

Diamond Williams

From: Dana Rudolf [DRudolf@RSBattorneys.com]
Sent: Thursday, June 02, 2011 4:41 PM
To: Filings@psc.state.fl.us
Cc: smlubertozzi@uiwater.com; jrstover@uiwater.com; Kirsten Weeks; rjdurham@uiwater.com; pcflynn@uiwater.com; JDWilliams@uiwater.com; frankdenjup@att.net; dswain@milianswain.com; Christian W. Marcelli; Martin Friedman
Subject: Docket No. 100426-WS; Application for increase in water and wastewater rates in Lake County by Lake Utility Services, Inc.

Attachments: PSC Clerk 21 (Response to Staff's 5th Data Request).ltr.pdf

- a) Christian W. Marcelli, Esquire
Rose, Sundstrom & Bentley, LLP
766 North Sun Drive, Suite 4030
Lake Mary, FL 32746
Phone: (407) 830-6331
Fax: (407) 830-8522
cmarcelli@rsbattorneys.com
- b) Docket No. 100426-WS
Application for increase in water and wastewater rates in Lake County by Lake Utility Services, Inc.
- c) Lake Utility Services, Inc.
- d) 7 pages
- e) Response to Staff's Fifth Data Request

6/2/2011

DOCUMENT NUMBER-DATE
03870 JUN-2 =
FPSC-COMMISSION CLERK

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Please Respond to the Lake Mary Office

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June 2, 2011

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Ann Cole, Commission Clerk
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Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

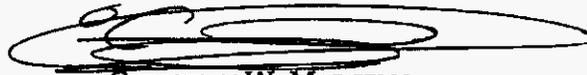
Re: Docket No. 100426-WS; Application for increase in water and wastewater rates in
Lake County by Lake Utility Services, Inc.
Our File No.: 30057.194

Dear Ms. Cole:

Enclosed for filing in the above-referenced docket is the response of Lake Utility Services, Inc. (the "Utility" or "LUSI") to Staff's fifth data request dated May 12, 2011, which is based on comments received at the customer meeting held on April 27, 2011.

Should you or the Staff have any questions regarding this filing, please do not hesitate to give me a call.

Very truly yours,



CHRISTIAN W. MARCELLI
For the Firm

Enclosures

cc: Steven M. Lubertozzi, Executive Dir. of Regulatory Accounting & Affairs (w/enclosures) (via e-mail)
John Stover, Vice President and Secretary (w/enclosures) (via e-mail)
Kirsten Weeks, Manager of Regulatory Accounting (w/enclosures) (via e-mail)
Rick Durham, Regional Vice President (w/enclosures) (via e-mail)
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May 31, 2011

Mr. Christian Marcelli
Rose, Sundstrom & Bentley, LLP
766 North Sun Drive, Suite 400
Lake Mary, FL 32746

RE: Docket No. 100426-WS Lake Utility Services, Inc.
Staff's Fifth Data Request – Response

Dear Mr. Marcelli:

In regards to the above referenced subject, please find the following information.

1. a) The FDEP Application for Permission to Place a Public Access Reuse System in Operations was received and approved by FDEP Central District on April 13, 2009. The amount invested in the reuse plant components totaled \$2,720,279.
- b) The facility startup and testing period lasted six months through October 2009. During this time, operational issues with the new reuse filter equipment became evident and needed to be addressed in order to provide assurance to LUSI that effluent meeting reuse water quality limits would be routinely produced.
- c) The cause of the delay in initiating reuse service was due primarily to a lack of performance of the two micro-screen filters that are integral to the production of reclaimed water on a daily basis. It is critical when offering reclaimed water service that water be available to the customer in sufficient volume, pressure, and quality in order for the customer to meet his or her landscape irrigation needs. Once it was evident that the equipment was defective, LUSI has been diligently working with the manufacturer of the filter equipment to have the equipment replaced under warranty and with least impact to the Utility or its customers. LUSI was successful in reaching an agreement with the manufacturer to replace the filters with filters of the same capacity and size. The two new micro-screen filters are scheduled to arrive at the Port of Miami on June 18 with installation scheduled for June 21-22.
- d) LUSI expects to begin testing the new reuse filter equipment after their installation has been completed for a period of no less than 60 days to insure their performance is adequate. In anticipation of a successful test period, a solicitation letter will be developed to be sent to customers located in the Citrus Highlands, Orangetree and Mission Park subdivisions to advise them of reuse availability and determine the level of interest in reuse service. The response to this action will determine the reuse service implementation date. Customers requesting service will be required to pay all appropriate fees and charges as authorized by the Florida Public Service Commission under the current tariff. Additionally, they will be required to permanently disconnect their irrigation system from the customer's potable water service and connect to a newly installed reuse meter, all at their expense. Reuse distribution facilities are already in place in these neighborhoods. Reuse will not be universally available to all LUSI wastewater customers because there is insufficient reclaimed water available to supply

a Utilities, Inc. company Lake Utility Services, Inc.

200 Weathersfield Ave. • Altamonte Springs, FL 32714-4027 • P:407-869-1919 • F:407-869-6961 • www.uiwater.com

reuse to all of them. Additionally, LUSI has no augmentation source available to it at this time.

2. The current sewer tariff includes a monthly base facility charge and a consumption charge with a cap. Customers who may not be in residence for extended time periods questioned the fairness of having to pay the sewer consumption charge in their absence when using water to irrigate their landscaping, despite no wastewater being returned for treatment. LUSI is not opposed to the development of an alternative wastewater rate structure for residential customers that would address their concerns provided the calculated wastewater revenue requirement in this docket and in the future is not reduced and the Utility is offered a reasonable opportunity to earn a return on its authorized ROE. Consequently, a change in rate structure that benefits those who are absent from their homes for extended time periods will have the effect of increasing the cost of service for those who are full-time residents.
3. The meters in LUSI are read on a monthly basis by employees of LUSI. Prior to the fourth quarter of 2010, LUSI utilized the services of a contractor to read LUSI's water meters. LUSI's goal is to physically read every customer's meter each month on an approximately 30-day cycle, plus or minus five days. In the event that a meter cannot be read within the nominal read cycle, the customer's bill is generated using the previous 12-month billing history for that account to generate an average consumption value. Soon thereafter, a verified read is obtained from the customer's meter and the usage is compared to the estimated bill. Any discrepancies between the estimated and verified reads are evaluated and addressed accordingly. It is typical for the Utility to test upwards to 10% of the total meters within the service area for any given year. The vast majority of meters within the LUSI system have been in service for less than 10 years and well within the expected service life for a standard positive displacement type water meter.
4. a) A meter field test was performed at Mr. Walker's residence. The meter test indicates that the water meter at this service location under-registers volume and thus benefits Mr. Walker. Because the meter's accuracy is less than 95%, the meter will be replaced. See the enclosed test results and this customer's last fourteen months of billing history.
b) Mr. Riley-Green's last fourteen months of billing history is attached. There does not appear to be any estimated reads on the customer's account history during this time period.
c) Mr. Matheis's last 14-month billing history is attached. No specific billing month was identified by Mr. Matheis. However, after reviewing the account history, it is evident that an adjustment was made to the account in April 2010.
5. Ms. Bee did not specify the location or the date(s) of the purported damaged irrigation head, only that the duration of the leak was 40 minutes. Absent specific information, LUSI cannot respond directly. However, it is accurate to state that the LUSI water treatment plant located on Vista del Sol Circle contains an irrigation piping system that is used to water the landscaping at that site. There are currently no leaks within the irrigation system. Irrigation leaks are typically resolved in a timely manner upon discovering a leak or after being notified of it.

Enclosures

Utilities, Inc.

Utilities, Inc. of Florida
AND AFFILIATED COMPANIES
200 WEATHERSFIELD AVENUE
ALTAMONTE SPRINGS, FLORIDA 32714

METER FIELD TEST

Meter Manufacturer: Badger Serial # 17794036
In the presence of: Brian Walker
Date performed: 5/20/11 Reason for testing Customer Request
Requested by/Street Address: 14417 CITRUS PKWY
CLERMONT FL 34711

PLEASE NOTE: Always run a FULL 10 gallons through the test meter.
Then record the stop read on the customers meter.

Minimum Flow Rate Test	5/8"	Meter	1/4	GPM
Test Meter		Customer Meter		Results
Start read <u>0</u>		Start read <u>1447690</u>		
Stop Read <u>10</u>		Stop Read <u>1447700</u>		
Gallons <u>10.0</u>		Gallons <u>9.40</u>	% Accuracy	<u>94%</u>

Median Flow Rate Test	5/8"	Meter	2	GPM
Test Meter		Customer Meter		Results
Start read <u>0</u>		Start read <u>1447700</u>		
Stop Read <u>10</u>		Stop Read <u>1447710</u>		
Gallons <u>10.0</u>		Gallons <u>9.50</u>	% Accuracy	<u>95%</u>

Maximum Flow Rate Test	5/8"	Meter	15	GPM
Test Meter		Customer Meter		Results
Start read <u>0</u>		Start read <u>1447710</u>		
Stop Read <u>10</u>		Stop Read <u>1447720</u>		
Gallons <u>10.0</u>		Gallons <u>9.40</u>	% Accuracy	<u>94%</u>

NOTE: Pursuant to the Florida Public Service Commission Rules and Regulations, Rule # 25-30.262. Meters shall be correct to accuracy limits of 95% - 101.5%

94%
Total % accuracy

X Brian Walker
Lin Smith

Brian Walker

Act:0703610000



Read Date/Time	Read Difference	Register Reading	Read Type
05-17-2011 11:52AM	14100.000000	1445940.000000	Verified
04-19-2011 09:49AM	10620.000000	1431840.000000	Verified
03-16-2011 10:26AM	4730.000000	1421220.000000	Verified
02-15-2011 11:28AM	2260.000000	1416490.000000	Regular
01-18-2011 11:30AM	4180.000000	1414230.000000	Verified
12-16-2010 10:42AM	12400.000000	1410050.000000	Regular
11-16-2010 01:04PM	8560.000000	1397650.000000	Verified
10-18-2010 01:30PM	15160.000000	1389090.000000	Verified
09-20-2010 11:52AM	18140.000000	1373930.000000	Verified
08-17-2010 12:09PM	14500.000000	1355790.000000	Verified
07-19-2010 11:46AM	13650.000000	1341290.000000	Verified
06-19-2010 02:34PM	17750.000000	1327640.000000	Verified
05-15-2010 01:02PM	10670.000000	1309890.000000	Verified
04-17-2010 09:40PM	2190.000000	1299220.000000	Regular
03-19-2010 04:47PM	1680.000000	1297030.000000	Regular

Ian Riley- Green

ACT 8057710983



Read Date/Time	Read Difference	Register Reading	Read Type
05-06-2011 07:17AM	34050.000000	4549670.000000	Verified
04-07-2011 09:25AM	22110.000000	4515620.000000	Verified
03-04-2011 01:32PM	16560.000000	4493510.000000	Regular
02-03-2011 12:37PM	36510.000000	4476950.000000	Verified
01-06-2011 01:26PM	64390.000000	4440440.000000	Verified
12-06-2010 02:02PM	62350.000000	4376050.000000	Verified
11-04-2010 11:15AM	68230.000000	4313700.000000	Verified
10-07-2010 11:10AM	60050.000000	4245470.000000	Verified
09-07-2010 12:05PM	14670.000000	4185420.000000	Verified
08-09-2010 11:37AM	54840.000000	4170750.000000	Verified
07-07-2010 11:55AM	29280.000000	4115910.000000	Verified
06-10-2010 11:44AM	53310.000000	4086630.000000	Verified
05-05-2010 11:45AM	22240.000000	4033320.000000	Regular
04-09-2010 12:46PM	17880.000000	4011080.000000	Regular
03-09-2010 02:32PM	8750.000000	3993200.000000	Regular

Mark Matheis

Act: 9270800000



Read Date/Time	Read Difference	Register Reading	Read Type
05-17-2011 10:14AM	18330.000000	601790.000000	Verified
04-19-2011 09:47AM	19810.000000	583460.000000	Verified
03-16-2011 09:20AM	9640.000000	563650.000000	Verified
02-15-2011 08:00AM	11010.000000	554010.000000	Regular
01-18-2011 08:08AM	13470.000000	543000.000000	Verified
12-16-2010 08:17AM	21000.000000	529530.000000	Verified
11-16-2010 10:49AM	17640.000000	508530.000000	Verified
10-14-2010 01:35PM	13210.000000	490890.000000	Regular
09-17-2010 09:29AM	14870.000000	477680.000000	Verified
08-18-2010 12:16PM	15830.000000	462810.000000	Verified
07-20-2010 11:51AM	10070.000000	446980.000000	Verified
06-19-2010 02:00PM	21500.000000	436910.000000	Verified
05-14-2010 07:30PM	14190.000000	415410.000000	Verified
04-22-2010 12:00AM	8670.000000	401220.000000	Regular
04-15-2010 12:00AM	15670.000000	392550.000000	Office Estimate
03-18-2010 12:59PM	5810.000000	376880.000000	Regular

** Estimate provided to the customer using average from verified read on 4/22/2010