

# LP WATERWORKS, INC.

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FPSC - COMMISSION CLERK

November 19, 2018

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

Re: Petition of Jumper Creek Utility Company for Limited Alternative Rate Increase pursuant to Rule No. 25-30.457, Florida Administrative Code

Dear Commission Clerk,

LP Waterworks, Inc. (LP Waterworks or Utility) hereby submits its application for a Limited Alternative Rate Increase pursuant to Rule No. 25-30.457, Florida Administrative Code (F.A.C.) in Highlands County.

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**In support of its petition thereof, LP Waterworks states the following:**

Pursuant to Rule 25-30.457, F.A.C., as an alternative to a rate case, a Class C utility may petition the Commission for a limited alternative rate increase of up to 20 percent of service revenues. This rule was designed to streamline the rate increase process for qualifying small water or wastewater companies, by establishing an abbreviated procedure for a limited rate increase that is less time consuming and thus less costly for the utilities, customers, and Commission staff. This rule is similar to the rules governing price index and pass-through increases, in that an engineering or financial audit of the utility's books and records is not required.

The rule was adopted by the Commission on March 15, 2005. The Commission has previously approved such petitions twice in the following Orders:

| <u>Order No.</u>   | <u>Issued</u>   | <u>Utility</u>                 |
|--------------------|-----------------|--------------------------------|
| PSC-06-0822-PAA-WU | October 6, 2006 | Pinecrest Ranches, Inc.        |
| PSC-06-0444-PAA-WU | May 22, 2006    | Brendenwood Water System, Inc. |

**Rule 25-30.457, F.A.C.**

LP Waterworks provides the following criteria for consideration:

- 1) Utility is eligible for staff assistance,
- 2) Utility's books and records are organized consistent with Rule 25-30.110, F.A. C.,
- 3) Utility has on file with the Commission its Annual Reports,
- 4) Utility has paid all applicable regulatory assessment fees,

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- 5) Utility has at least one year of experience in operations. The utility was purchased on December 27, 2012.
- 6) Utility has provided additional relevant information contained below within the body of its petition.
- 7) Utility's last rate case was approved in Order No. PSC-2017-0334-PAA-WS, issued August 23, 2017 (SARC Order),
- 8) Said SARC Order established the Utility's rate base, capital structure, annual operating expenses and revenues and was issued with the 7-year period prior to petition.

**General Utility Information**

- A) The Utility's name as it appears on its certificates and its mailing address are:

LP Waterworks, Inc.  
4939 Cross Bayou Blvd.  
New Port Richey, Florida 34652  
(727) 848-8292 (Telephone)  
(727) 848-7701 (Facsimile)

- B) The names and addresses of the Utility's authorized representatives are:

Troy Rendell  
Vice President  
Investor Owned Utilities  
U.S. Water Services Corporation  
4939 Cross Bayou Blvd.  
New Port Richey, Florida 34652  
(727) 848-8292 (Telephone)  
(727) 848-7701 (Facsimile)  
trendell@uswatercorp.net

- C) LP Waterworks is a Florida corporation authorized to do business in Florida as of December 6, 2012. The names and addresses of the persons who own 5 percent or more of the Utility's stock are:

Gary A. Deremer  
President and CEO  
5320 Captains Court  
New Port Richey, FL 34652

LP Waterworks, Inc.  
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Cecil Delcher  
Vice President  
11702 Forest Hills Dr.  
Tampa, FL 33612

Victoria Penick  
6043 Fall River Dr  
New Port Richey, FL 34655

Dave Shultz, Sr.  
4135 Topsail Trail  
New Port Richey, FL 34652

Joseph Gabay  
5102 Farnsworth Lane  
New Port Richey, FL 34653

Bradford Labella  
16907 Equestrian Trail  
Odessa, FL 33556

### **Petitioner's Schedules**

Attached hereto are the following required schedules:

- (a) Annualized revenues by customer class and meter size for the most recent 12-month period using the rates in effect at the time the utility files its petition. The most recent 12-month period used is October 2017 through September 2018.
- (b) Current and proposed rates for all classes of customers utilizing 20 percent of the annualized water service revenue.
- (c) Additional informational schedule showing most recent 12-month Operating Expenses.

### **Petitioner's Statements**

LP Waterworks through the undersigned representative hereby states that the figures and calculations upon which the change in rates is based are accurate.

LP Waterworks further states that the change in rates will not cause the Utility to exceed its last authorized rate of return on equity of 9.27 percent, with a range of 8.27 percent to 10.27 percent as established by Order No PSC-2017-0334-PAA-WS, issued August 23, 2017.

### **Filing Fee**

The total filing fee in the amount of \$1,500 is also attached to this LARI petition pursuant to Rule 25-30.30.020(2)(f), Florida Administrative Code.



LP Waterworks, Inc.  
Limited Alternative Rate Increase  
November 19, 2018

**WHEREFORE**, the Utility respectfully requests that the Commission:

- A. Accept jurisdiction of this Petition and utilize the procedure set forth in Rule 25-30.457, F.A.C;
- B. Evaluate the petition and determine the petitioner's eligibility for a limited alternative rate increase within 30 days of receipt of said petition.
- C. Notify the petitioner in writing as to whether the petition is accepted or denied.
- D. Approve final rates as requested herein within 90 days from the official filing date as established by Rule 25-30.457(4), F.A.C.;

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Troy Rendell". The signature is fluid and cursive, with a large initial "T" and "R".

Troy Rendell  
Vice President  
Investor Owned Utilities  
*// for LP Waterworks, Inc.*

**LP Waterworks, Inc.  
Annualized Revenue**

| <u>Water:</u>                                 | <u>Bills</u> | <u>Current Rates</u> | <u>Annualized Revenue</u> |
|---|--------------|----------------------|---------------------------|
| <b>Residential</b>                            |              |                      |                           |
| 5/8" x 3/4" Meters                            | 5,039        | \$ 9.85              | \$ 49,634.15              |
| 3/4" Meters                                   |              | \$ 14.78             | \$ -                      |
| 1" Meters                                     |              | \$ 24.63             | \$ -                      |
| 1 1/2" Meters                                 |              | \$ 49.26             | \$ -                      |
| 2" Meters                                     |              | \$ 78.82             | \$ -                      |
| 3" Meters                                     |              | \$ 157.65            | \$ -                      |
| 4" Meters                                     |              | \$ 246.32            | \$ -                      |
| 6" Meters                                     |              | \$ 492.65            | \$ -                      |
| <b>Gallons</b>                                |              |                      |                           |
| 0 - 3,000                                     | 4,466        | \$ 5.66              | \$ 25,277.56              |
| Over 3,000                                    | 1,668        | \$ 8.32              | \$ 13,877.76              |
| <b>General Service:</b>                       |              |                      |                           |
| 5/8" x 3/4" Meters                            | 123          | \$ 9.85              | \$ 1,211.55               |
| 3/4" Meters                                   | 0            | \$ 14.78             | \$ -                      |
| 1" Meters                                     | 48           | \$ 24.63             | \$ 1,182.24               |
| 1 1/2" Meters                                 | 24           | \$ 49.26             | \$ 1,182.24               |
| 2" Meters                                     | 36           | \$ 78.82             | \$ 2,837.52               |
| 3" Meters                                     |              | \$ 157.65            | \$ -                      |
| 4" Meters                                     |              | \$ 246.32            | \$ -                      |
| 6" Meters                                     |              | \$ 492.65            | \$ -                      |
| Gallons                                       | 2,824        | \$ 6.81              | \$ 19,231.44              |
| <b>Private Fire Protection</b>                |              |                      |                           |
| 5/8" x 3/4"                                   |              | \$ 0.82              | \$ -                      |
| 3/4"  |              | \$ 1.23              | \$ -                      |
| 1"  |              | \$ 2.05              | \$ -                      |
| 1 1/2"  |              | \$ 4.11              | \$ -                      |
| 2"  |              | \$ 6.57              | \$ -                      |
| 3"  |              | \$ 13.14             | \$ -                      |
| 4"  |              | \$ 20.53             | \$ -                      |
| 6"  | 24           | \$ 41.05             | \$ 985.20                 |
| <b>Total Water Annualized Service Revenue</b> |              |                      | <b>\$ 115,419.66</b>      |

**LP Waterworks, Inc.  
Annualized Revenue**

| <u>Wastewater:</u>                          | <u>Bills</u> | <u>Current Rates</u> | <u>Annualized Revenue</u> |
|---|--------------|----------------------|---------------------------|
| Residential                                 |              |                      |                           |
| All meter sizes                             | 4,406        | \$ 14.93             | \$ 65,781.58              |
| Gallons                                     | 3,994        | \$ 7.72              | \$ 30,833.68              |
| General Service                             |              |                      |                           |
| 5/8" x 3/4" Meters                          | 132          | \$ 14.93             | \$ 1,970.76               |
| 3/4" Meters                                 | 0            | \$ 22.40             | \$ -                      |
| 1" Meters                                   | 12           | \$ 37.33             | \$ 447.96                 |
| 1 1/2" Meters                               | 24           | \$ 74.66             | \$ 1,791.84               |
| 2" Meters                                   |              | \$ 119.46            | \$ -                      |
| 3" Meters                                   |              | \$ 238.92            | \$ -                      |
| 4" Meters                                   |              | \$ 373.31            | \$ -                      |
| 6" Meters                                   |              | \$ 746.63            | \$ -                      |
| Gallons                                     | 654          | \$ 9.27              | \$ 6,062.58               |
| Total Wastewater Annualized Service Revenue |              |                      | \$ 106,888.40             |

LP Waterworks, Inc.  
CURRENT AND PROPOSED - WATER

| Line No. |   | LP Waterworks, Inc. |                |
|----------|---|---------------------|----------------|
|          |   | CURRENT RATES       | PROPOSED RATES |
| 1        | % Increase  |                     | 20.00%         |
| 2        | <b>RESIDENTIAL SERVICE AND IRRIGATION SERVICE</b> |                     |                |
| 3        | Sheet #   | 3rd Revised         | 13.0           |
| 4        | <b>BFC:</b>                                       |                     |                |
| 5        | 5/8" x 3/4" Meters                                | \$9.85              | \$11.82        |
| 6        | 3/4" Meters                                       | \$14.78             | \$17.74        |
| 7        | 1" Meters   | \$24.63             | \$29.56        |
| 8        | 1 1/2" Meters                                     | \$49.26             | \$59.11        |
| 9        | 2" Meters   | \$78.82             | \$94.58        |
| 10       | 3" Meters   | \$157.65            | \$189.18       |
| 11       | 4" Meters   | \$246.32            | \$295.58       |
| 12       | 6" Meters   | \$492.65            | \$591.18       |
| 13       | <b>Gallage Charge</b>                             |                     |                |
| 14       | Per thousand gallons                              |                     |                |
| 15       | 0 - 3,000 gallons                                 | \$5.66              | \$6.79         |
| 16       | Over 3,000 gallons                                | \$8.32              | \$9.99         |
| 17       |   |                     |                |
| 18       |   |                     |                |
| 19       | <b>GENERAL SERVICE AND MULTI-FAMILY</b>           |                     |                |
| 20       | Sheet #   | 3rd Revised         | 12.0           |
| 21       | <b>BFC:</b>                                       |                     |                |
| 22       | 5/8" x 3/4" Meters                                | \$9.85              | \$11.82        |
| 23       | 3/4" Meters                                       | \$14.78             | \$17.74        |
| 24       | 1" Meters   | \$24.63             | \$29.56        |
| 25       | 1 1/2" Meters                                     | \$49.26             | \$59.11        |
| 26       | 2" Meters   | \$78.82             | \$94.58        |
| 27       | 3" Meters   | \$157.65            | \$189.18       |
| 28       | 4" Meters   | \$246.32            | \$295.58       |
| 29       | 6" Meters   | \$492.65            | \$591.18       |
| 30       | <b>Gallage Charge</b>                             |                     |                |
| 31       | Per thousand gallons                              | \$6.81              | \$8.18         |
| 32       |   |                     |                |
| 33       | <b>PRIVATE FIRE PROTECTION SERVICE</b>            |                     |                |
| 34       | Sheet #   | 3rd Revised         | 13.1           |
| 35       | <b>BFC:</b>                                       |                     |                |
| 36       | 5/8" x 3/4" Meters                                | \$0.82              | \$0.99         |
| 37       | 3/4" Meters                                       | \$1.23              | \$1.47         |
| 38       | 1" Meters   | \$2.05              | \$2.46         |
| 39       | 1 1/2" Meters                                     | \$4.11              | \$4.93         |
| 40       | 2" Meters   | \$6.57              | \$7.88         |
| 41       | 3" Meters   | \$13.14             | \$15.77        |
| 42       | 4" Meters   | \$20.53             | \$24.64        |
| 43       | 6" Meters   | \$41.05             | \$49.26        |

LP Waterworks, Inc.  
 CURRENT AND PROPOSED - WASTEWATER

|          |   | LP Waterworks, Inc. |                |
|----------|---|---------------------|----------------|
| Line No. |   | CURRENT RATES       | PROPOSED RATES |
|          |   |                     | 20.00%         |
| 1        | % Increase                              |                     |                |
| 2        | <b>RESIDENTIAL SERVICE</b>              |                     |                |
| 3        | Sheet #                                 | 3rd Revised         | 13.0           |
| 4        | <b>BFC:</b>                             |                     |                |
| 5        | All meter sizes                         | \$14.93             | \$17.92        |
| 6        |   |                     |                |
| 7        | <b>Gallonge Charge</b>                  |                     |                |
| 8        | Per 1,000 Gallons                       | \$7.72              | \$9.26         |
| 9        | (6,000 gallonage cap)                   |                     |                |
| 10       |   |                     |                |
| 11       | <b>GENERAL SERVICE AND MULTI-FAMILY</b> |                     |                |
| 12       | Sheet #                                 | 3rd Revised         | 12.0           |
| 13       | <b>BFC:</b>                             |                     |                |
| 14       | 5/8" x 3/4" Meters                      | \$14.93             | \$17.92        |
| 15       | 3/4" Meters                             | \$22.40             | \$26.88        |
| 16       | 1" Meters                               | \$37.33             | \$44.80        |
| 17       | 1 1/2" Meters                           | \$74.66             | \$89.59        |
| 18       | 2" Meters                               | \$119.46            | \$143.35       |
| 19       | 3" Meters                               | \$238.92            | \$286.70       |
| 20       | 4" Meters                               | \$373.31            | \$447.97       |
| 21       | 6" Meters                               | \$746.63            | \$895.96       |
| 22       |   |                     |                |
| 23       | <b>Gallonge Charge</b>                  | \$9.27              | \$11.12        |



**LP Waterworks Inc**  
**Operating Expenses**  
October 2017 through September 2018

|   | <u>TOTAL</u>           |
|---|------------------------|
|   | <u>Oct 17 - Sep 18</u> |
| 401 · Operating Expense                     |                        |
| 401.1 · WATER SYSTEM O&M                    |                        |
| 603 · Salaries - Officers, Directors        | 6,300.00               |
| 615 · Purchased Power                       | 2,465.55               |
| 618 · Chemicals                             | 360.00                 |
| 630 · Professional Fees                     | 0.00                   |
| 632 · Accounting Fees                       | 187.50                 |
| 633 · Legal Fees                            | 282.75                 |
| Total 630 · Professional Fees               | <u>470.25</u>          |
| 636 · Contractual Services                  |                        |
| 636.1 · Operating & Billing Services        | 81,911.76              |
| Total 636 · Contractual Services            | <u>81,911.76</u>       |
| 640 · Rent Expense                          |                        |
| 641 · Rental - Bldgs and Land               | 1,020.00               |
| Total 640 · Rent Expense                    | <u>1,020.00</u>        |
| 657 · Insurance - Gen Liability             | 963.62                 |
| 666 · Regulatory Commission Fees            | 281.25                 |
| 670 · Bad Debt Expense                      | 1,262.48               |
| 675 · Miscellaneous Expense                 | 2,007.48               |
| Total 401.1 · WATER SYSTEM O&M              | <u>97,042.39</u>       |
| 401.2 · WASTEWATER SYSTEM O&M               |                        |
| 703 · Wages Officers Directors              | 6,300.00               |
| 715 · WW Purchased Power                    | 3,170.72               |
| 718 · Chemicals                             | 1,083.90               |
| 732 · Contractl Services - Accounting       | 187.50                 |
| 733 · Contractual Services - Legal          | 282.75                 |
| 736 · Contractual Services                  | 0.00                   |
| 736.1 · Operating & Billing Services        | 62,289.24              |
| Total 736 · Contractual Services            | <u>62,289.24</u>       |
| 755 · Insurance Expense                     |                        |
| 755.1 · General Liability                   | 963.56                 |
| Total 755 · Insurance Expense               | <u>963.56</u>          |
| 770 · Bad Debt Expense                      | -229.98                |
| Total 401.2 · WASTEWATER SYSTEM O&M         | <u>74,047.69</u>       |
| 403 · Depreciation                          | 0.00                   |
| 403.1 · Water System Deprec.                | 20,316.20              |
| 403.2 · Wastewater System                   | 15,017.94              |
| Total 403 · Depreciation                    | <u>35,334.14</u>       |
| 407 · Amortization Expense Plant/Othr       |                        |
| 407.1 · Water System                        | -9,966.41              |
| 407.2 · Wastewater System                   | -3,191.65              |
| Total 407 · Amortization Expense Plant/Othr | <u>-13,158.06</u>      |
| 408 · Taxes Other than Income               |                        |
| 408.10 · Regulatory Assessment Fees         |                        |
| 408.11 · Regulatory Assess Fees - Water     | 5,254.31               |
| 408.12 · RAF - Wastewater                   | 4,782.10               |
| Total 408.10 · Regulatory Assessment Fees   | <u>10,036.41</u>       |
| 408.2 · Property Taxes                      |                        |
| 408.21 · Real Estate Tax - Water            | 2,816.01               |
| 408.22 · Real Estate Tax - Wastewater       | 2,097.47               |
| 408.3 · Tangible Personal Property Tax      | 1,567.69               |
| Total 408.2 · Property Taxes                | <u>6,481.17</u>        |
| Total 408 · Taxes Other than Income         | <u>16,517.58</u>       |
| 427 · Interest Expense                      |                        |
| 427.1 · Interest on Debt                    | 0.00                   |
| 427.4 · Interest on Customer Deposits       | 459.07                 |
| Total 427 · Interest Expense                | <u>459.07</u>          |
| Total 401 · Operating Expense               | <u>210,242.81</u>      |