

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 3, 2017

TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk

FROM: Giovanni Wolmers, Public Utility Analyst I, Division of Accounting & Finance

RE: Docket No. 160222-WS - Application for staff -assisted rate case in highlands County by LP Waterworks, Inc. – CORRESPONDANCE - Consumer & Repräsentatives: AFD/Wolmers - PSC reply to Myall

The attached is a response to Myall's consumer comment. The response was mailed to consumer on May 1, 2017. Please file in docket # 160222-WS.

RECEIVED-FPSC
2017 MAY -3 AM 11:10
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STATE OF FLORIDA



DIVISION OF
ACCOUNTING AND FINANCE
ANDREW L. MAUREY
DIRECTOR
(850) 413-6900

Public Service Commission

May 1, 2017

Frederick G. Myall
32 Sand Pine Circle
Lake Placid, FL 33852

Re: Docket No. 160222-WS - Application for staff-assisted rate case in Highlands County by LP Waterworks, Inc.

Dear Mr. Myall:

Thank you for your letter expressing your concerns about the rate increase petition filed by LP Waterworks, Inc. (LPWW or Utility). To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

Many factors affect the cost of providing water service. These factors can include: the size and age of the utility system; the quality of the water at its source; the number of customers; and the geographic spread of the service area. Rates are increased relative to a utility's revenue requirement and are designed to allow a utility the opportunity to recover its reasonable and prudent costs for providing service and a reasonable rate of return on its investment in facilities necessary to provide water and wastewater service.

In addition to your concerns about the rate increase amount, you mentioned a request for a "snowbird rate." Please understand that the base facility charge of \$20.81 is currently in place for customers who do not use water for the month. The water and wastewater treatment plant and lines that serve your home must be continually maintained to ensure they function properly everyday. The utility faces costs to maintain the system and to ensure service is available whenever you turn on a faucet. While you may not require service every day of the year, service must be available at your demand. The utility incurs these costs whether you are in residence or not.

Also, you suggested that the LPWW install electronic meters to reduce costs to read the meters. If the Utility requested and was granted approval by the Commission to install electronic meters, the costs of the new meters and installation would be passed on to the customers.

Mr. Myall
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We appreciate your letter and understand your concerns surrounding the various issues in this docket. I hope the above information is helpful. If you have any additional questions, or require further assistance, please call Dale Buys at (850) 413-6536 or email dbuys@psc.state.fl.us.

Staff's recommendation on this matter is tentatively scheduled to be heard at the July 13, 2017 Commission Conference, and can be viewed live on the Commission's website www.floridapsc.com.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Wolmers", with a large, decorative flourish extending to the right.

Giovanni Wolmers
Regulatory Analyst I
Division of Accounting and Finance

GAW/drb