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Public Service Commission

January 16, 2013

Gary Deremer
LP Waterworks, Inc.
5320 Captains Court
New Port Richey, FL 34652

STAFF'S FIRST DATA REQUEST

RE: Docket No. 130153-WS- Application for staff-assisted rate case in Highlands County, by L.P. Utilities Corporation c/o LP Waterworks, Inc.

Dear Mr. Deremer


By this letter, the Commission staff requests that LP Waterworks, Inc, provide responses to the following data requests.

1. Management services fees paid by the prior owner were \$750 per week, or \$3,000 on a monthly basis. Did LP Waterworks (Utility) consider or pursue contractual arrangements with the management service company the prior owner used? Why or why not?
2. What actions did the Utility take in soliciting contracts for management services for water and wastewater operations?
3. The former management services company provided day-to-day management services to the LP Utilities, Inc. that included processing of accounts, billing and collections, meter reading, and coordination with government entities. Please identify any additional management services U.S. Water Services Corporation (U.S. Water) now performs for LP Waterworks in the operation of the water and wastewater utility to support the management fees U.S. Water now charges LP Waterworks.
4. Please answer the following questions in reference to the Agreement For Services contract LP Waterworks, Inc. signed on December 27, 2012 with U.S. Water.
 - a. Describe how the U.S. Water Agreement For Services contract benefits the Utility's customers.
 - b. From the Utility's perspective, describe the economies of scale, if any, that result from this contractual agreement.

5. Please refer to Page 23 of 41 of the Utility's contract with U.S. Water. Under Section 4.1, the contract states that the Utility pays US Water \$6,432.25 per month for Water Operations.
 - a. What comparative references ("benchmarks") did the Utility use in evaluating the appropriateness of the contracted amount it pays U.S. Water for Water Operations?
 - b. Why is this contracted amount justified and reasonable?
6. Please refer to Page 23 of 41 of the Utility's contract with US Water. Under Section 4.1, the contract states that the Utility pays U.S. Water \$4,891.37 per month for Wastewater Operations.
 - a. What comparative references ("benchmarks") did the Utility use in evaluating the appropriateness of the contracted amount it pays U.S. Water for Wastewater Operations?
 - b. Why is this contracted amount justified and reasonable?
7. Please describe the affiliate relationship, if any, between the Utility or its officers and US Water or any of US Water's officers.

Please file the original and five copies of the requested information by January 27, 2014, with Ms. Ann Cole, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6191 if you have any questions.

Respectfully,


Charles W. Murphy
Senior Attorney

CWM/dml

cc: Office of Commission Clerk