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STATE OF FLORIDA



DIVISION OF ECONOMICS
JAMES W. DEAN
DIRECTOR
(850)413-6410

Public Service Commission

June 25, 2013

TLP Water, Inc.
Attn: David Shell
12315 U.S. Highway 441
Tavares, FL 32778-4515

RECEIVED - FPSC
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COMMISSION
CLERK

Re: Docket No. 120183-WU - Application for staff-assisted rate case in Lake County by TLP Water, Inc.

Dear Mr. Shell:

Attached please find Commission Order No. PSC-13-0140-PAA-WU, which contains the Commission-approved rates and charges for TLP Water, Inc (TLP or Utility). Staff has provided TLP with revised tariff sheets and a proposed customer notice reflecting the approved rates and charges. TLP is required to provide staff with proof that notice was given to its customers within 10 days after the date of the notice. Upon staff's receipt of the affidavit, staff will approve the revised tariff sheets. The approved rates and charges will be effective for service rendered on or after the stamped approval date on the revised tariff sheets.

In addition, the Commission ordered TLP to:

1. Provide a general ledger by July 19, 2013, to reflect the appropriate adjustments made to the plant accounts. In addition, staff will need an affirmation that adjustments have been made to the Utilities books and records for all the applicable National Association of Regulatory Utilities Commissioners Uniform System of Accounts (NARUC USOA).
2. Provide the Commission staff with a report by September 25, 2013, detailing its efforts in obtaining USDA funding to replace the water distribution system and obtain the appropriate DEP permitting.
3. Reduce rates effective April 19, 2017, to reflect the four-year rate case expense amortization period.

The utility's approved tariffs will be sent under a separate cover letter.

Shown below are the links to the following documents:

1. **Florida Statutes** <http://www.leg.state.fl.us/statutes/index.cfm>. Specifically Chapter 367, Florida Statutes, (F.S.), detailing the Commission's jurisdiction over private water and wastewater utilities.

2. **Florida Administrative Code** <https://www.flrules.org/Default.asp>. Specifically Chapters 25-9, 25-22, and 25-30.
3. **Uniform System of Accounts for Class C Water and Wastewater Utilities** <http://www.naruc.org/Store/>.

Please note that Section 367.161, F.S., provides that violation of any Commission rule, statute, or order could result in penalties of up to \$5,000 per day. Therefore, it is important to review this material and to be aware of your responsibilities as a regulated utility. The Commission does not furnish utilities with changes to the Florida Statutes, but you may obtain the latest copy of the Florida Statutes at www.leg.state.fl.us and Commission rules online at www.flrules.org.

I would like to direct you to certain areas within the rules and statute which will affect your day to day operations as a utility:

1. If, in the future, you want to serve additional territory, you must file an application for amendment of your certificated territory. See Rule 25-30.036, F.A.C., for the current filing requirements for an application for amendment. For guidance related to territory amendments, you may contact the Division of Engineering at (850) 413-6910.
2. If you find you need to revise a rate or charge, you should refer to Chapter 25-30.410 through 25-30.475, F.A.C., which contains the necessary steps for rate adjustment changes. Chapters 25-30.510 through 25-30.585, F.A.C., contain the steps necessary to change service availability charges or policies. For guidance related to rate adjustments, you may contact the Division of Accounting and Finance at (850) 413-6900. For guidance relating to service availability charges or policies, you may contact the Division of Economics at (850) 413-6410.
3. The Commission establishes a price index for major categories of operating costs on or before March 31 each year and utilities are allowed to increase rates using this price index mechanism. In addition, utilities are allowed to pass through certain expenses such as purchased power and property tax. Rules 25-30.420 and 25-30.425, F.A.C., contain the criterion for the application of the price index or pass-through rate adjustments. For guidance related to a price index or pass-through, you may contact the Division of Accounting and Finance at (850) 413-6900.
4. Regulated water and wastewater utilities are also required to file two related reports with the Commission on an annual basis:
 - A. **Annual Report.** Each utility is required to submit an annual report which contains certain financial and operational data relating to the utility. (See Rule 25-30.110, F.A.C.)
 - B. **Regulatory Assessment Fee form.** Each utility is required to remit an annual regulatory assessment fee (RAF). RAFs are currently 4-1/2 percent of gross

operating revenue and are designed to cover the Commission's costs of regulating water and wastewater utilities. (See Rule 25-30.120, F.A.C.)

The annual report and RAF forms, as well as the payment for RAFs, are due to the Commission by March 31 of each year for the previous calendar year. For your convenience, the Commission will send the applicable report forms by February 15 of each year. However, failure to receive the forms does not abrogate the utility of its responsibility to timely file an annual report and remit the appropriate amount of RAFs.

We welcome and encourage regulated water and wastewater utilities under the Commission's jurisdiction to contact our staff and maintain working liaisons with us. This leads to better relations between the Commission staff and utilities and provides for faster and more efficient completion of regulatory requirements. If we can be of any assistance to you, please do not hesitate to contact us.

Sincerely,



James W. Dean
Director, Division of Economics
Florida Public Service Commission

Attachments (4)

JD/r

cc: Division of Accounting and Finance (Bulecza-Banks, Preshuood, Mouring, Lingo, Golden)
Division of Auditing & Performance Analysis (Deamer)
Division of Economics (Daniel, Hudson, Roberts)
Division of Engineering (Ballinger, Vickery, Rieger, Lewis)
Office of the General Counsel (Harris, Crawford)
Office of Commission Clerk (Docket No. 120183-WU)
Office of Public Counsel

Enclosed is a schedule of plant, accumulated depreciation, CIAC, and accumulated amortization of CIAC as of June 30, 2012. The Commission approved these balances for rate setting purposes in this case. Please reconcile your books with the Commission-approved balances shown on the enclosed schedule and provide proof within 90 days from the final order by submitting a copy of the general ledger reflecting the appropriate adjustments have been made to the plant accounts. In addition, staff will need an affirmation that adjustments have been made to the Utilities books and records. If you have any questions about the accounting adjustments, please call Martha Golden at (850) 413-7015.

Docket No. 120183-WU, TLP Water, Inc.
 Commission Approved Balances per Order No. PSC-13-0140-PAA-WU
 6/30/2012

WATER

<u>Account</u>	<u>Depr. Rate Per Rule 25-30.140</u>	<u>Description</u>	<u>Debit Plant 6/30/2012</u>	<u>Credit Accum. Depr. 6/30/2012</u>
301	2.50%	Organization	\$9,607	\$1,161
304	3.57%	Structures & Improvements	9,356	1,682
305	3.57%	Collecting & Impounding Reservoirs	43,987	9,403
311	6.67%	Pumping Equipment	1,450	532
330	3.33%	Distribution Reservoirs & Stand Pipes	678	124
331	2.50%	Transmission & Distribution Mains	4,888	631
345	10.00%	Power Operated Equipment	<u>407</u>	<u>224</u>
		Total	<u>\$70,373</u>	<u>\$13,755</u>
			<u>Debit</u>	<u>Credit</u>
			<u>CIAC Amort. 6/30/2012</u>	<u>CIAC 6/30/2012</u>
			\$0	\$0