

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-

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**DATE:** May 15, 2014  
**TO:** Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk  
**FROM:** Clayton K. Lewis, Regulatory Supervisor/Consultant, Division of Engineering *CKL*  
**RE:** DN 130153-WS - Application for staff-assisted rate case in Highlands County, by  
L.P. Utilities Corporation c/o LP Waterworks, Inc.

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Please file the attached e-mail and correspondence from Troy Rendell (FDEP Compliance Inspection Report) in the above mentioned docket file.

Thank you.

RECEIVED - FPSC  
14 MAY 15 AM 10:33  
COMMISSION  
CLERK

## Patti Zellner

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**From:** Clayton Lewis  
**Sent:** Wednesday, May 14, 2014 1:22 PM  
**To:** Patti Zellner  
**Cc:** Paul Vickery; Daniel Lee; Stan Rieger  
**Subject:** FW: Docket #130153 - LP Waterworks - April 10, 2013, FDEP Compliance Inspection Report

Patti,

Please file this email message with the Clerk's office for Docket #130153.

Thank you.

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**From:** Troy Rendell [<mailto:trendell@uswatercorp.net>]  
**Sent:** Wednesday, May 14, 2014 9:21 AM  
**To:** Clayton Lewis  
**Cc:** Carl Smith; Ron Derossett; Daniel Lee; Laura King; Paul Vickery; Stan Rieger  
**Subject:** RE: Docket #130153 - LP Waterworks - April 10, 2013, FDEP Compliance Inspection Report

Good morning Clayton,

I apologize for not getting back to you sooner. We were analyzing the various options. LP Waterworks' preferred method of disinfection is gas chlorine as opposed to liquid for several reasons. The primary reason is reliability. The water source in this area has naturally occurring elemental hydrogen sulfides. When liquid chlorine mixes with this hydrogen sulfide, it causes the CL to calcify. When the calcification occurs, it clogs the chemical injectors. This results in little to no chlorine residual in the distribution system which is both a health hazard and a violation of DEP rules. The second is operating costs. It is more expensive to operate and run a liquid chlorine system. LP estimates the annual chemical expense would be approximately \$3,500 annually compared to the staff recommended amount of \$2,138 annually.

The cost to replace the current disinfection system at both wells would be \$20,738.42 – see below.

Estimated cost for conversion	\$	9,829.21	per plant	
		550 gallon tank w/ secondary confinement	\$	4,621.89
		120 gallon day tank w/secondary confinement	\$	1,438.96
		17 gpd Stenner feed pumps (2)	\$	1,143.00
		Transfer pump to day tank	\$	1,658.48
		Misc. piping and fittings	\$	500.00
Maint. Tech @ \$58.36/hour for 8 hrs (est.)		Labor to install	\$	466.88
		Estimated cost	\$	9,829.21
Startup cost w/ 500 gallons of chlorine per plant	\$	10,369.21		
			2	2 wells
	\$	20,738.42		total

LP Utilities is not opposed to converting the two existing disinfection systems with liquid if the Commission and DEP requires this replacement, but the costs to both convert the two wells and the increased operating costs must be considered in the staff recommendation.

Thanks,  
Troy

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**From:** Clayton Lewis [mailto:[CLewis@PSC.STATE.FL.US](mailto:CLewis@PSC.STATE.FL.US)]  
**Sent:** Thursday, May 08, 2014 11:38 AM  
**To:** [trendell@uswatercorp.net](mailto:trendell@uswatercorp.net)  
**Cc:** Carl Smith; [RDeRossett@uswatercorp.net](mailto:RDeRossett@uswatercorp.net); Daniel Lee; Laura King; Paul Vickery; Stan Rieger  
**Subject:** Docket #130153 - LP Waterworks - April 10, 2013, FDEP Compliance Inspection Report

Hello Troy,

We have some concerns about the chlorination system for the WTP. DEP's April 10, 2013 letter states in the remarks section of the Compliance Inspection Report the following:

Note: Pages 537-540 of LP's July 16, 2013 filing – Document # [\\*04163-13.pdf](#)

“1. It is strongly recommended that the disinfectant be change from gas chlorine to liquid chlorine.”

Has LP Waterworks investigated the cost to accomplish this strong recommendation?

If so, what was the outcome of the investigation?

Thanks

*Clayton K. Lewis*  
*Division of Engineering*  
*850 413-6578*