS
JULIE I. BROWN

NOTICE OF PROPOSED AGENCY ACTION
ORDER ESTABLISHING NET BOOK VALUE FOR TRANSFER PURPOSES
AND
ORDER APPROVING TRANSFER OF CERTIFICATE NOS. 620-W AND 533-S

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein, except for the transfers of Certificate Nos. 620-W and 533-S and continuation of the existing rates, 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.).

BACKGROUND

L.P. Utilities Corporation (Utility or LPUC) is a Class C water and wastewater utility providing service in Highlands County. A significant portion of LPUC's residential customer base is seasonal. Based on the billing data for the 12 months ending May 31, 2013, the Utility served approximately 370 individually metered residential and several general service water and wastewater customers in Camp Florida Resort, also known as Camp Florida Resort RV Park (Resort or Park). In addition, the Utility provided water only service to approximately 54 residential customers in the Hickory Hills and Lake Ridge Estates subdivisions and a few general service customers outside the Park.

On February 26, 2002, we issued original Certificates Nos. 620-W and 533-S to Woodlands of Lake Placid by Order No. PSC-02-0250-PAA-WS.¹ Subsequently, on November 22, 2004, the Commission approved a transfer of Certificate Nos. 620-W and 533-S from The Woodlands of Lake Placid to LPUC in Highlands County.² By this order, we also denied transfer of the wastewater systems from LPUC to Camp Florida Property Owners Associations, Inc. and denied transfer of majority organizational control of LPUC from Anbeth Corporation to Camp Florida Property Owners Association.

On February 28, 2013, an application was filed in this docket for the transfer of LPUC water and wastewater systems and Certificate Nos. 620-W and 533-S to LP Waterworks, Inc. (LPWWI). The closing occurred on December 27, 2012, contingent upon our approval pursuant to Section 367.071(1), Florida Statutes (F.S.). On May 24, 2013, LPWWI filed an application for staff-assisted rate case (SARC) in Docket No. 130153-WS, which is scheduled for consideration at our Agenda Conference on April 10, 2014. We have jurisdiction pursuant to Section 367.071, F.S.

CERTIFICATE TRANSFER

On February 28, 2013, LPWWI filed an application for approval of the transfer of LPUC's water and wastewater systems and Certificate Nos. 620-W and 533-S to LPWWI in Highlands County. The application is in compliance with the governing statute, Section 367.071, F.S., and administrative rules concerning applications for transfer of certificates. The closing occurred on December 27, 2012, contingent upon Commission approval, pursuant to Section 367.071(1), F.S.

Noticing, Territory, and Land Ownership

The application contains proof of compliance with the noticing provisions set forth in Section 367.071, F.S. and Rule 25-30.030, F.A.C. No objections to the transfer were timely filed. The application contains a description of the Utility's authorized service territory, which is appended to this order as Attachment A. The application contains a copy of a deed that was executed on December 27, 2012, and recorded with the Highlands County Clerk of Courts, as evidence that LPWWI owns the land upon which the water and wastewater treatment facilities are located pursuant to Rule 25-30.037(2)(q), F.A.C.

Purchase Agreement and Financing

Pursuant to Rule 25-30.037(2)(h) and (i), F.A.C., the application contains a copy of the Purchase Agreement, which includes the purchase price, terms of payment, and a list of the assets purchased. There are no customer deposits, guaranteed revenue contracts, developer

¹ Docket No. 990374-WS, In re: Application for certificates to operate a water and wastewater utility in Highlands County by The Woodlands of Lake Placid, L.P., and for deletion of portion of wastewater territory in Certificate No. 361-S held by Highlands Utilities Corporation.

² See Order No. PSC-04-1162-FOF-WS, issued November 22, 2004, in Docket No. 030102-WS, In re: Application for Certificate Nos. 620-W and 533-S in Highlands County from The Woodlands of Lake Placid, L.P. to L.P. Utilities Corporation.

agreements, customer advances, leases, or debt of LPUC that must be disposed of with regard to the transfer. According to the Purchase Agreement, the total purchase price is \$165,000 for the portion of the assets attributable to water and wastewater service, with 70 percent of the purchase price paid in cash at the closing. The remaining 30 percent is to be paid within 30 days of the final official approval date of the transfer established by the Commission. As noted, the sale took place on December 27, 2012, subject to our approval, pursuant to Section 367.071(1), F.S.

Facility Description and Compliance

LPUC's water treatment plant (WTP) plant is permitted at 350,000 gallons per day (gpd) and has two wells rated at 380 and 900 gallons per minute (gpm). The raw water is injected with chlorine, discharged into the hydropneumatic tank and channeled into the distribution system. The Utility's wastewater treatment plant (WWTP) is an extended aeration, activated sludge plant with one lift station. The wastewater plant is permitted at 50,000 gpd based on the monthly average daily flow. Liquid disinfection is applied prior to the treated wastewater effluent flowing into the percolation pond. The water and wastewater systems are currently in compliance with all applicable standards set by the Florida Department of Environmental Protection.

Technical and Financial Ability

Pursuant to Rule 25-30.037(1)(j), F.A.C., the application contains statements describing the technical and financial ability of the applicant to provide service to the proposed service area. According to the application, LPWWI has considerable Florida-specific expertise in private utility ownership within the State. The directors of LPWWI have been in the water and wastewater utility management, operations, and maintenance industry for many years, providing service to more than 550 Florida facilities throughout their careers. Further, the application indicates that the President and Vice President of LPWWI have 28 and 36 years, respectively, of operation or ownership of utilities, including a number of utilities that we have previously regulated. The application indicates that operating, billing, collection, and customer services will be provided by contract through an affiliated entity, U.S. Water Services Corporation, which currently provides such services to utilities serving approximately 80,000 customers in Florida. We have reviewed the personal financial statements for the President and Vice President of LPWWI.³ In addition, the President of U.S. Water is also a part owner of other systems which we currently regulate, including Harbor Waterworks, Inc.,⁴ Lakeside Waterworks, Inc., and several of the systems previously owned by Aqua Utilities Florida (Aqua).⁵ The transfer

³ See Document No. 02835-12 in Docket No. 120148-WU, In re: Application for approval of transfer of Harbor Hills Utility, L.P. water system and Certificate No. 522-W in Lake County to Harbor Waterworks, Inc.

⁴ See Order No. PSC-12-0587-PAA-WU, issued October 29, 2012, in Docket No. 120148-WU, In re: Application for approval of transfer of Harbor Hills Utility, L.P. water system and Certificate No. 522-W in Lake County to Harbor Waterworks, Inc.

⁵ See Docket No. 130171-WS, In re: Application for approval of transfer of certain water and wastewater facilities and Certificate Nos. 507-W and 441-S of Aqua Utilities Florida, Inc. to The Woods Utility Company in Sumter County; Docket No. 130172-WS, In re: Application for approval of transfer of certain water and wastewater facilities and Certificate Nos. 501-W and 435-S of Aqua Utilities Florida, Inc. to Sunny Hills Utility Company in Washington County; Docket No. 130173-WU, In re: Application for approval of transfer of certain water and

applications to U.S. Water of the six remaining former Aqua systems are still pending before us. Based on the above, LPWWI has demonstrated the technical and financial ability to provide service to the existing service territory.

Rates and Charges

The Utility's rates and charges were last approved in a SARC in 2003.⁶ The rates were subsequently reduced to reflect the four-year rate reduction required by Section 367.0816, F.S., in 2007. The Utility's existing rates and charges are shown on Schedule Nos. 3 and 4. Rule 25-9.044(1), F.A.C., provides that, in the case of a change of ownership or control of a utility, the rates, classifications, and regulations of the former owner must continue unless authorized to change by this Commission. Therefore, we find that the Utility's existing rates and charges shall remain in effect until a change is authorized by us in a subsequent proceeding.

Regulatory Assessment Fees and Annual Reports

The Utility is current on the filing of annual reports and regulatory assessment fees through December 31, 2012. LPWWI will be responsible for filing the Utility's annual reports and paying RAFs for 2013 and all future years.

Based on the above, we find that the transfer of LPUC's water and wastewater systems and Certificate Nos. 620-W and 533-S to LPWWI is in the public interest and is approved effective the date of our vote, March 13, 2014. The territory being transferred is described in Attachment A. The resultant order shall serve as LPWWI's water and wastewater certificates and shall be retained. The Utility's existing rates and charges shall remain in effect until a change is authorized by us in a subsequent proceeding. LPWWI shall be responsible for annual reports and RAFs for 2013 and all future years.

NET BOOK VALUE

Rate base for the Utility was last established as of December 31, 2001, in the amounts of \$218,635 for the water system and \$191,391 for the wastewater system, pursuant to Order No. PSC-02-1739-PAA-WS.⁷ Later, as part of a Staff Assisted Rate Case (SARC), an audit was conducted to establish rate base as of December 31, 2010, in Docket No. 110208-WS.⁸ The

wastewater facilities and Certificate No. 053-W of Aqua Utilities Florida, Inc.'s to Lake Osborne Waterworks, Inc. in Palm Beach County; Docket No. 130174-WU, In re: Application for approval of transfer of Aqua Utilities Florida, Inc.'s water systems and Certificate No. 002-W in Brevard County; Docket No. 130175-WS, In re: Application for approval of transfer of certain water and wastewater facilities and Certificate Nos. 422-W and 359-S of Aqua Utilities Florida, Inc. to HC Waterworks, Inc. in Highlands County; and Docket No. 130176-WS, In re: Application for approval of Transfer of certain water and wastewater facilities and Certificate Nos. 507-W and 441-S of Aqua Utilities Florida, Inc. to Jumper Creek Utility Company in Sumter County.

⁶ See Order No. PSC-03-1051-FOF-WS, issued September 22, 2003, in Docket No. 020010-WS, In re: Application for staff-assisted rate case in Highlands County by The Woodlands of Lake Placid, L. P.

⁷ See Order No. PSC-02-1739-PAA-WS, issued December 10, 2002, in Docket No. 020010-WS, In re: Application for staff assisted rate case in Highlands County by The Woodlands of Lake Placid, L.P.

⁸ Docket No. 110208-WS, In re: Application for staff-assisted rate case in Highlands County by L.P. Utilities Corporation.

Company's request was subsequently withdrawn; however, the audit was used as a starting point for the audit conducted in the instant docket.⁹ The purpose of establishing Net Book Value (NBV) for transfers is to determine whether an acquisition adjustment should be approved. The NBV does not include normal ratemaking adjustments for used and useful plant or working capital.

Utility Plant in Service (UPIS)

The Utility's general ledger reflected water and wastewater UPIS balances of \$469,295 and \$377,807, respectively, as of December 27, 2012. The staff auditor discovered that several Commission-ordered adjustments from the Utility's 2002 rate proceeding had not been properly made. In addition, audit staff also posted additions and retirements to UPIS and reclassified plant additions to the correct National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts (USOA) account when necessary. The net effect of these adjustments is an increase to water and wastewater UPIS of \$27,922 and \$6,191, respectively. Therefore, we establish water and wastewater UPIS balances as of December 27, 2012, of \$497,217 and \$383,998, respectively, as shown on Schedule Nos. 1 and 2.

Land and Land Rights

The value of land and land rights was last established by Order No. PSC-02-1739-PAA-WS. At that time, we approved land values of \$20,598 for water and \$36,000 for wastewater. No adjustments have been identified by our staff. Therefore, we approve land and land rights of \$20,598 for water and \$36,000 for wastewater, respectively.

Accumulated Depreciation

The Utility's general ledger reflected accumulated depreciation balances of \$272,636 and \$297,869, for water and wastewater respectively, as of December 27, 2012. As noted above, audit staff determined that the Utility did not make certain plant adjustments required in its last rate proceeding. In addition, the adjustments to UPIS balances described above and the use of appropriate depreciation rates prescribed in Rule 25-30-140, F.A.C. resulted in additional adjustments to accumulated depreciation. As a result, accumulated depreciation shall be increased by \$33,590 for water and decreased by \$24,694 for wastewater. Therefore, we approve water and wastewater accumulated depreciation balances as of December 27, 2012, of \$306,226 and \$273,175, respectively, as shown on Schedule Nos. 1 and 2.

Contributions-in-Aid-of-Construction (CIAC) and Accumulated Amortization of CIAC

As of December 27, 2012, the Utility's general ledger reflected water and wastewater CIAC balances of \$204,307 and \$65,600, respectively; and accumulated amortization of CIAC balances of \$103,313 and \$39,129, respectively. Audit staff adjusted water CIAC by \$61,339 for prior Commission-ordered adjustments that were not made and for CIAC additions that the

⁹ See Document Nos. 03991-13, Auditor's Report, L.P. Waterworks, Inc., filed July 15, 2013, and 00588-14, Revised Audit Report Pages; L.P. Waterworks, Inc., filed February 5, 2014.

Utility did not record. A \$26,800 adjustment was also made to wastewater CIAC for CIAC additions that the Utility did not record. The water and wastewater accumulated amortization of CIAC balances were adjusted by \$29,981 and \$5,138, respectively, for prior Commission-ordered adjustments that were not made. As a result, we find that the Utility's CIAC balances as of December 27, 2012, are \$265,646 and \$92,400, respectively; and accumulated amortization of CIAC balances are \$133,294 and \$44,267, respectively, as shown on Schedule Nos. 1 and 2.

Net Book Value

The Utility's general ledger reflected NBVs of \$116,263 and \$89,467, respectively, for water and wastewater as of December 27, 2012. Based on the adjustments described above and as shown on Schedule Nos. 1 and 2, we find that the NBVs for the Utility's water and wastewater systems as of December 27, 2012, are \$79,237 and \$98,690, respectively, for a total NBV of \$177,927. Schedule Nos. 1 and 2 also contain the NARUC USOA balances for UPIS and accumulated depreciation as of December 27, 2012, that we hereby approve.

Acquisition Adjustment

An acquisition adjustment results when the purchase price differs from the NBV of the assets at the time of the acquisition. The Utility and its assets were purchased for \$165,000. As stated above, we have determined that the appropriate combined NBV for water and wastewater is \$177,927. Pursuant to Rule 25-30.0371, F.A.C., a positive acquisition adjustment may be appropriate when the purchase price is greater than the NBV, and a negative acquisition adjustment may be appropriate when the purchase price is less than NBV. Based on a total net book value of \$177,927, as of December 27, 2012, the purchase price would result in a potential negative acquisition adjustment of \$12,927. Pursuant to Rule 25-30.0371(3), F.A.C., if the purchase price is greater than 80 percent of NBV, a negative acquisition adjustment will not be included in rate base. Eighty percent of the net book value of this system would be \$142,342. Since the purchase price of \$165,000 is greater than 80 percent of the net book value, we find that no negative acquisition adjustment be made in this case.

Based on the above, we find that the NBV for transfer purposes shall be \$79,237 for the water system and \$98,690 for the wastewater system, as of December 27, 2012. No acquisition adjustment shall be included in rate base. Within 30 days of the date of the final order, LPWWI shall be required to provide general ledgers which show its books have been updated to reflect our approved balances as of December 27, 2012. The adjustments shall be reflected in the Utility's 2013 annual report when filed.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the transfer of Certificate Nos. 620-W and 533-S from LP Utilities Corporation to LP Waterworks, Inc., is in the public interest and is hereby approved, effective the date of our vote, March 13, 2014. The transferred territory is more properly described in Attachment A. This Order shall serve as LP Waterworks, Inc.'s Certificate Nos. 620-W and 533-S and be retained by the Utility. It is further

ORDERED that the Utility's existing rates and charges shall remain in effect until a change is authorized by this Commission in a subsequent proceeding. It is further

ORDERED that the tariff pages reflecting the transfer shall be effective on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), F.A.C. It is further

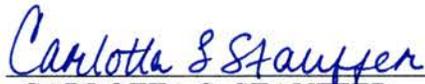
ORDERED that LP Waterworks, Inc shall be responsible for annual reports and RAFs for 2013 and all future years. It is further

ORDERED that the net book values of the LP Waterworks, Inc.'s water and wastewater systems are \$79,237 and \$98,690, respectively, as of December 27, 2012. Is further

ORDERED that the provisions of this order issued as proposed agency action shall become final and effective if no protest to the proposed agency action is filed by a substantially affected person with the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within 21 days of the date of the order in the form provided by Rule 28-106.201, F.A.C., . It is further

ORDERED that the docket shall be closed administratively after LP Waterworks, Inc. has provided proof, within 30 days of the date of the final order, that its general ledgers have been updated to reflect Commission-approved balances as of December 27, 2012, along with a written statement that these adjustments will be reflected in the Utility's 2013 annual report.

By ORDER of the Florida Public Service Commission this 17th day of March, 2014.



CARLOTTA S. STAUFFER
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
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 or judicial review of Commission orders that is available under Sections 120.57 or 120.68, 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 or judicial review will be granted or result in the relief sought.

As identified in the body of this order, our action except for our approval of the transfer of Certificate Nos. 620-W and 533-S and continuation of the existing rates, is preliminary in nature. 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 April 7, 2014. 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 effective and final upon the issuance of a Consummating Order.

Any objection or protest filed in this docket 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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, 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 and/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.

LP WATERWORKS, INC.
HIGHLANDS COUNTY
WATER SERVICE AREA

Commence at the Northwest corner of Section 17, Township 37 South, Range 30 East, Highlands County, Florida; thence East along the North line of said Section 17, 824 feet, more or less, to the intersection of the North line of said Section 17 and the East right-of-way line of U.S. Highway 27 extended, being the Point of Beginning; thence continue East along the said North line of Section 17, 3700 feet, more or less, to the shoreline of Lake Grassy; thence South and Southwesterly along the shoreline of said Lake Grassy, 5600 feet, more or less, to the South line of said Section 17 and the said East right-of-way line of U.S. Highway 27; thence Northwest along said East right-of-way line, 5950 feet, more or less, to the Point of Beginning.

FLORIDA PUBLIC SERVICE COMMISSION

Authorizes

LP Waterworks, Inc.

Pursuant to

Certificate Number 620-W

to provide water service in Highlands County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
PSC-02-0250-PAA-WS	02/26/2002	990374-WS	Original In Existence
PSC-04-1162-FOF-WS	11/22/2004	030102-WS	Transfer
*	*	130055-WS	Transfer

***Order Number and date to be provided at time of issuance.**

LP WATERWORKS, INC.
HIGHLANDS COUNTY
WASTEWATER SERVICE AREA

Begin at a point on the North line of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, 660 feet Easterly of the East right-of-way line of US Highway 27, as measured at right angles; thence run Easterly along the North line of Section 17 a distance of 2,975 feet more or less to the Shore line of Lake Grassy, thence run Southerly and Southwesterly along the shore line of Lake Grassy (a straight line to this point is a distance of 2,250 feet more or less) to a point that is 413.15 feet North of the South line of the Northeast 1/4 and the Northwest 1/4 of Section 17; thence run Westerly along a line 413.15 feet North of the South line of said Northeast 1/4 and 413.15 feet North of the South line of said Northwest 1/4 to a point that is 600 feet Easterly of the East right-of-way line of US Highway 27, as measured at right angles; thence run Northwesterly, 660 feet East of and parallel to the Easterly right-of-way line of US Highway 27 to the Point of Beginning. And, The North 300 feet of the South 750 feet of the West 410 feet of the East 1/2 of the East 1/2 of the Southwest 1/4 of Section 8, Township 37 South, Range 30 East, Highlands County, Florida. And, The West 210 feet of the South 450 feet of the East 1/2 of the East 1/2 of the SW 1/4 of Section 8, Township 37 South, Range 30 East, Highlands County, Florida.

Township 37 South, Range 30 East, Section 17- That portion of Lake Placid Camp Florida Resort, as recorded in Plat Book 15, Page 93, Highlands County, Florida, previously being part of the territory described in Highlands Utilities Corporation service area, being more particularly described as follows: Commence on the North line of Section 17, Township 37 South, Range 30 East, 660 feet Easterly of, as measured at right angles to the East right of way line of U.S. 27; thence Southeasterly along a line that is 660 feet East of and parallel with the said East right of way line, 300 feet more or less to the North line of said Lake Placid Camp Florida Resort and the **Point of Beginning**; thence continuing South easterly along the line 660 feet East of and parallel with said right of way line, 778.39 feet more or less to the South line of said Lake Placid Camp Florida Resort; the following 15 calls are along the boundary of said Lake Placid Camp Florida Resort, (1) thence N81°58'06"W, 29.61 feet; (2) thence N35°18'13"W, 256.10 feet; (3) thence S88°19'15" W, 135.89 feet; (4) N69°05'48"W, 8.86 feet; (5) thence S65°07'11"W, 291.84 feet; (6) thence N24°52'49"W, 174.00 feet; (7) thence S65°07'11"W, 165.76 feet to said right of way line; (8) thence N24°49'46"W, 157.95 feet; (9) thence N65°08'22"E, 25.57 feet; (10) thence N24°51'38"W, 219.42 feet; (11) thence N80°20'00"E, 107.91 feet; (12) thence N87°00'00"E, 218.15 feet; (13) thence N 50°00'00"E, 166.49 feet; (14) thence N75°29'10"E, 115.12 feet; (15) thence along the arc of a curve to the right with a central angle of 08°24'16", whose radius is 377.51 feet, with a chord bearing of N79°41'18"E, and a chord distance of 55.33 feet, an arc distance of 55.38 feet to the **Point of Beginning**.

FLORIDA PUBLIC SERVICE COMMISSION

Authorizes

LP Waterworks, Inc.

Pursuant to

Certificate Number 533-S

to provide wastewater service in Highlands County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
PSC-02-0250-PAA-WS	02/26/2002	990374-WS	Original In Existence
PSC-04-1162-FOF-WS	11/22/2004	030102-WS	Transfer
*	*	130055-WS	Transfer

***Order Number and date to be provided at time of issuance.**

LP Utilities Corporation

LP Waterworks, Inc.

Water System

Schedule of Net Book Value as of December 27, 2012

Description	Utility			Commission
	Proposed	Adjustment		Approved
Utility Plant In Service	\$469,295	\$27,922	A	\$497,217
Land & Land Rights	20,598	0		20,598
Accumulated Depreciation	(272,636)	(33,590)	B	(306,226)
CIAC	(204,307)	(61,339)	C	(265,646)
Amortization of CIAC	<u>103,313</u>	<u>29,981</u>	D	<u>133,294</u>
Net Book Value	<u>\$116,263</u>	<u>(\$37,026)</u>		<u>\$79,237</u>

**Explanation of
Adjustments to Net Book Value as of December 27, 2012
Water**

Explanation	Amount
A. Utility Plant In Service (UPIS)	
1) To reflect adjustments from Order No. PSC-02-1739-PAA-WS.	\$29,157
2) To reflect plant additions.	2,180
3) To remove non-utility items.	(2,335)
4) To reflect retirements.	<u>(1,080)</u>
Total UPIS	<u>\$27,922</u>
B. Accumulated Depreciation	
To reflect appropriate amount of accumulated depreciation.	<u>(\$33,590)</u>
C. Contributions in Aid of Construction (CIAC)	
To reflect adjustments from Order No. PSC-02-1739-PAA-WS and CIAC additions that the Utility did not record.	<u>(\$61,339)</u>
D. Amortization of CIAC	
To reflect appropriate amount of amortization of CIAC.	<u>\$29,981</u>
Total Adjustments to Net Book Value as of December 27, 2012.	<u>(\$37,026)</u>

LP Utilities Corporation

LP Waterworks, Inc.

Schedule of Account Balances as of December 27, 2012

Account		Water	Accumulated
No.	Description	UPIS	Depreciation
301	Organization	\$414	\$119
304	Structures & Improvements	66,428	53,962
307	Wells	41,707	24,192
309	Supply Mains	1,040	439
310	Power Generation Equipment	9,706	5,350
330	Dist. Reservoirs & Standpipes	32,416	22,346
331	Transmission & Dist. Mains	206,312	103,506
333	Services	58,563	37,281
334	Meter and Meter installation	72,695	54,506
335	Hydrants	5,364	3,051
336	Backflow Prevention Devices	1,874	1,183
340	Office Furniture & Equipment	<u>698</u>	<u>291</u>
	Total	<u>\$497,217</u>	<u>\$306,226</u>

LP Utilities Corporation

LP Waterworks, Inc.

Wastewater System

Schedule of Net Book Value as of December 27, 2012

Description	Utility			Commission
	Proposed	Adjustment		Approved
Utility Plant In Service	\$377,807	\$6,191	A	\$383,998
Land & Land Rights	36,000	0		36,000
Accumulated Depreciation	(297,869)	24,694	B	(273,175)
CIAC	(65,600)	(26,800)	C	(92,400)
Amortization of CIAC	<u>39,129</u>	<u>5,138</u>	D	<u>44,267</u>
Net Book Value	<u>\$89,467</u>	<u>\$9,223</u>		<u>\$98,690</u>

**Explanation of
Adjustments to Net Book Value as of December 27, 2012
Wastewater**

Explanation	Amount
A. Utility Plant In Service (UPIS)	
1) To reflect adjustments from Order No. PSC-02-1739-PAA-WS.	\$5,546
2) To reflect plant additions.	<u>645</u>
Total UPIS	<u>\$6,191</u>
B. Accumulated Depreciation	
To reflect appropriate amount of accumulated depreciation.	<u>\$24,694</u>
C. Contributions in Aid of Construction (CIAC)	
To reflect CIAC additions that the Utility did not record.	<u>(\$26,800)</u>
D. Amortization of CIAC	
To reflect appropriate amount of amortization of CIAC.	<u>\$5,138</u>
Total Adjustments to Net Book Value as of December 27, 2012.	<u>(\$9,223)</u>

LP Utilities Corporation

LP Waterworks, Inc.

Schedule of Account Balances as of December 27, 2012

Account		Wastewater	Accumulated
No.	Description	UPIS	Depreciation
351	Organization	\$346	\$99
354	Structures & Improvements	42,176	35,516
360	Collection Sewers Force	11,557	9,311
361	Collection Sewers Gravity	141,605	80,436
362	Special Collecting Structure	1,040	379
363	Services to Customers	111,860	72,715
380	Treatment Disposal	73,822	73,822
390	Office Equipment & Furniture	645	108
393	Tools Shop and Garage Equip.	<u>947</u>	<u>789</u>
		<u>\$383,998</u>	<u>\$273,175</u>

**LP Waterworks, Inc.
Water**

	<u>Residential Service</u>	<u>General Service</u>
<u>Base Facility Charge</u>		
5/8" x 3/4" (0.8 ERC RV's Homes)	\$4.82	
5/8" x 3/4" (1 ERC Single Family)	\$6.02	
Meter Sizes		
5/8" x 3/4" (RV/Lot Rentals)		\$4.82
3/4" (Park Commercial)		\$6.02
1"		\$9.04
1 1/2"		\$15.06
2"		\$30.13
3"		\$48.20
4"		\$96.40
6"		\$150.62
8"		\$301.25
<u>Gallonge Charges</u>		
Per 1,000 gallons	\$2.14	\$2.14
Miscellaneous Service Charges		
Initial Connection Charge		\$15.00
Normal Reconnection Charge		\$15.00
Violation Reconnection Charge		\$15.00
Premises Visit Charge (in lieu of disconnection)		\$10.00
Late payment Charge		\$5.00
Initial Customer Deposits		
5/8" x 3/4"	\$35.00	\$100.00
1"	\$35.00	\$100.00
1 1/2"	\$35.00	\$100.00
Over 2"	\$35.00	\$100.00
Service Availability Charges		
<u>Customer Connection (Tap-in) Charge</u>		
5/8" x 3/4" metered service		\$200.00
<u>Meter Installation Fee</u>		
5/8" x 3/4"		\$189.00
Over 5/8" x 3/4"		Actual Cost

**LP Waterworks, Inc.
 Wastewater**

	<u>Residential Service</u>	<u>General Service</u>
<u>Base Facility Charge</u>		
All Meter Size	\$6.44	
Meter Sizes		
5/8" x 3/4"		\$6.44
3/4"		\$9.67
1"		\$16.11
1 1/2"		\$32.23
2"		\$51.57
3"		\$103.14
4"		\$161.15
6"		\$322.30
<u>Gallonge Charges per 1,000 gallons</u>		
Residential Service (6,000 gallon cap)	\$1.76	
General Service		\$2.10

Miscellaneous Service Charges

Initial Connection Charge		\$15.00
Normal Reconnection Charge		\$15.00
Violation Reconnection Charge		Actual Cost
Premises Visit Charge (in lieu of disconnection)		\$10.00
Late Payment Charge		\$5.00

Initial Customer Deposits

5/8" x 3/4"	\$35.00	\$100.00
1"	\$35.00	\$100.00
1 1/2"	\$35.00	\$100.00
Over 2"	\$35.00	\$100.00

Service Availability Charges

Customer Connection (Tap-in) Charge

5/8" x 3/4" metered service		\$400.00
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