

LP WATERWORKS, INC.

December 7, 2016

Office of Commission Clerk
Florida Public Service Commission
Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

*Re: Re: Docket No. 160222-WS - Application for Staff Assisted Rate Case (SARC)
in Highlands County by LP Waterworks, Inc. – Pro Forma Purchase Power
Adjustment*

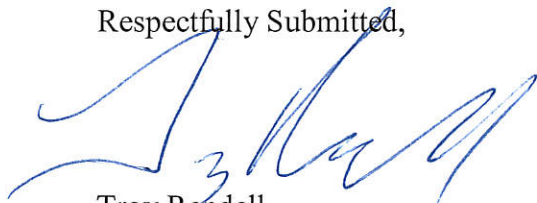
Dear Commission Clerk,

LP Waterworks, Inc. (LPWW) recently received the attached notice of rate increase by Duke Energy in its December 2016 electric bills. This was after the filing of the SARC in the above referenced docket.

Since these rate increases will become effective on January 1, 2017, LPWW is requesting the Commission take into consideration these rate increases in the SARC. There should be pro forma adjustments calculated and included in the SARC for both water and wastewater purchased power. The test year invoices have previously been provided to the Commission's audit during the audit process.

Please include this letter and attachment in the above reference docket.

Respectfully Submitted,



Troy Rendell
Manager of Regulated Utilities
// For LP Waterworks, Inc.

Commercial/Industrial RATE SCHEDULES

All rates effective with January 2017 billing

Important information about a change to Duke Energy Florida's 2017 rates

We understand getting safe, reliable, cleaner energy at a fair price is important to you - our customers. It is important to us, too.

Duke Energy Florida's electric rates are set by the state. As a regulated utility, Duke Energy Florida's rates cover the costs necessary to produce and deliver reliable power to the company's 1.7 million customers who rely on electricity as part of their daily lives.

The Florida Public Service Commission has approved Duke Energy Florida's annual price changes, related to costs for fuel, purchased power, nuclear, environmental controls and energy efficiency measures, starting with January 2017 billing. Commercial and industrial customers will see rate changes resulting in increases of about 4 1/2 to 10 percent. The rate changes for specific commercial and industrial customers will vary according to a number of factors.

The efficiency upgrades to the Hines Energy Complex, which serves all Duke Energy Florida customers, have been delayed. Therefore, the less than one-half of a percent (0.45%) increase for commercial and industrial customer electric rates previously approved by the Florida Public Service Commission to go into effect in November billing for the first part of the project will be postponed until later in 2017. You will receive more information about this project prior to it going into service.

Duke Energy has also received Florida Public Service Commission approval to recover the costs related to purchasing the Osprey Energy Complex starting with February 2017 billing. The addition of the clean natural gas plant will help support long-term growth and future energy needs in a cost-effective manner. Commercial and industrial customers should expect to see increases of 1.0 to 1.5 percent in February.

In March, we anticipate a change to the Asset Securitization Charge. While the total dollars collected in rates will stay relatively constant, customer rates may change, at least twice a year, due to fluctuations in sales. The required formula-based true-up process adjusts for the difference between the estimated and actual amounts collected. We have previously projected the charge will drop slightly in March. More information will be provided to you at that time. We work hard on behalf of our customers to ensure safe, reliable, cleaner energy 24/7. We are leveraging innovative technology across our Florida service territory to upgrade the energy grid, improve reliability and help customers become more energy efficient - all while keeping energy costs below the state and national averages.

You can help reduce your electric bill by managing your energy use. Duke Energy provides free business energy audits and tips for customers. Visit duke-energy.com/FLbusiness, call 877.372.8477 or send an email to fl.bec@duke-energy.com.



Please note the information concerning billing adjustments that is listed following the rate schedules.

Unless stated otherwise, all rates are quoted at secondary voltage.

General Service

Non-Demand (GS-1)

Customer Charges:	
Unmetered Accounts	\$6.54 per month
Metered Accounts:	
Secondary Delivery Voltage	\$11.59 per month
Primary Delivery Voltage	\$146.56 per month
Transmission Delivery Voltage	\$722.90 per month
Energy and Demand Charge	6.817¢ per kWh

Non-Demand – Optional Time of Use (GST-1)

Customer Charges:	
Secondary Delivery Voltage:	
For Single-Phase Service	\$19.01 per month
For Three-Phase Service	\$19.01 per month
Primary Delivery Voltage	\$153.99 per month
Transmission Delivery Voltage	\$730.32 per month
Energy and Demand Charges:	
On-Peak	16.749¢ per kWh
Off-Peak	2.245¢ per kWh

Non-Demand – 100 Percent Load Factor Usage (GS-2)

(For customers with fixed wattage loads operating continuously throughout the billing period)

Customer Charges:	
Unmetered Accounts	\$6.54 per month
Metered Accounts	\$11.59 per month
Energy and Demand Charge	3.099¢ per kWh

Demand (GSD-1)

(For customers with a measured annual kWh consumption of 24,000 kWh or greater)

Customer Charges:	
Secondary Delivery Voltage	\$11.59 per month
Primary Delivery Voltage	\$146.56 per month
Transmission Delivery Voltage	\$722.90 per month
Demand Charge	\$9.71 per kW
Energy Charge	2.40¢ per kWh

Demand Optional Time of Use (GSDT-1)

Customer Charges:	
Secondary Delivery Voltage	\$19.01 per month
Primary Delivery Voltage	\$153.99 per month
Transmission Delivery Voltage	\$730.32 per month
Demand Charges:	
Base	\$5.89 per kW
On-Peak	\$3.76 per kW
Energy Charges:	
On-Peak	5.055¢ per kWh
Off-Peak	0.968¢ per kWh

Optional Load Management (GSLM-1)

(Energy Management Program)

(Under this rate, a customer receives load management monthly credits for allowing specified electrical equipment to be interrupted at the option of the company by means of load management devices installed on the customer's premises.) Restricted to existing customers as of July 20, 2000.

Optional Load Management (GSLM-2)

(Under this rate, customers receive monthly credit for running their backup generator when Duke Energy requests.)

Interruptible Service (IS-1,* IS-2)

(Under this rate, customers receive load management monthly credits for allowing their entire electrical service to be interrupted during any time period that the company's generating resources are required to maintain service to the company's firm power customers.)

Customer Charges:

Secondary Delivery Voltage	\$278.95 per month
Primary Delivery Voltage	\$413.94 per month
Transmission Delivery Voltage	\$990.26 per month
Demand Charge	\$10.53 per kW
Demand Credit (IS-1*)	\$6.24 per kW
Demand Credit (IS-2) (Load factor adjusted)	\$10.88 per kW
Energy Charge	1.132¢ per kWh

Optional Time of Use (IST-1,* IST-2)

Customer Charges:

Secondary Delivery Voltage	\$278.95 per month
Primary Delivery Voltage	\$413.94 per month
Transmission Delivery Voltage	\$990.26 per month
Demand Charges: Base	\$4.74 per kW
On-Peak	\$6.02 per kW
Demand Credit (IST-1*)	\$6.24 per kW
Demand Credit (IST-2) (Load factor adjusted)	\$10.88 per kW
Energy Charges: On-Peak	1.531¢ per kWh
Off-Peak	0.950¢ per kWh

*IS-1 and IST-1 closed to new accounts 4/16/96

Standby Service (SS-1, SS-2, SS-3)

(Rate schedules available upon request)

On-Peak Periods for Time-of-Use Rates

On-Peak periods for TOU rates are Monday through Friday as follows:

November through March	6 to 10 a.m. / 6 to 10 p.m.
April through October	noon to 9 p.m.

All other hours, including Saturday, Sunday and six major holidays (New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas) and the adjacent weekday if a holiday falls on Saturday or Sunday, are considered Off-Peak.

Curtailable Service (CS-1,† CS-2, CS-3)

(Under this rate, customers receive monthly credits for agreeing to curtail a portion of their average billing kW – minimum of 500 kW – during any time period that the company's generating resources are required to maintain electrical service to the company's firm power customers.)

Customer Charges:

Secondary Delivery Voltage	\$75.96 per month
Primary Delivery Voltage	\$210.93 per month
Transmission Delivery Voltage	\$787.26 per month
Demand Charge	\$11.82 per kW
Demand Credit (CS-1*)	\$4.68 per kW
Demand Credit (CS-2) (Load factor adjusted)	\$8.16 per kW
Demand Credit (CS-3) (Contracted kW)	\$8.16 per kW
Energy Charge	1.653¢ per kWh

Optional Time of Use (CST-1,† CST-2, CST-3)

Customer Charges:

Secondary Delivery Voltage	\$75.96 per month
Primary Delivery Voltage	\$210.93 per month
Transmission Delivery Voltage	\$787.26 per month
Demand Charges: Base	\$4.90 per kW
On-Peak	\$6.86 per kW
Demand Credit (CST-1*)	\$4.68 per kW
Demand Credit (CST-2) (Load factor adjusted)	\$8.16 per kW
Demand Credit (CST-3) (Contracted kW)	\$8.16 per kW
Energy Charges: On-Peak	2.893¢ per kWh
Off-Peak	0.987¢ per kWh

†CS-1 and CST-1 closed to new accounts 4/16/96

Lighting Service (LS-1)

(Rate schedules available upon request)

Fixture and Maintenance Metered Charge depends upon fixture type

Customer Charges (per line of billing):

Metered	\$3.42 per month
Unmetered	\$1.19 per month
Energy and Demand Charge	2.584¢ per kWh

Temporary Service (TS-1)

(Rates from appropriate General Service schedules are applied to service under TS-1.)

Service charges

Opening account at new service location	\$61.00	Late-payment charge	1.5% per month or \$5.00, whichever is greater
Reconnect service after normal disconnection	\$28.00	Change of account (with LSA)	\$10.00
Reconnect service after disconnection for nonpayment or violation of a rule or regulation	\$40.00	Returned check	as allowed by Florida Statute 68.065
after normal business hours	\$50.00	Investigation of unauthorized use charge	minimum \$75.00
Temporary line extension	\$227.00		

Billing adjustments

Each of the rate schedules listed is subject to a Fuel Cost Recovery Factor (the cost of fuel) and an Asset Securitization Charge Factor (the cost of nuclear asset-recovery bonds). The Energy Charges include an Energy Conservation Cost Recovery Factor (the cost of energy conservation programs), a Capacity Cost Recovery Factor (a portion of the cost of purchasing electricity from sources other than Duke Energy Florida) and an Environmental Cost Recovery Clause Factor (the cost of new environmental programs not in base rates). These factors are reviewed annually by the Florida Public Service Commission and adjusted to reflect changes in the annual costs incurred.

Fuel Cost Recovery Factor

(Based on metering voltage)

For General Service Non-Demand and General Service 100% Load Factor Rate Classes:

Distribution Secondary	
Levelized	3.667¢ per kWh
On-Peak	4.573¢ per kWh
Off-Peak	3.245¢ per kWh
Distribution Primary	
Levelized	3.630¢ per kWh
On-Peak	4.527¢ per kWh
Off-Peak	3.213¢ per kWh
Transmission	
Levelized	3.594¢ per kWh
On-Peak	4.482¢ per kWh
Off-Peak	3.181¢ per kWh

For General Service Demand, Curtailable and Interruptible Rate Classes:

Distribution Secondary	
Levelized	3.667¢ per kWh
On-Peak	4.573¢ per kWh
Off-Peak	3.245¢ per kWh
Distribution Primary	
Levelized	3.630¢ per kWh
On-Peak	4.527¢ per kWh
Off-Peak	3.213¢ per kWh

Transmission	
Levelized	3.594¢ per kWh
On-Peak	4.482¢ per kWh
Off-Peak	3.181¢ per kWh

For Lighting Service LS-1

Levelized	3.494¢ per kWh
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Asset Securitization Charge (ASC)

(Based on metering voltage)

For General Service Non-Demand Rate Class:

Distribution Secondary	0.222¢ per kWh
Distribution Primary	0.220¢ per kWh
Transmission	0.218¢ per kWh

For General Service 100% Load Factor Rate Class:

Distribution Secondary	0.158¢ per kWh
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For General Service Demand Rate Class:

Distribution Secondary	0.203¢ per kWh
Distribution Primary	0.201¢ per kWh
Transmission	0.199¢ per kWh

For Curtailable Rate Class:

Distribution Secondary	0.126¢ per kWh
Distribution Primary	0.125¢ per kWh
Transmission	0.123¢ per kWh

For Interruptible Rate Class:

Distribution Secondary	0.155¢ per kWh
Distribution Primary	0.153¢ per kWh
Transmission	0.152¢ per kWh

For Lighting Service LS-1:

Distribution Secondary	0.044¢ per kWh
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Energy Conservation Cost Recovery Factor (ECCR)**Capacity Cost Recovery Factor (CCR)****Environmental Cost Recovery Clause (ECRC)**

(Included in the Energy Charge or Demand Charge as applicable)

	ECCR		CCR		ECRC
	¢/kWh	\$/kW*	¢/kWh	\$/kW*	¢/kWh
General Service					
Non-Demand					
Secondary	0.261		1.006		0.147
Primary	0.258		0.996		0.146
Transmission	0.256		0.986		0.144
General Service					
– 100% LF	0.204		0.708		0.139
General Service Demand					
Secondary		0.98		3.67	0.144
Primary		0.97		3.63	0.143
Transmission		0.96		3.60	0.141
Curtable Service					
Secondary		0.80		2.89	0.168
Primary		0.79		2.86	0.166
Transmission		0.78		2.83	0.165
Interruptible Service					
Secondary		0.82		2.83	0.137
Primary		0.81		2.80	0.136
Transmission		0.80		2.77	0.134
Lighting Service	0.105		0.203		0.144

**For TOU rates the \$/kW charge will be included in the base demand only.*

These schedules are also subject to a Gross Receipts Tax Factor (2.5641 percent), municipal utility taxes, state and county taxes, and franchise fees.

For additional information

If you would like more information on these or other rate schedules, or require assistance in determining the most economic rates for you, please contact Duke Energy Florida by calling the number shown on your electric bill.

Duke Energy Florida also provides an enhanced webpage for commercial and industrial customers offering you online access to your account information. Visit duke-energy.com/business. Click on "Large Commercial, Industrial & Government" and log in to the Energy Resource Center.