

State of Florida



## Public Service Commission

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

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** May 15, 2014  
**TO:** Carlotta Stauffer, Commission Clerk - PSC, Office of Commission Clerk  
**FROM:** Michael Barrett, Division of Accounting and Finance *meb*  
**RE:** Docket No. 130153-WS – Application for staff-assisted rate case in Highlands County, by L.P. Utilities Corporation c/o LP Waterworks, Inc.

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Please place the following document into the above referenced docket file:

- Copy of e-mailed correspondence for Troy Rendell to Andrew Maurey, dated May 14, 2014, and received at 4:51PM. The subject line is LP Waterworks – Pro Forma Plant, and Steve Reilly (an employee of the Office of Public Counsel) was a copied recipient of the correspondence.

Thank you.

RECEIVED-FPSC  
14 MAY 15 AM 9:40  
COMMISSION  
CLERK

c.c. Daniel Lee, Division of Engineering

## Michael Barrett

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**From:** Andrew Maurey  
**Sent:** Wednesday, May 14, 2014 4:51 PM  
**To:** Curt Mouring; Michael Barrett; Clarence Prestwood; Cheryl Bulecza-Banks; Charles Murphy  
**Cc:** Tom Ballinger; Paul Vickery; Daniel Lee; Adam Teitzman  
**Subject:** FW: LP Waterworks - Pro Forma Plant

**From:** Troy Rendell [<mailto:trendell@uswatercorp.net>]  
**Sent:** Wednesday, May 14, 2014 4:25 PM  
**To:** Andrew Maurey  
**Cc:** [REILLY.STEVE@leg.state.fl.us](mailto:REILLY.STEVE@leg.state.fl.us)  
**Subject:** LP Waterworks - Pro Forma Plant

As a follow up to LP Waterworks letter dated May 6, 2014 – LP Waterworks intends to have the 2014 pro forma items completed by the end of the calendar year 2014. The test year for the rate case ends May 31, 2013. Thus, this schedule would be considered pursuant to Section 367.081(2)(a)2, Florida Statutes:

For purposes of such proceedings, the commission shall consider utility property, including land acquired or facilities constructed or to be constructed within a reasonable time in the future, not to exceed 24 months after the end of the historic base year used to set final rates unless a longer period is approved by the commission, to be used and useful in the public service, if:

- a. Such property is needed to serve current customers;
- b. Such property is needed to serve customers 5 years after the end of the test year used in the commission's final order on a rate request as provided in subsection (6) at a growth rate for equivalent residential connections not to exceed 5 percent per year; or

In references to the water meters, in Issue 2 (pages 4 – 5), the staff is recommending an adjustment due to excessive unaccounted for water. As a follow up, on May 12, 2014, the Southwest Florida Water Management District (SWFWMD) has also informed LP Utilities that it must address the excessive unaccounted for water by conducting a water audit. We believe the majority of this "unaccounted" for water is directly related to the old meters that have been in the ground for over 27 years and have registered at or above 1 million gallons of water. It is imperative that these meters be replaced to record the actual usage of water being consumed by the customers and to reduce this unaccounted for water amount. This will be addressed with the SWFWMD at a meeting to be held later this month.

Troy Rendell  
U.S. Water Services Corporation  
  
4939 Cross Bayou Boulevard  
New Port Richey, FL 34652  
(Office) 727-848-8292 x245  
(Fax) 727-848-7701  
(E-Mail) [trendell@uswatercorp.net](mailto:trendell@uswatercorp.net)