



DON GAETZ
PRESIDENT OF THE SENATE

J.R. Kelly
Public Counsel

STATE OF FLORIDA
OFFICE OF PUBLIC COUNSEL

c/o THE FLORIDA LEGISLATURE
111 WEST MADISON ST.
ROOM 812
TALLAHASSEE, FLORIDA 32399-1400
1-800-540-7039

EMAIL: OPC_WEBSITE@LEG.STATE.FL.US
WWW.FLORIDAOPC.GOV



WILL WEATHERFORD
SPEAKER OF THE HOUSE OF REPRESENTATIVES

October 21, 2014

Carlotta S. Stauffer, Director
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket 130194 -- Application for staff-assisted rate case in Lake County by Lakeside Waterworks, Inc.

Dear Ms. Stauffer:

In a previous letter, dated September 30, 2014, we expressed our concern regarding the non-arms length contract between Lakeside Waterworks, Inc. (Lakeside) and U.S. Water Services Corporation (USWSC). On Page 4 of our letter under the heading "Market Value", we stated

Because there is no market based on similar bids, we believe that the utility should, at a minimum, provide any contracts (with all Appendices) between USWSC and non-affiliated utilities, especially all smaller utilities with 2,000 or fewer water accounts and 2,000 or fewer wastewater accounts.

The company's response dated October 2, 2014 did not specifically address the above request. In addition, this was not addressed in Staff's Sixth data request (dated October 8, 2014) or the company's response to that request dated October 14, 2014. We believe that it is imperative to compare the USWSC/Lakeside contract to other contracts entered into with non-affiliated companies. This comparison is critically important to help determine if the Lakeside contract is truly at market value.

Carlotta S. Stauffer
October 21, 2014

If the company provides the above contracts, which are the most updated, executed, and complete copies, with all appendices and attachments, it will be possible to compare the scope of services and related costs to determine if the affiliate relationship has caused any increase in costs. If these non-affiliated contracts contain any proprietary information, they can always be provided to staff and OPC on a confidential basis.

Respectfully submitted,

s/ Denise N. Vandiver

Denise N. Vandiver
Legislative Analyst

c: Division of Accounting & Finance (Barrett)
Division of Economics (Roberts)
Division of Engineering (Watts, Rieger)
Office of the General Counsel (Murphy)
Office of Auditing and Performance Analysis
(Deamer)

Office of Public Counsel (Reilly)

U.S. Water Services Corporation
Troy Rendell
4939 Cross Bayou Blvd.
New Port Richey, FL 34652-3434