

ORIGINAL

M E M O R A N D U M

June 2, 1998

TO: DIVISION OF RECORDS AND REPORTING (BAYO)  
FROM: DIVISION OF LEGAL SERVICES (JAEGER)  
RE: DOCKET NO. 980242-SU - PETITION FOR LIMITED PROCEEDING TO  
IMPLEMENT TWO-STEP INCREASE IN WASTEWATER RATES IN PASCO  
COUNTY BY LINDRICK SERVICE CORPORATION.

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Please place the attached letters dated May 26, 1998, and  
June 1, 1998, in the above-referenced docket file.

RRJ/lw

Attachment

cc: Division of Water and Wastewater (Willis, Chu, Munroe, Okome,  
Rendell)  
Division of Auditing and Financial Analysis (Forbes)

ACK \_\_\_\_\_  
AFA \_\_\_\_\_  
APP \_\_\_\_\_  
CAF \_\_\_\_\_  
CMU \_\_\_\_\_  
CTR \_\_\_\_\_  
EAG \_\_\_\_\_  
LEG \_\_\_\_\_  
LIN \_\_\_\_\_  
OPC \_\_\_\_\_  
RCR \_\_\_\_\_  
SEC \_\_\_\_\_  
WAS \_\_\_\_\_  
OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

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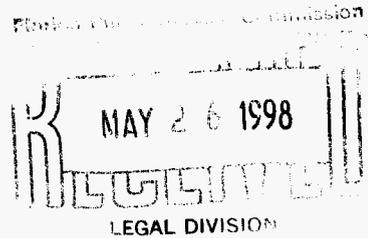
GOVERNMENTAL CONSULTANTS:

PATRICK R. MALOY  
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May 26, 1998

**HAND DELIVERY**

Ralph Jaeger, Esq.  
Division of Legal Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Room 370, Gerald Gunter Building  
Tallahassee, Florida 32399-0850



Re: Docket No. 980242-SU

Dear Ralph:

In your absence, Lila called and asked me to provide updates to the staff concerning the status of the Lindrick Service Corporation ("Lindrick") Petition for Limited Proceeding, including the status of Lindrick's negotiations with the City of New Port Richey on a wastewater treatment service agreement.

The purpose of this letter is to advise that on May 19, 1998, the City of New Port Richey approved an agreement with Lindrick for wastewater treatment service. I do not yet have a copy of the agreement; however, I understand that the agreement calls for chloride level reductions prior to interconnection with the City's wastewater treatment system. This means that Lindrick must commence now with collection system improvements required to reduce chloride levels. I understand that the Department of Environmental Protection concurs with the steps Lindrick is taking for collection system improvements and wastewater treatment.

In light of these recent events, Lindrick anticipates filing a motion in the future for leave to file an amended petition together with a proposed amended petition for limited proceeding. Because the agreement evidently requires the chloride level improvements before hook-up, I anticipate that Lindrick will develop a revised request for rate increase with the increase effective as of the date of the interconnection or hook-up. This, of course, means that Lindrick will have to advance the costs of the collection system improvements with the rates required to recover such costs anticipated to

Ralph Jaeger, Esq.

Page 2

May 26, 1998

take effect on the date of the hook-up.

Currently, there is a pending staff data request with responses due June 1, 1998. I understand that the collection system improvements are estimated to take six months to complete. Consequently, Lindrick requests a postpone of the current dates in the Case Assignment and Scheduling Record for approximately six months. Lindrick also requests that staff withdraw its current data request with the expectation that staff will serve a revised data request removing the questions which now have become moot and raising other issues arising from the recently approved agreement with the City. I will provide you with a copy of that agreement as soon as a copy is provided to me.

If you have any questions or require any further information, please give me a call.

Sincerely,



Kenneth A. Hoffman

KAH/rl

cc: John R. Ellis, Esq.  
Mr. Robert M. Nixon  
Mr. Joseph Borda  
Lila Jaber, Esq.  
Mr. Troy Rendell

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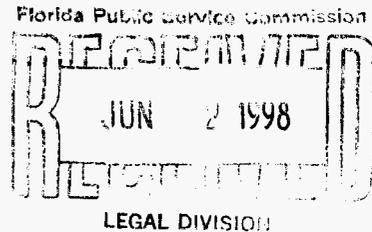
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June 1, 1998

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Room 370, Gerald Gunter Building  
Tallahassee, Florida 32399-0850



Re: Docket No. 980242-SU

Dear Ralph:

This letter follows-up on my letter to you dated May 26, 1998, concerning the status of the Lindrick Service Corporation ("Lindrick") petition for limited proceeding filed in the above-referenced docket.

As I stated this morning, this case no longer involves a request for emergency relief. Our best estimate is that the collection system improvements contemplated under the new agreement with the City will take approximately six to eight months to complete. I anticipate preparing and filing an amended petition for limited proceeding supported by revised estimates of costs to complete the collection system improvements required under the new agreement. We expect to file the amended petition within the next ninety days which would be prior to the September 10, 1998 staff recommendation date under the current CASR. We anticipate seeking Commission approval of new rates prior to the completion of the collection system improvements and tie in with the City so that Lindrick will have the new rates in place at the time of the interconnection. Accordingly, we would anticipate Commission consideration of our request for rate relief within the next five to six months.

As we discussed, we hope Staff agrees that there is little value in having Lindrick expend time, resources and money responding to data requests premised on the original petition for limited proceeding. Lindrick will comply with any and all data requests arising out of the amended petition, once filed, as well as data requests concerning the new agreement with the City, a copy of which I hope to have to you within the next week or two.

Ralph Jaeger, Esq.  
Page 2  
June 1, 1998

Should you have any questions or comments regarding the status of this matter, please give me a call.

Sincerely,

A handwritten signature in black ink, appearing to be 'K. Hoffman', with a stylized flourish at the end.

Kenneth A. Hoffman

KAH/rl

cc: John R. Ellis, Esq.  
Mr. Robert M. Nixon  
Mr. Joseph Borda