

M E M O R A N D U M

June 11, 1998

TO: DIVISION OF RECORDS AND REPORTING
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

Please place the letter dated June 4, 1998, in the above-referenced docket file.

RRJ/lw

Attachment

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

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FPSC-RECORDS/REPORTING

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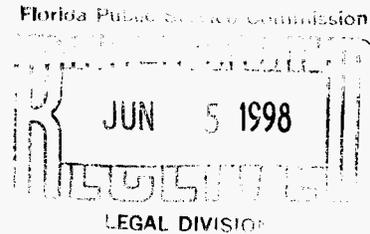
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June 4, 1998

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Florida Public Service Commission
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Tallahassee, Florida 32399-0850



Re: Docket No. 980242-SU

Dear Ralph:

Following up on our conversation on June 3, this letter will update and clarify my letter to you dated June 1, 1998 regarding the status of the petition for limited proceeding filed in the above-referenced docket.

The Amended Petition will request a two-step rate increase. Phase I will seek approval of rates sufficient to allow Lindrick to recover the \$2.85 per 1,000 gallons bulk wastewater treatment rate and the collection system improvements necessary to reduce the chloride levels to a level where they do not exceed 600 mg/l. We will need to have this Phase I rate approved prior to the tie-in with the City of New Port Richey. At this juncture, we wish to remain on schedule for the Commission's September 22, 1998 agenda as we may be in a position (and have the need) to seek approval of the Phase I increase in September.

The Phase II rates will seek recovery of the prudent costs incurred for collection system improvements necessary to further reduce the chloride levels below 400 mg/l, per the agreement with the City, as well as the costs for a new master lift station to equalize flows and other necessary additions or improvements.

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Ralph Jaeger, Esq.
Page 2
June 4, 1998

If you have any questions or comments, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to be 'K. Hoffman', written over a horizontal line.

Kenneth A. Hoffman

KAH/rl

cc: Mr. Robert C. Nixon
Mr. Joseph Borda
John R. Ellis, Esq.
Mr. Marshall Willis