

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for staff-assisted rate case
in Lake County by Lakeside Waterworks, Inc.

Docket No. 130194-WS

Filed: November 21, 2014

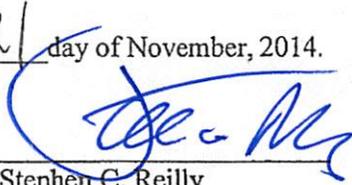
**JOINT MOTION REQUESTING COMMISSION APPROVAL OF
SETTLEMENT AGREEMENT**

The Office of Public Counsel ("OPC") and Lakeside Waterworks, Inc. ("Utility") file this Joint Motion requesting the Florida Public Service Commission ("Commission") to approve the Settlement Agreement, attached as Exhibit "A", as provided in this motion. In support of the Joint Motion, OPC and the Utility state:

1. To avoid the time, expense and uncertainty associated with adversarial litigation, and in keeping with the Commission's long-standing policy and practice of encouraging parties to settle issues whenever possible, OPC, the Shrangri-La by the Lake Homeowners Association and the Utility entered into a Settlement Agreement.

WHEREFORE, OPC and the Utility respectfully request the Commission to issue an Order which approves the terms of the November 13, 2014 staff recommendation, as amended by paragraphs 1 & 2 of the attached Settlement Agreement.

Respectfully submitted this 21 day of November, 2014.


Stephen C. Reilly
Associate Public Counsel
Office of Public Counsel

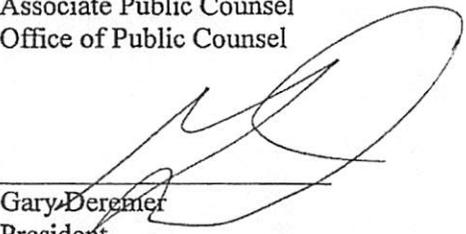

Gary Deremer
President
Lakeside Waterworks, Inc.

EXHIBIT "A" TO JOINT MOTION

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT is made and entered into this 21st day of November, 2014, by and between Lakeside Waterworks, Inc. ("Lakeside", "Utility" or "Company") and the Office of Public Counsel, on behalf of the customers of Lakeside ("OPC") and Shangri-La by the Lake Homeowners Association ("Association").

WITNESSETH

WHEREAS, on July 19, 2013, Lakeside filed an application for a staff-assisted rate case with the Florida Public Service Commission ("Commission"); and

WHEREAS, on November 13, 2014 the Commission's staff issued its Recommendation ("Recommendation") in this docket; and

WHEREAS, on November 13, 2014, Utility representatives met with the customers at the Shangri-La by the Lake club house; and

WHEREAS, the Utility and customers desire to enter into this Settlement Agreement in order to help phase in the rate increase recommended in this docket.

NOW, THEREFORE, for and in consideration of the mutual covenants set forth below, the sufficiency of which is hereby acknowledged, the parties agree to accept the Recommendation, except for the following:

1. Amend the last paragraph of the discussion of Issue 7 on page 31, and add a new last paragraph as follows:

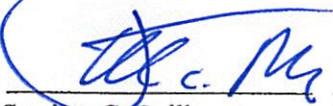
Staff believes the above factors show that the Utility needs a higher margin of revenue over operating expenses than the traditional return on rate base method would allow. Therefore, in order to provide Lakeside with adequate cash flow to meet environmental requirements and to provide some assurance of safe and reliable service, staff recommends application of the operating ratio methodology at a margin of 10 percent of O&M expense for determining the water and wastewater revenue requirements.

In order to help phase in the rate increase approved in this docket, the Company has agreed to forego collection of the operating ratio portion of the revenue requirement of \$4,998 for water service and \$5,193 for wastewater service for the first year after implementation of this rate increase. While this reduced Phase I rate increase will be in effect for one year, the operating ratio discussed in Issue 7 will automatically go into effect at the conclusion of the year, without further action by the Commission. These increased Phase II rates, including the operating ratio for water and wastewater service, will not be collected any sooner than 1 year after implementation of the Phase I rates.

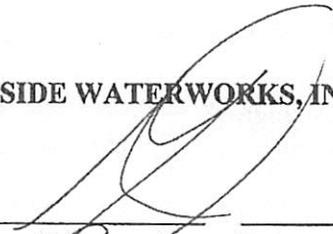
2. Staff shall make all of the fall-out adjustments resulting from this Settlement Agreement, including calculation of the resulting appropriate Phase I rate structure and rates for Lakeside.

IN WITNESS WHEREOF, the Parties have hereunder caused this Settlement Agreement to be executed as of the date next to each signature, in counterparts, each counterpart to be considered an original.

OFFICE OF PUBLIC COUNSEL

By:  11/21/14
Stephen C. Reilly Date
Associate Public Counsel
On behalf of the Customers of
Lakeside Waterworks, Inc.

LAKESIDE WATERWORKS, INC.

By:  _____
Gary Deremer Date
President

**SHANGRI-LA BY THE LAKE
HOMEOWNERS ASSOCIATION**

By: _____
James E. Mull Date
President

IN WITNESS WHEREOF, the Parties have hereunder caused this Settlement Agreement to be executed as of the date next to each signature, in counterparts, each counterpart to be considered an original.

OFFICE OF PUBLIC COUNSEL

LAKESIDE WATERWORKS, INC.

By: _____
Stephen C. Reilly Date
Associate Public Counsel
On behalf of the Customers of
Lakeside Waterworks, Inc.

By: _____
Gary Deremer Date
President

**SHANGRI-LA BY THE LAKE
HOMEOWNERS ASSOCIATION**

By:  _____
James E. Mull Date
President 11/21/14

**CERTIFICATE OF SERVICE
DOCKET NO. 130194-WS**

I HEREBY CERTIFY that a true and correct copy of the foregoing Joint Motion Requesting Commission Approval of Settlement Agreement has been furnished by electronic mail to the following party on this 21st day of November, 2014.

Charles Murphy, Esquire
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850


Stephen C. Reilly
Associate Public Counsel