

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

ORIGINAL

DATE: October 4, 2006

TO: Blanca S. Bayó, Commission Clerk and Administrative Services Director

FROM: *Jay B. Revell*, Regulatory Analyst III, Division of Economic Regulation

RE: Docket No. 050563-WU - Application for an increase in water rates by Park Water Company

Please include the attached documents dated September 18, 2006 in the case file for this docket.

- MP _____
- DM _____
- TR _____
- CR _____
- CL _____
- PC _____
- CA _____
- CR _____
- GA _____
- EC 1
- ITH _____

DOCUMENT NUMBER-DATE

09163 OCT-4 8

FPSC-COMMISSION CLERK

Park Water Company
25 1st Avenue North
Lake Wales, FL 33859

September 18, 2006

TO: Gerald Edwards, Florida PSC

Mr. Edwards,

I have enclosed in this correspondence information pertaining to our discussion on Friday, September 15, 2006. Park Water is submitting new information regarding the Used and Useful calculations for our distribution system. The new information is in the form of a map which clearly shows existing customers as well as potential building lots. The map has been labeled with a legend for some marking distinctions. The potential ERC count on non-contributed main lines is 74 ERC's denoted by a red square. This number is less than our original submittal due to error which included potential ERC's on contributed main lines.

I have also enclosed a spreadsheet containing growth data for the period covering January 1, 2000 through December 31, 2004. This data should have been included on the annual report page that you utilized to form your growth figures. The discrepancy in the annual report figures and the current figures that I have given you are due to error in methodology. We interpreted the annual report to mean billable customers not meters available for service. This error has grossly misrepresented growth during the period of interest. The error was compounded due to loss of billings during the hurricane season in 2004. The corrected growth during the period 1/1/00 through 12/31/04 is 82 ERC's. For more information we have computed ERC data for 2005 and found that 23 new single family residences have been added for the year 2005.

A third vital piece of information to correcting our Used and Useful numbers comes in the form of contributed main lines. In May of 1999 we received contributed water mains from a project that was to increase flow for a project named the Genesis Point ACLF. This extension was contributed in the amount of \$73,656. The project included installation of two water mains. First, an eight inch main was installed on Roosevelt Ave. and then proceeded to a non improved right of way called Wilson Avenue. The other portion of the extension included a 6 inch water main from Washington St., up Taylor St. and connected with the other main. An 8 inch main then continued on to the Genesis Point ACLF and terminated. This project was 100 percent contributed. I have enclosed cost figures for the project.

Our investigation revealed another contributed water main for the installation of Genesis Point Estates. This line was installed in 2000 and included 2,475 ft. of eight inch water main. We have no figures on cost of the project. The project was installed to allow for water service to 11 single family residential building lots know as Genesis Point Estates.

Excluding all of the contributed building lots available our potential ERC count stands at 74. Our growth during the period covering 2000 through 2004 is 82. Utilizing these two numbers along with your adjusting starting figure for ERC's of 886 yields a used and useful calculation of 100 percent. I realize that you utilize a regression analysis for growth and that our number will differ slightly.

RECEIVED
REGISTRATION SERVICE
06 SEP 22 AM 9:58
ECONOMIC REGULATION

Water Distribution System - Used and Useful Data

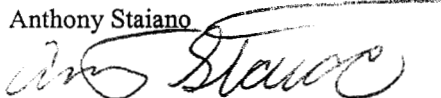
1. Capacity of System (ERC's) 886+74 = (Number of potential customers, ERC's without expansion) (Not on contributed lines)	960
2. Test Year Connections (ERC's)	
a) Beginning of Test Year	883
b) End of Test Year	895
c) Average Test Year	889
d.) Florida Public Service Commission Audited Number	886
3. Growth	82
(Use the Average connections for accurate projecting)	
a) customer growth ERC for the last 5 years including test year	16.4
b) statutory growth period	5 years
(a)x(b)= 82	

Used and Useful Formula

$$\frac{[(2d)+(3)]}{(1)} =$$
$$\frac{[886+82]}{960} = 100\% \text{ Used and Useful}$$

The map submitted was created by James Madden, P.E. He can answer any questions that you may have during the review of this information. I am happy to have been given the chance to introduce this corrected information, as it has great implications on the quality and longevity of our water system. If there is any uncertainty or you need clarification on any information submitted please don't hesitate to call me.

Anthony Staiano


President, Park Water Company

06 SEP 22 AM 9:58
FLORIDA PUBLIC SERVICE
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ERC Growth from 1/1/00 through 12/31/04

6/1/2000	City of Lake Wales	2"	8
9/28/2000	Warner Center at WSC	2"	8
11/20/2000	4 unit Genesis Point	Master	4
Total			20

9/25/2001	Pontious Learning - WSC	2"	8
10/23/2001	Dura Cast on US 27	2"	8
3/6/2001	8 unit Genesis Point	Master	8
4/11/2001	Shelton Builders - 284 Canal Dr.	5/8 x 3/4	1
5/1/2001	418 abc rd	5/8 x 3/4	1
5/17/2001	412 abc rd	5/8 x 3/4	1
6/29/2001	Habitat Home	5/8 x 3/4	1
9/4/2001	183 S. Lake Shore Dr.	5/8 x 3/4	1
10/23/2001	443 Carillon Ct.	5/8 x 3/4	1
11/21/2001	4711 Lincoln st.	5/8 x 3/4	1
11/21/2001	335 N. Lake Cr.	5/8 x 3/4	1
12/28/2001	4839 Avon St.	5/8 x 3/4	1
12/28/2001	360 N. Lake Cr.	5/8 x 3/4	1
Total			34

1/22/2002	4935 Roosevelt	5/8 x 3/4	1
8/8/2002	4736 fleetwood	5/8 x 3/4	1
8/13/2002	Gary's boat center	5/8 x 3/4	1
9/13/2002	222 Holland St.	5/8 x 3/4	1
Total			4

2/20/2003	Warner Irrigation	2"	8
2/14/2003	4717 Easton St.	5/8 x 3/4	1
4/9/2003	S. Lake Shore Dr.	5/8 x 3/4	1
8/31/2003	4425 Carillon Ct.	5/8 x 3/4	1
10/8/2003	4846 Mac Donald St.	5/8 x 3/4	1
Total			12

2/29/2004	4831 Mac Donald St.	5/8 x 3/4	1
5/31/2004	512 Jackson St.	5/8 x 3/4	1
5/31/2004	547 Tyler St.	5/8 x 3/4	1
5/31/2004	105 S. Lake Shore Dr.	5/8 x 3/4	1
10/21/2004	128 S Lake Shore Dr.	5/8 x 3/4	1
10/13/2004	101,112,113,121 Heatherwood Blvd.	5/8 x 3/5	4
10/31/2004	323,365,373 Jacson St.	5/8 x 3/6	3
Total			12

Grand Total ERC Growth from 2000 through 2004			82
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Contributed Lines for WILSON & TAYLOR

GENESIS POINTE
RETIREMENT COMMUNITY
65 GENESIS POINTE - LAKE WALES, FLORIDA 33853

FACSIMILE TRANSMITTAL SHEET

TO: ANTHONY STAIANO FROM: J.L. SHATTELL
 COMPANY: PARK WATER Co. DATE: 5-5-99
 FAX NUMBER: (941) 638-7441 TOTAL NO. OF PAGES INCLUDING COVER: 1
 PHONE NUMBER: (941) 638-1285 SENDER'S FAX NUMBER: Fax: (941) 638-0602
 RE: YOUR LETTER DATED 4-26-99 SENDER'S PHONE NUMBER: Phone: (941) 638-1506

URGENT FOR REVIEW PLEASE COMMENT PLEASE REPLY PLEASE RECYCLE

NOTES/COMMENTS: CALLED PICKETT & ASSOCIATES AND
 THEY SAID THEY WOULD SEND YOU
 THE LEGAL DESCRIPTION.

COSTS:

ENGINEERING - PICKETT ASSOC	\$ 16,434
ENGINEERING - PICKETT ASSOC	\$ 7,347
CONTRACTOR - TRI-SURE	\$ 49,875
TOTAL \$ 73,656	

Signature: 