

Diamond Williams

From: Dana Rudolf [DRudolf@RSBattorneys.com]
Sent: Monday, November 28, 2011 4:05 PM
To: Filings@psc.state.fl.us
Cc: Martin Friedman; Bart Fletcher; reilly.steve@leg.state.fl.us; Martha Brown
Subject: Docket No. 110264-WS; Application for increase in water and wastewater rates in Pasco County by Labrador Utilities, Inc.

Attachments: PSC Clerk 08 (Response to 2nd Data Request).ltr.pdf

- a) Martin S. Friedman, Esquire
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- b) Docket No. 110264-WS
Application for increase in water and wastewater rates in Pasco County by Labrador Utilities, Inc.
- c) Labrador Utilities, Inc.
- d) 6 pages
- e) Response to Staff's second data request dated October 25, 2011.

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Please Respond to the Lake Mary Office

November 28, 2011

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Ann Cole, Commission Clerk
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Re: Docket No. 110264-WS; Application for increase in water and wastewater rates in Pasco County by Labrador Utilities, Inc.
Our File No.: 30057.199

Dear Ms. Cole:

Enclosed for filing in the above-referenced docket is the response of Labrador Utilities, Inc. ("Labrador" or "Utility") to Staff's second data request dated October 25, 2011. Staff has requested the following information to complete its review of the application filed in the above-referenced docket.

1. In review of the secondary contaminants testing results found in Volume Three of the Utility's filing, iron is found to be at 0.63 mg/l. This amount exceeds the 0.3 mg/l maximum contaminate level (MCL) as set by the Florida Department of Environmental Regulations (FDEP). Although not exceeding the MCL's, elevated levels of color, odor, and total dissolved solids are also of concern. In review of the customer complaints filed with Labrador as found in Volume Three of the Utility's filing, complaints concerning the water quality for taste, rust spots on clothing, odor, and color, appear common. Please explain what Labrador is doing to minimize the water quality problems experienced by the customers.

RESPONSE: Labrador Utilities adds a polyphosphate sequestrant to the water supply at the Labrador Water Treatment Plant in order to keep the iron in the source water from precipitating out of the water. This has proven to be an effective means of addressing the color in the water when coupled with a periodic flushing program. It is the case that utility staff flush the remote locations in the distribution system on a monthly basis and have been doing so for a long time. In order to verify that adequate polyphosphate is being added, utility staff monitor the concentration of phosphate in the water at least weekly.

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In addition, Labrador is responsive to individual customer complaints by visiting the customer, identifying the issue and then taking appropriate action to remedy the situation. In some cases, utility staff provide the customer with an iron removal product (at no cost to the customer) to assist in removing iron deposits from clothing.

2. Does the Utility have any plans, such as additional plant improvements, to improve the water quality situation at the Labrador system? If so, please explain in detail.

RESPONSE: There are no plans at this time to make any additional capital improvements to the Labrador water treatment process, primarily because all of the parameters indicate compliance with FDEP's rules and regulations. The utility would certainly entertain discussions with the customers regarding potential enhancements to the current treatment methodology provided there was a willingness on the part of the customer base to support such expenditures with full understanding of the impact to their water rates.

3. Sewer odor complaints are another common grievance filed with the Utility. What is the Utility doing to minimize the odor situation at the Labrador system? Please explain in detail.

RESPONSE: Labrador Utilities has taken a number of steps to reduce odors generated at the Labrador WWTP including (Labrador does not believe odor is a current issue):

- a. Installed chemical feed equipment at the master lift station to reduce the production of hydrogen sulfide gas at the WWTP headworks. Labrador has been using Bioxide for over two years with great success. The chemical feed pump is interconnected with the sewage pump controls so that the chemical is injected into the force main header pipe at the optimum concentration to maximize the effectiveness of the product.

- b. Labrador directed its chemical supplier to take monthly measurements of sulfide concentrations in the air along the perimeter of the WWTP fence line in order to quantify the amount of sulfides present. The vendor, Siemens, has consistently done so with essentially zero sulfides occurring.
 - c. Installed tank covers on both equalization tanks at the plant headworks.
 - d. Installed forced air ventilation and charcoal filtration of the air trapped below the EQ tank covers.
 - e. Installed a cover over the rotating screen at the headworks and modified the grit chute so that the chute drops into a hole in the lid of the dumpster so as to minimize any odors.
 - f. Scheduled the emptying of the dumpster on a frequent basis in order to avoid the material removed by the rotating screen from becoming malodorous.
 - g. Investigated other sources of odors near the treatment plant site. It was determined that there are chicken farms located near Forest Lake Estates and the WWTP is situated adjacent to a swampy area.
 - h. Made modifications to Clarifier #2's operation to improve the sludge return process and thus prevent sludge from accumulating on the bottom of the clarifier tank for lengthy periods.
 - i. Maintain its process blowers in good operating condition so that the treatment plant will work properly and prevent septic conditions from developing.
4. Please describe the steps taken when a customer complains of high usage or a possible leak on the customer's side of the meter.

RESPONSE: In the case of a customer complaining of high usage or a possible leak, the Customer Service Representative will review past usage to check for irrigation patterns or seasonal usage. They will inquire if any activities have occurred during the service period which could have an effect on usage such as landscaping or out-of-town guests. They will also ask whether the customer has any plumbing leaks such as a running toilet. A field activity will be issued to our field personnel with any response provided by the customer to assist our personnel in investigating the cause for the high usage. Our field personnel will obtain a meter read and compare it to the last meter read taken on the account. This allows them to determine if the meter was misread. In addition, they observe the leak indicator on the meter for movement. If the meter indicates a large leak, the operator will turn off the meter to avoid further water loss. If no leak is indicated or a slow leak is registering, they will leave the meter on. If the customer is home, they will speak to the customer and advise them of their findings. If the customer is not home, they will leave a door tag to advise of their findings and ask the customer to contact the office if they have further questions.

5. Does Labrador have a system for monitoring possible leaks? If so, please explain in detail.

RESPONSE: Labrador is aware that the MFR's indicate on Schedule F-5 that excess unaccounted for water was more than 4% during the test year. However, the information identified on Schedule F-1, Column (4) has been revised to show the estimated amount of water used for flushing activities on a monthly basis. In particular, in November 2010 the utility performed a unidirectional flush of the complete distribution system in order to remove the maximum amount of sediment from the invert of the water mains. This effort required the use of all hydrants in the distribution system beginning at the Labrador WTP and radiating outward to the farthest points of the system. The attached spreadsheet titled "Labrador F-1 and F-5 revised" reflects the revised data.

Ann Cole, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
November 28, 2011
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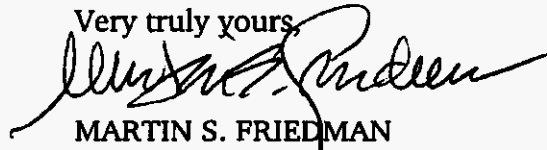
Also, please be aware that utility staff routinely perform work on a daily basis throughout the distribution system. Should any leaks occur, the utility's staff takes immediate steps to isolate the source of the leak and make repairs in a timely and cost effect manner. Whenever a water meter test indicates that a meter is no longer measuring volume accurately, the utility replaces it with a new meter that meets the accuracy requirements of the manufacturer, the utility and the PSC's rule.

6. Does Labrador offer customers a credit or an adjustment to their bill if the customer can demonstrate that excessive usage was due to a leak on the customer's side of the meter which has now been repaired? If so, please explain in detail.

RESPONSE: Labrador Utilities offers customers a credit on the wastewater portion of their bill if the customer experiences a leak that does not return water back into the wastewater system, such as a service line leak or slab leak. Customers can present a receipt showing the repairs have been made, along with their request in writing and Labrador will adjust the wastewater back to their average usage. In addition, payment arrangements are offered to assist the customer in extending payment of their bill.

If you have any questions, please do not hesitate to contact me by phone at (407) 830-6331 or by e-mail at mfriedman@rsbattorneys.com.

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

MSF/der
Enclosures

cc: Bart Fletcher, Division of Economic Regulation (w/o enclosures) (via e-mail)
Martha Brown, Esquire, Office of General Counsel (w/o enclosures) (via e-mail)
Stephen C. Reilly, Associate Public Counsel (w/enclosures) (via hand delivery)

Gallons of Water Pumped, Sold and Unaccounted For
In Thousands of Gallons

Florida Public Service Commission

Company: Labrador Utilities Inc.
Docket No.:
Historical Year Ended: December 31, 2010

Schedule F-1
Page 1 of 1
Preparer: Seidman, F.

Explanation: Provide a schedule of gallons of water pumped, sold and unaccounted for each month of the test year. The gallons pumped should match the flows shown on the monthly operating reports sent to DEP. The other uses may include plant use, flushing of hydrants and water and sewer lines, line breakages and fire flows. Provide all calculations to substantiate the other uses. If unaccounted for water is greater than 10%, provide an explanation as to the reasons why; if less than 10%, then Columns 4 & 5 may be omitted.

Month/ Year	(1) Total Gallons Pumped	(2) Gallons Purchased	(3) Gallons Sold	(4) Other Uses	(5) Unaccounted For Water (1)+(2)-(3)-(4)	(6) % Unaccounted For Water
Jan-10	3.227		2.258	0.030	0.939	29.11%
Feb-10	2.806		2.676	0.030	0.100	3.57%
Mar-10	3.114		2.783	0.030	0.301	9.67%
Apr-10	2.349		2.179	0.030	0.140	5.97%
May-10	1.540		1.501	0.030	0.009	0.55%
Jun-10	1.288		0.988	0.036	0.264	20.49%
Jul-10	1.291		1.051	0.030	0.210	16.30%
Aug-10	1.139		1.016	0.030	0.093	8.20%
Sep-10	1.324		1.139	0.030	0.155	11.73%
Oct-10	1.779		1.576	0.037	0.166	9.34%
Nov-10	2.496		1.893	0.231	0.372	14.91%
Dec-10	2.587		2.250	0.062	0.275	10.64%
Total	24.940	0	21.308	0.606	3.026	12.13%

(Above data in millions of gallons)