

State of Florida



ORIGINAL

Public Service Commission

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

RECEIVED-FPSC

JUN 14 PM 2:36

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

DATE: June 14, 2006

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

FROM: *JBR* 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, Inc.

Enclosed are the utility's responses to Staff's Second and Third Data Requests, dated April 19, 2006, and June 9, 2006, respectively. Also included is the utility's authorization to extend the deadline which allows the decision on final rates to be moved to the August 15, 2006 Agenda Conference. Please place these documents in the case file for this docket.

- CMP _____
- COM _____
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- RCA _____
- SCR _____
- SGA _____
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- OTH _____

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

HODAKOWSKI & HODAKOWSKI

Certified Public Accountants

349 Route 31 • Suite 401
Flemington, NJ 08822
Office: (908) 782-4888
Fax: (908) 782-2359

April 19, 2006

Troy Rendell
Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RE: Docket No. 05063-WU – Application for increase in water rates in Polk County by Park Water Company, Inc.

Dear Troy,

We are responding to your request dated April 12, 2006 (copy enclosed). Please note the following:

8. Enclosed is an itemized invoice that was sent to the company on February 23, 2006. Since this invoice on February 23, 2006, approximately 6 hours (and \$900 in time) has been spent responding to questions on the minimum filing requirements.
9. Enclosed is a copy of the invoice sent on February 23, 2006.
10. Detail has been provided by hour.
11. An estimate of costs to complete the case is approximately 6 hours (and \$900 in time). This estimate is for additional questions and more information that may be needed.
12. Filing fees are \$3,500.00. Postage fees are \$75.00.
13. The specific number of hours and total expense associated with the correction of MFR accounting deficiencies is approximately 19 hours and \$2,850.00.

If you have any questions, please feel free to give me a call.

Sincerely,



Joseph G. Hodakowski
Certified Public Accountant

JGH:ca

06 APR 25 PM 12:35
REGISTRATION

Park Water Company
25 1st Ave. N.
Lake Wales FL 33859

June 9, 2006

RE: Response to FPSC's third data request

14. Park Water anticipates starting construction as soon as the DEP SRF loan is distributed. I would anticipate that being approx. 60 days after our new rates go into affect.
15. Monthly progress reports will be filed with the DEP. Upon request we will forward progress reports to the PSC.
16. The timeframe for the project will be set in the contract between Park Water and Contractor. The time to complete from beginning to end is 270 days.
17. FDEP SRF will require that the owner retain a consulting engineer who will provide oversight to the project and file reports with FDEP. FDEP will review the project and project records after the conclusion of the project.
18. Yes, all existing customers will be connected to the newly constructed water lines, except some Caloosa Lake Village residents which will not have a new line installed near their home.
19. We have accepted a bid at this juncture.
20. The contractor will supply a detailed construction schedule prior to notice of commencement.
21. Customers will be notified about the proposed construction and timeline for the start and completion dates. We have tentatively proposed a 60 day notice to individual customers to interconnect with the new lines.
22. Service will only be suspended during the time that it takes to move each meter and connect to their service line. The time required is about 30 minutes each meter.
23. The new water mains will provide water to only existing customers and those few lots that are vacant between current customers.
24. Park Water Company will connect all meters to customer service lines. It is the responsibility of the home owner to extend their service line to the new meter location.
25. Park Water will make all final connections from service line to meter.
26. There will only be cost associated with those customers that would need to move their service lines to meet the new placement of the meters. They would need to hire a plumber to reroute their lines into the front yard easements where the new water mains and meters will be located. I would suggest that the average cost to customers would be about \$150. That cost will vary on length of pipe and ditch necessary to reach the front yard easement. The home owners could move their service line themselves and the materials would be less that \$50.00.

27. Park Water Company will physically connect all the meters to the service line at no charge to the customer. Any cost to extend service lines will be the responsibility of the homeowner.
28. The homeowner can hire whomever they deem suitable to extend their service line or complete the work themselves.
29. Park Water Company advertised for bids in both the Lakeland Ledger and the Tampa Tribune as required by FDEP.
30. Park Water Company received three bids. PWC utilized all the rules of DEP for the bidding process.
31. The bid was accepted from the low bidder.
32. The consulting engineer opened the bids and recommended the low bidder after review of the bids and required documentation.
33. The water meter project was about half complete when we decided to put it on hold and combine the project with the mainline replacement project. We had cost overrun in our booster station proforma plant expansion that was granted in the last rate case. Therefore we ran into a lack of funding to continue the meter project as well. The meters that have already been changed will not be changed again. We are utilizing the same specification meter that allow us to use the latest clip on electronics on the meters already changed to ensure meter accuracy and detect potential leak problems for customers. The new electronic meters will allow us to give customers day by day usage and charts of that usage to indicate when they may have had a problem occur with high usage. These meters not only aid in customer service, they also aid in reducing the number of human errors during the reading and input process.
34. We will utilize all the meters that have been changed since the last rate case.
35. Customers will not be responsible for any additional charges other than the movement of there own service lines to reach the front yard easement if necessary.
36. All meters are read on a consistent monthly basis. In rare instances estimates are used: i.e.-meter under water, locked gate, blocked access to meter. In such instances bills are noted with a statement that the meter has been estimated.
37. Yes
38. Our normal business hours are Monday thru Friday from 8AM – 4PM. During these business hours it is possible with the small three person staff that the office may be unmanned for short periods when all three employees are in the field. Lunch hour at our business also varies on a daily basis based on workload for each day. We do provide a payment drop box 24 hrs. A day. Our answering service is on 24 hrs. Per day and all messages are responded to before the end of business the same day. Park Water also provides an emergency pager number that is available 24 hrs. Per day.
39. 60 psi.
40. We have had complaints about low water pressure from customers who are connected to the undersized 2-inch water mains during peak hours. This problem will be corrected with the water main replacement project.
41. Mr. Ward's water meter is located in a utility easement. Mr. Ward and his neighbor both installed a fence illegally in this easement. Until new water mains

are installed in the front yards the only solution is for Mr. Ward and his neighbor to move their fences out of the easement.

42. The newsletter that we sent along with the customer meeting that was held was a DEP requirement to receive SRF funding. We have been trying to procure the low interest DEP loan Since December of 1999. The delay in the construction schedule is due to the extensive work it has taken to procure funding. We are now waiting for the FPSC to grant new rates, and then DEP to grant funding based on those new rates. We hope that we are now in the final stages of approval for the DEP funding which will save our customers money due to the low interest rate.

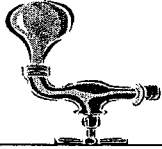
Sincerely,

Anthony Staiano

Contact Information

PWC – phone 863-638-1285

Fax 863-638-7441



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

Park Water Company authorizes the Florida Public Service Commission to extend the deadline for Docket number 050563-WU, which changes the PSC hearing date from July 18th to August 15th.

Anthony Staiano 5/30/06

Anthony Staiano

06 JUN -1 PM 9:12
REGISTRATION