



April 3, 2015

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COMMISSION  
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Carlotta S. Stauffer, Director  
Division of Commission Clerk and Administrative Services  
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. Stauffer:

The following are Labrador Utilities, Inc.'s ("Company") responses to the Staff's Ninth Data Request dated March 18, 2015:

**Please refer to MFR Schedules B-5 and B-6 and Chemicals Used in Additional Engineering Information.**

- 1. Please explain the difference of \$6,046 for water chemicals used, before adjustments, and Labrador's 2012 Annual Report.

**Response:** Please see Exhibit 9.1.1 2012 & 2013 Chemical Schedule.xlsx, Exhibit 9.1.2 2012 Chemical Invoices.pdf and Exhibit 9.1.3 2013 Chemical Invoices.pdf. The 2012 Annual Report identified water chemical expense of \$2,540.00. However, a review of all of the invoices associated with the purchase of chemicals in 2012 indicates that the water chemical expense before any adjustments was **\$1,490.50**, an overstatement of \$1,049.50 (\$2,540.00 - \$1,490.50). The water chemical expense in the 2013 TY as stated in the MFR was \$857.00. A review of the 2013 invoices identifies an annual chemical expense of **\$1,415.80**. After restating the annual amounts, the decrease from 2012 to 2013 was **\$74.70** (\$1,490.50 - \$1,415.80). This reflects primarily a small reduction in the volume of sodium hypochlorite purchased in 2013 compared to the previous year.

- COM 2. Please explain the increase of \$14,896 for wastewater chemicals used, before adjustments, and Labrador's 2012 Annual Report.

AFD Response: Please see Exhibit 9.1.1 2012 & 2013 Chemical Schedule.xlsx, Exhibit 9.1.2 2012 Chemical Invoices.pdf and Exhibit 9.1.3 2013 Chemical Invoices.pdf. The 2012 Annual Report identified wastewater chemical annual expense of \$8,543.00. However, a review of all of the invoices associated with the purchase of chemicals in 2012 indicates that the wastewater chemical expense was **\$17,906.48**. Therefore, the 2012 expense was understated by \$9,363.48 (\$17,906.48 - \$8,543.00). The wastewater chemical expense in the 2013 TY as stated in the MFR was \$22,564.00. A review of the 2013 invoices indicates that the 2013 annual expense was **\$23,513.58**. Therefore, the increase in wastewater chemical expense was actually **\$5,607.10** (\$23,513.58 - \$17,906.48). The increase is primarily attributable to an increase in the volume of Bioxide in 2013 (3,085 gallons in 2012 and 4,365 gallons in 2013). The per gallon price of Bioxide increased in October 2013 that impacted the last two deliveries of the year. The Bioxide feed rate was increased in 2013 in order to combat odor generation at the plant headworks.

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3. Did the chemicals used for wastewater change when the Odor Control Pro-forma project was completed? If so, please provide a list of chemicals used by unit, unit price, and how often will Labrador buy the chemicals (i.e. once a month, twice a month).

**Response:** After the Odor Control pro forma project was placed into service, the Company was able to terminate the addition of Bioxide at the master lift station. In the Test Year, the Company purchased 4,365 gallons of Bioxide at a cost of \$16,394.50, which equates to an average unit price of \$3.76/gallon including tax and freight. The Company will continue to apply sodium hypochlorite to the effluent to meet operating permit limits as mandated by FDEP. Therefore, the only change in chemical expense due to the completion of the pro forma project is the elimination of the \$16,394.50 in Bioxide purchases.

**Please refer to Labrador's response to Staff's Seventh Data Request.**

4. Does Labrador have a current quote (more recent than 2013) with the prices to televise and clean Labrador's collection lines? If so, please provide a copy. If not, please explain why the 2013 quote for Sanlando's system should be accepted.

**Response:** Please see attached Exhibit 9.4 Altair I&I Proposal.pdf. Per this proposal, the unit cost to comprehensively inspect the complete collection system is \$2.15 per linear foot. In comparison, the cost to investigate only 10% of the system is \$2.96 per linear foot. The difference reflects a mobilization fee of \$1,200.00 and dump fees of \$1,500.00 per load with the expectation that there would be a minimum of one load of material to be removed and hauled away.

Please feel free to contact me if you or Staff have any questions or concerns.

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)  
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