

LAKE IDLEWILD UTILITY COMPANY

FILED JUN 10, 2016
DOCUMENT NO. 03513-16
FPSC - COMMISSION CLERK

June 10, 2016

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

Re: Docket No. 150236-WU - Application of Lake Idlewild Utility Company for Staff Assisted Rate Case in Lake County

Dear Commission Clerk,

Lake Idlewild Utility Company (Lake Idlewild) submits additional information for consideration in the above referenced docket.

Customer Meeting & Customer Letters

At the customer meeting held on May 12, 2016, there were two customers who proffered comments concerning the quality of service. Specifically, these two customers gave comments concerning the low water pressure experienced at their residence.

On May 13, 2016, Lake Idlewild conducted on-site visits to these two customers' residences.

Linda Bartholomew – 4037 Bergan Hall Rd. – the operator tested both the chlorine residual and the water pressure at Ms. Bartholomew's residence. The water pressure was recorded at 47 psi, which is well above the FDEP requirement of 20 psi in the distribution system. The chlorine residual was also recorded at .6 mg/l, which is above the FDEP requirement of .2 mg/l in the distribution system. The customer was informed of these findings at the time of the site visit. In addition, a technician was dispatched to his residence on June 8, 2016 to analyze the amount of water being delivered through the meter. A typical 5/8 x 3/4" meter should deliver approximately 12 gallons a minute through the service lines. The on site visit concluded that the meter was delivering 21.7 gallons per minute out of meter, which is well above the minimum amount. Therefore, Lake Idlewild concluded there was no issue with the delivery of water or pressure.

Justin Letsinger – 36839 Woods Dr. - the operator tested both the chlorine residual and the water pressure at Ms. Bartholomew's residence. The water pressure was recorded at 47 psi, which is well above the FDEP requirement of 20 psi in the distribution system. The chlorine residual was also recorded at .6 mg/l, which is above the FDEP requirement of .2 mg/l in the distribution system. A door tag was left at the residence informing them of the results since no one was at home. . In addition, a technician was dispatched to his residence on June 8, 2016 to analyze the amount of water being delivered through the meter. A typical 5/8 x 3/4" meter should deliver approximately 12 gallons a minute through the service lines. The on site visit concluded that the meter was delivering 19.6 gallons per minute out of meter, which is well above the minimum

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amount. Therefore, Lake Idlewild concluded there was no issue with the delivery of water or pressure.

BW Christensen – 4103 Bergen Hall Rd. – Mr. Christensen sent in a letter to the FPSC on May 16, 2016. The customer was providing comments on the water pressure at his residence and explained the configuration of the distribution system and service lines. The service lines will be addressed below. Concerning his pressure issues, a technician was dispatched to his residence on June 8, 2016 to analyze the amount of water being delivered through the meter. A typical 5/8 x 3/4” meter should deliver approximately 12 gallons a minute through the service lines. The on site visit concluded that the meter was delivering 16.3 gallons per minute out of meter, which is well above the minimum amount. Therefore, Lake Idlewild concluded there was no issue with the delivery of water or pressure.

Robert and Mary Dickenson – 4137 Bair Ave. – The Dickenson’s sent in a letter to the FPSC on May 23, 2016. The customer expressed concerns on the water pressure. A technician was dispatched to his residence on June 8, 2016 to analyze the amount of water being delivered through the meter. A typical 5/8 x 3/4” meter should deliver approximately 12 gallons a minute through the service lines. The on site visit concluded that the meter was delivering 17.5 gallons per minute out of meter, which is well above the minimum amount. Therefore, Lake Idlewild concluded there was no issue with the delivery of water or pressure.

Concerning the service lines, as indicated in Mr. Christensen’s letter, the service lines were installed at the time of development. The service lines are composed of a single line which is then split to two separate homes for water service. This is a typical installation for a majority of systems throughout the state of Florida. As Mr. Christensen acknowledges in his letter, this type of installation can create pressure issues when certain combined activities take place, such as irrigation, at the adjacent homes. As indicated in the Staff Report dated April 11, 2016, the customers use high volumes of water for irrigation. The Staff Report indicated that the average usage of the customers is almost 17,000 gallons a month. This is a high usage. Part of this is a result of the rates. This utility has not had a rate case in over 23 years dating back to 1993.

Lake Idlewild placed water pressure data loggers in the distribution system. The data loggers recorded pressure from May 22, 2016 through June 1, 2016. The attached graphs were obtained from two data loggers at two separate hydrants in the distribution system. The graphs show that the water pressure in the system was well above 40 psi. One graph shows the pressure from 42 psi through 62 psi; while the other indicated pressure from 50 psi to 71 psi. There were also data loggers placed at the two residences who spoke at the customer meeting. Unfortunately, there were issues downloading this data, therefore the data loggers were reset and placed back at the residence to record pressure. At the time of this letter, the data was not available, but will be supplied at a later date once a week’s worth of data is collected.

Taking into consideration that (a) there are no system-wide pressure issues, (b) the configuration of the service lines, and (c) high volume of irrigation water used; the only viable solution would be to install additional dedicated service lines to these customers. However, that would come at a cost. Either the customers would be required to bear the additional cost to tap the main and

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install a separate service line at their request, or the costs would be included in the plant in service and the resulting rates would need to be increased to cover these additional plant costs.

Rate Case Expense

Please find attached supporting documentation on the travel expenses related to this SARC for the customer meeting and agenda conference for consideration.

Monthly Billing

The customers have raised concerns over the change from quarterly billing to monthly billing. This requested change was approved in Order No. PSC-14-0681-TRF-WU, issued December 9, 2014. The Commission stated in this order:

We agree with the Utility that monthly billing is beneficial to both the customers and the Utility. Monthly billing encourages water conservation because customers will get more timely information of their water usage patterns. Also, monthly billing allows the Utility to match revenues as closely as possible to expenses.

As previously discussed, this utility has not had a rate case in 23 years since 1993. In addition, the existing rates have resulted in high consumption due to irrigation. The monthly billing encourages water conservation by providing timely information on consumption patterns.

Rate Structure

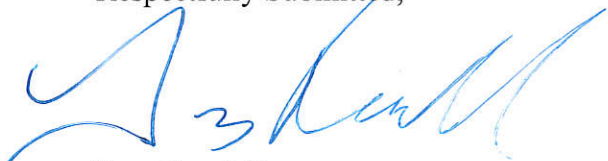
Lake Idlewild has significant concerns with the rate structure contained in the Staff Report dated April 11, 2016. In the Staff Report, the preliminary rates were calculated using 25 percent of the revenue requirement to be recovered through the BFC. This is a concern to the utility. As previously indicated the rates have not been increased in 23 years and there is high consumption due to irrigation. Lake Idlewild is concerned that if there is a significant decrease in the gallons, the utility will not be able to cover its fixed costs. There are many fixed costs, such as operations, testing, meter reading, billing that are not related to consumption. If only 25% of the revenue requirement is recovered through the BFC and the consumption drops, the utility will be placed in a financial situation where it may not be able to cover these costs. Lake Idlewild is unaware of a similar utility that only recovers 25% of its revenue requirement through the BFC.

In a related utility, LP Waterworks, the Commission approved a SARC in Order PSC-14-0413-PAA-WS, issued August 14, 2014. Since the implementation of rates, the consumption has significantly dropped from 14.7 million gallons down to 9.7 million gallons – or a 5 million gallon drop. This significant drop in consumption has left LP Waterworks in a situation of not recovering its approved revenue requirement and will be faced with the decision to file a subsequent SARC.

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Lake Idlewild does not want to be placed in a similar situation of having to file another SARC within a year due to a significant drop in consumption and a BFC that only recovers 25% of its revenue requirement.

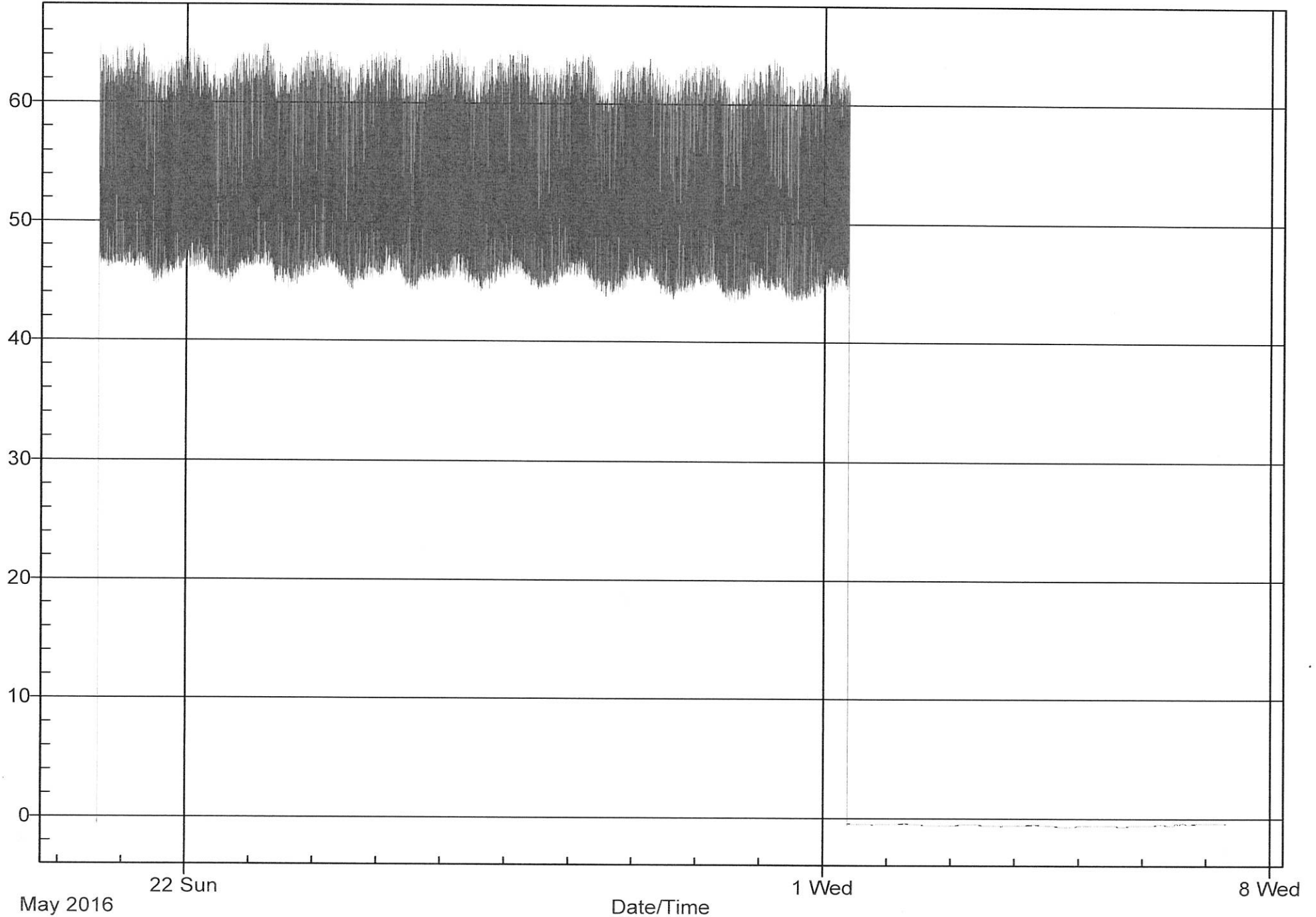
Respectfully Submitted,



Troy Rendell
Manager of Regulated Utilities
// for Lake Idlewild Utility Company

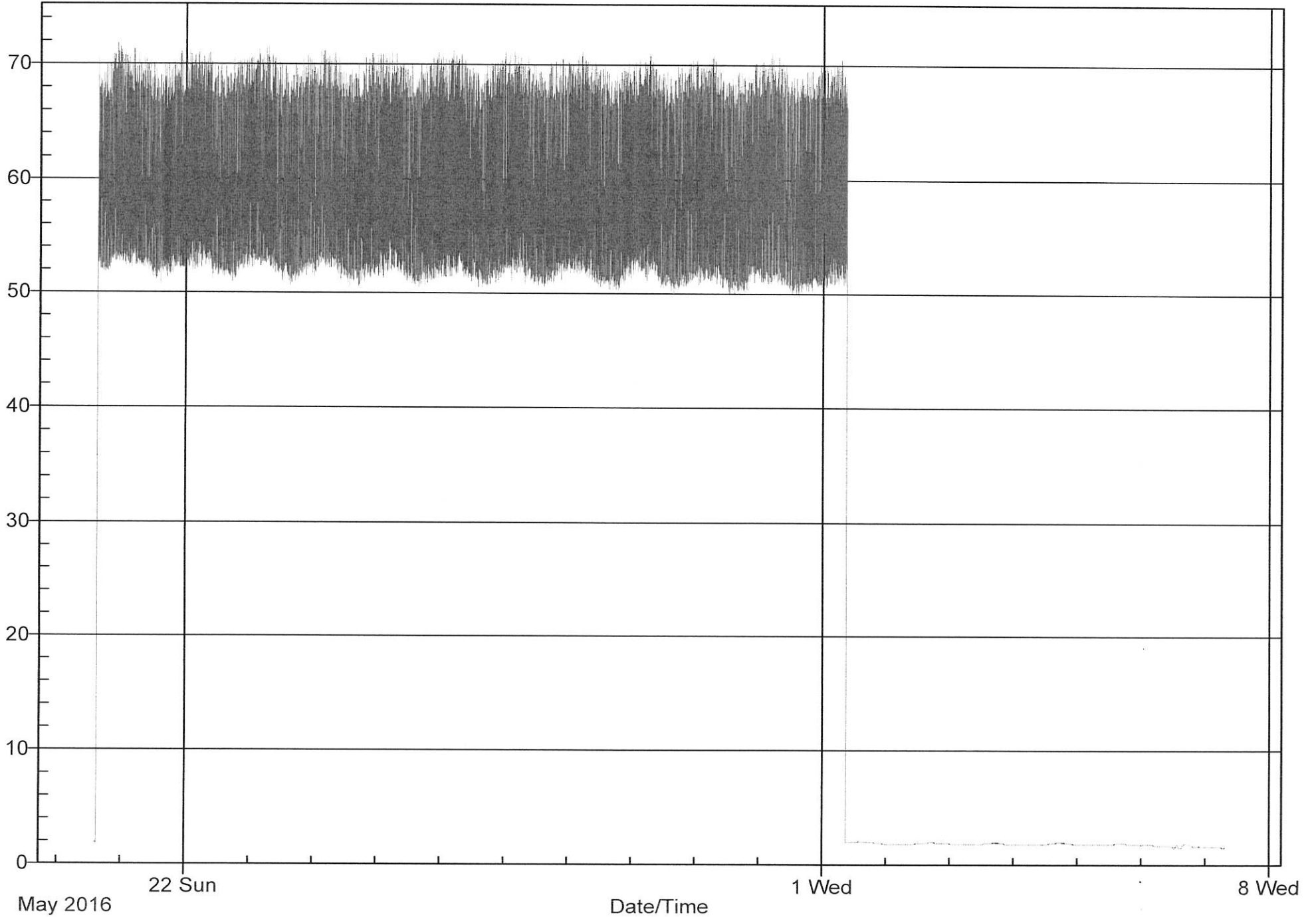
Downloaded Data Fire Hydrant Bair Ave. by Plant - Tuesday, June 07, 2016

(PR325 15209015)-Pressure/psig



Downloaded Data 4204 Bergen Haul Hydrant - Tuesday, June 07, 2016

(PR325 15204073)-Pressure/psig





TownePlace Suites by Marriott
The Villages

1141 Alonzo Ave | The Villages, FL 32159
phone 352.753.8686

W. Rendell

room: 420

room type: STKG

number of guests: 1 clerk:

rate: \$134.00

arrive: 12May16 time: 01:09PM depart: 13May16 time: folio number: 64542

Date	Description	Charges	Credits
12May16	rm chg stdo t1 transient	134.00	
12May16	occupancy sales tax	5.36	
12May16	state occupancy tax	9.38	
13May16	Visa card #: [REDACTED] amount: 148.74 auth: 074423 signature on file this card was electronically swiped on 12may16		148.74
	balance:	0.00	

[REDACTED] Your Rewards points/miles earned on your eligible earnings will be credited to your account. Check your Rewards Account Statement or your online Statement for updated activity.

Get all your hotel bills by email by updating your Rewards Preferences. Or, ask the Front Desk to email your bill for this stay. See "Internet Privacy Statement" on Marriott.com.

Lake Talewild SARC
DKT. No. 150236-WU

Fairfield Inn & Suites Tallahassee Central

2997 Apalachee Parkway

Tallahassee, FL 32301

USA

Phone: +1-850-210-1210

Confirmation Number: XXXXXXXXXX

Thank you for your reservation. Your reservation is guaranteed to your Visa card.
We look forward to greeting you.

Your Stay

Wednesday, July 6, 2016, Thursday, July 7, 2016, 1 rooms, 1 guests/room.

Room(s)

Guest room, 1 King.

1 night at 98.00 USD

110.25 USD Total hotel currency (incl. est. taxes)

Room Preferences

Not Guaranteed: Extra Towels, Extra Foam Pillows, High Floor Room. Please Note: Qualifying Rate ID Required.

Guest Information

William Rendell

Summary of Charges

Summary of Room Charges	Cost per night per room (USD)
Wednesday, July 6, 2016 - Thursday, July 7, 2016 (1 night , AAA rate, AAA membership card required)	98.00
Estimated government taxes and fees	12.25
Total for stay (per room)	110.25

Additional Charges

Rate Details

AAA rate, AAA membership card required