

State of Florida



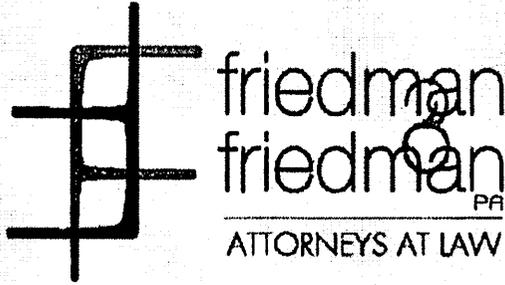
Public Service Commission

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

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

DATE: February 23, 2015
TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk
FROM: Penelope D. Buys, Engineering Specialist III, Division of Engineering *PDB*
RE: Docket No. 140135-WS - Application for increase in water/wastewater rates in Pasco County by Labrador Utilities, Inc.

Please place the following document in the docket file.



February 19, 2015

Via E-Mail Only
 pbuys@psc.state.fl.us

Ms. Penny Buys
 Division of Engineering
 Florida Public Service Commission
 2540 Shumard Oak Boulevard
 Tallahassee, FL 32399

RE: Docket No. 140135-WS; Application for increase in water and wastewater rates in Pasco County by Labrador Utilities, Inc.
Our File No.: 30057.216

Dear Ms. Buys:

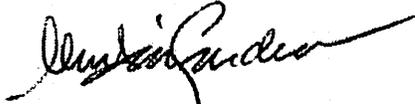
Robert Graves and Patrick Flynn discussed Sanlando Utilities implementating a program to televise and clean its gravity collection system each 10 years, and the Utility believes this would be prudent at Labrador Utilities as well. As you know, it is an industry standard and is a reasonable frequency for the maintenance of a gravity collection system to do so every 10 years. Since this is a relatively small system it makes more sense to televise and clean every 10 years rather than 10% annually. The cost per lineal foot for televising and cleaning is identified below as \$2.00, which is slightly more expensive in comparison to the proposal from American In-Line Inspection, Inc. for similar work in Sanlando Utilities. This is due to the smaller total linear footage to be cleaned and televised in Labrador's collection system compared to Sanlando's much larger system, which offers economies of scale. The Utility expects the initial cleaning to be completed by end of 2015.

The following is a breakdown of the total lineal feet of the gravity collection system at Labrador Utilities, and the resulting annual expense:

Pipe Size	Linear Feet
6"	0
8"	27,825
10"	0
12"	0
Total	27,825
Unit Cost, Clean, Smoke Test & Inspect	
Cost/Linear	
Foot	\$ 2.00
Annual Amortization	
	\$ 5,565

We believe this is a reasonable pro forma expense to include in the revenue requirement in the pending rate case. Please feel free to contact me if you have any questions or if I can provide you with any additional information regarding this program.

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

MSF/

cc: John Hoy (via email)
Patrick C. Flynn (via e-mail)
Darrien Pitts (via email)
Kyesha Mapp, Esquire (via e-mail)
Steve Reilly, Esquire (via email)