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Public Service Commission

June 11, 2014

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COMMISSION  
CLERK

Gary Deremer  
LP Waterworks, Inc.  
5320 Captains Court  
New Port Richey, FL 34652

STAFF'S FOURTH DATA REQUEST

RE: Docket No. 130153-WS- Application for staff-assisted rate case in Highlands County, by L.P. Utilities Corporation c/o LP Waterworks, Inc.

Dear Mr. Deremer,

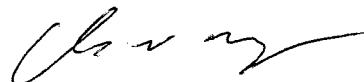
By this letter, the Commission staff requests that LP Waterworks, Inc. provide responses to the following data requests.

1. On December 27, 2012, L.P. Waterworks, Inc. ("L.P." or "Utility") signed a management services agreement ("Agreement") with U.S. Water Services Corporation ("U.S. Water"). Please provide a complete copy of this Agreement as originally executed, including all Appendices (a/k/a Attachments).
2. Since the date this Agreement was executed (December 27, 2012), has any portion of the Agreement been revised, amended, deleted, or modified in any way? If yes, please provide a detailed description of each change to the Agreement and provide a copy of each such revision, amendment, deletion or modification.
3. Since the date this Agreement was executed (December 27, 2012), has any portion of an Attachment to this Agreement been revised, amended, deleted, or modified in any way? If yes, please provide a detailed description each change to each such Attachment and provide a copy of each such revision, amendment, deletion or modification.
4. Attachment G, Schedule of Service Fees, includes notations that state, "Fees are subject to change without notice and are updated annually at a minimum, [and] Invoices may be subject to fuel surcharges."
  - a. Please identify the date of the latest update to Attachment G, and provide 1) the most current copy of this Attachment, and 2) each document that has modified Attachment G to effectuate a change, update, or fuel surcharge.

- b. Please identify and describe the basis used to establish the fuel surcharge.
- c. For the purpose of this question, assume that the Utility needs \$1,000 worth of services or equipment for a repair, or an improvement. Please explain how Attachment G works as applied to such a repair or improvement. In this context, please identify and explain any differences in how Attachment G works for repairs (expenses) versus improvements (capital items).
- d. Since the date this agreement was executed (December 27, 2012), how many updates, if any, have been made to Attachment G?
- e. Attachment G lists several services with various hourly rates. As an example, Line 10 shows that a Field Inspector is available to the Utility for an hourly rate. Please identify the industry benchmarks or pricing guidelines used to develop the hourly rate for the specialists identified in Attachment G.
- f. Attachment G lists several types of equipment with various rates and charges. As an example, Line 38 shows that a Crane Truck is available to the Utility by the hour. Please identify the industry benchmarks or pricing guidelines used to develop the hourly rates for equipment.
- g. Attachment G, Line 22 states that materials and reimbursable expenses will be billed at actual cost plus a percentage for mark-up. Please identify the industry benchmarks or pricing guides used in setting the mark-up amount.
- h. Attachment G, Line 27 states that Operations Supplies will be billed at actual cost plus a percentage for mark-up. Please identify the industry benchmarks or pricing guidelines used in setting the mark-up amount.

Please file the original and five copies of the requested information by Friday, June 20, 2014, with Ms. Carlotta Stauffer, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6191 if you have any questions.

Respectfully,



Charles W. Murphy  
Senior Attorney

CWM/nah

cc: Office of Commission Clerk ✓