

REQUEST TO ESTABLISH DOCKET

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Date: 6/20/2011 Docket No.: *110208-WS*

1. From Division / Staff: Division Of Economic Regulation/Hudson *COMMISSION CLERK*

2. OPR: ECR

3. OCR: RCP

4. Suggested Docket Title: Application for staff-assisted rate case in Highlands County by L.P. Utilities Corporation

5. Program/Module/Submodule Assignment: A/1/B

6. Suggested Docket Mail List.

a. Provide NAMES/ACRONYMS, if registered company. Provided as an Attachment

Company Code, if applicable:	Parties (include address, if different from MCD):	Representatives (name and address):
WS860	L.P. Utilities Corporation	

b. Provide COMPLETE NAME AND ADDRESS for all others. (match representatives to companies)

Company Code, if applicable:	Interested persons, if any, (include address, if different from MCD):	Representatives (name and address):
	Office of Public Counsel	

7. Check one: Supporting Documentation Attached To be provided with Recommendation

Comments:

LP UTILITIES, INC.

P. O. Box 478
LAKE PLACID, FL 33862
(863) 382-1183
Fax (863) 699-1890

June 17, 2011

Mr. Marshall Willis, Acting Director
Division of Economic Regulation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

ECONOMIC REGULATION

11 JUN 20 AM 6:55

FLORIDA PUBLIC SERVICE

Dear Mr. Marshall:

Enclosed is an application for a SARC for our utility. We would need to increase our rates to cover the huge increases we have had in all of our expenses and services we pay for to provide water and wastewater treatment for our customers.

Thank you for your cooperation in this matter.

For and on behalf of L.P. Utilities, Inc.



John H. Lovelette,
Director

File: PSC SARC App ltr.docx

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

FLORIDA PUBLIC SERVICE COMMISSION

APPLICATION FOR A
STAFF ASSISTED RATE CASE

I. GENERAL DATA

A. Name of Utility: **LP Utilities, Corp.**

B. Address: **7406 US 27 N, Sebring, FL 33870**

Mail: P.O. Box 478, Lake Placid, FL 33852

1. Telephone Nos.: **(863) 382 -1183**

2. County: **Highlands**

Nearest City: **Lake Placid**

3. General Area Served: **W. side of Lake Grassy, South of Lake Placid, FL**

C. Authority:

1. Water Certificate No. **620-W** Date Received: **2003**

2. Wastewater Certificate No. **533-S** Date Received: **2003**

3. Date Utility Started Operations: Water: **2000** Wastewater: **2000**

D. How System Was Acquired: **Purchased**

If utility was purchased, give date **3/10/03** Amount Paid \$ **\$410,000**

1. Name of Seller: **Highvest Corporation**

2. Was seller affiliated with present owners? Yes No

3. Did you purchase: Stock or assets only

E. Type of Legal Entity:

Corporation Partnership Sole Proprietorship

F. Ownership & Officers:

	Name	Title	Percent Ownership
1.	<u>R. Anthony Cozier</u>	<u>Director</u>	<u>0</u>
2.	<u>John H. Lovelette</u>	<u>Director</u>	<u>0</u>
3.	<u>Teresa A. Lovelette</u>	<u>Director</u>	<u>0</u>
4.	<u></u>	<u></u>	<u></u>

G. List of Associated Companies and Addresses:

N/A

H. If you have retained an attorney and/or a consultant to represent the utility for this application, furnish the name(s) and address(es):

Name:

Address:

N/A

II. ACCOUNTING DATA

A. Outside Accountant

1. Name: **Forrest Hilton**
2. Firm: **Forrest Hilton CPA**
3. Address: **702 US 27 N. , Avon Park, FL 33825**
4. Telephone: **(863) 452 -2906**

B. Individual To Contact On Accounting Matters:

1. Name: **Forrest Hilton**
2. Telephone: **(863) 452 -2906**

C. Location of Books and Records: **7406 US 27 N, Sebring, FL 33870**

D. Have you filed an Annual Report with the Commission? Yes No

Date Last Filed: **April, 2011**

E. Has your latest Regulatory Assessment Fee Payment been made?

(January 30 or July 30 whichever is applicable) Jan 30 July 30

F. Basic Rate Base Data: (Most recent two years)

1. <u>Water:</u>	2008	2009
Cost of Plant In Service	\$ <u>486,860</u>	\$ <u>486,860</u>
Less Accumulated Depreciation	<u>222,561</u>	<u>237,648</u>
Less Contributed Plant	<u>87,272</u>	<u>82,686</u>
Net Owner's Investment	\$ 177,027	\$ 166,526
2. <u>Wastewater:</u>	2008	2009

Cost of Plant In Service	\$ 413,807	\$ 413,807
Less Accumulated Depreciation	246,111	259,051
Less Contributed Plant	74,170	70,267
Net Owner's Investment	\$ 93,526	\$ 84,489

G. Basic Income Statement: (Most recent two years)

1. Water:

	2008	2009
Revenues (By Class)		
a. Residential	\$ 50,843	\$ 41,454
b. Commercial	11,777	12,383
c.		
Total Operating Revenues:	\$ 62,620	\$ 53,837
Less Expenses:		
a. Salaries & Wages - Employees	14,100	14,100
b. Salaries & Wages - Officers, Directors, & Majority Stockholders		
c. Employee Pensions & Benefits		
d. Purchased Water		
e. Purchased Power	3,204	2,992
f. Fuel for Power Production		
g. Chemicals	290	11,282
h. Materials & Supplies	49	
i. Contractual Services	9,812	6,014
j. Rents		
k. Transportation Expenses		
l. Insurance Expense	2,154	2,417
m. Regulatory Commission Expense	2,818	2,191
n. Bad Debt Expense		
o. Miscellaneous Expense	22,457	14,550
p. Depreciation Expense	15,234	15,087
q. Property Taxes	3,962	1,940
r. Other Taxes	6,780	2,848
s. Income Taxes		
Operating Income (Loss)	\$ (18,240)	\$ (19,584)

2. Wastewater

	2008	2009
Revenues (By Class):	\$ _____	\$ _____
a. Residential	<u>37,053</u>	<u>29,214</u>
b. Commercial	<u>3,234</u>	<u>2,540</u>
c.		
Total Operating Revenues:	<u>\$ 40,287</u>	<u>\$ 31,754</u>
Less Expenses:		
a. Salaries & Wages - Employees	<u>8,880</u>	<u>8,880</u>
b. Salaries & Wages - Officers, Directors, & Majority Stockholders		
c. Employee Pensions & Benefits		
d. Purchased Wastewater Treatment		
e. Sludge Removal Expense	<u>6,765</u>	
f. Purchased Power	<u>2,718</u>	<u>2,539</u>
g. Fuel for Power Production		
h. Chemicals	<u>5,152</u>	<u>5,709</u>
i. Materials & Supplies		
j. Contractual Services	<u>7,061</u>	<u>7,064</u>
k. Rents		
l. Transportation Expenses		
m. Insurance Expense	<u>1,436</u>	<u>1,611</u>
n. Regulatory Commission Expense	<u>1,813</u>	<u>1,660</u>
o. Bad Debt Expense		
p. Miscellaneous Expense	<u>6,409</u>	<u>3,866</u>
q. Depreciation Expense	<u>12,940</u>	<u>12,940</u>
r. Property Taxes	<u>2,744</u>	<u>1,293</u>
s. Other Taxes	<u>4,557</u>	<u>2,099</u>
t. Income Taxes		
Operating Income (Loss)	<u>\$ (20,188)</u>	<u>\$ (15,907)</u>

H. Outstanding Debt:

	Creditor	Date Borrowed	Balance Due	Interest Rate	Expiration Date
1.	<u>Highvest Corp.</u>	<u>10/01/02</u>	<u>\$409,959</u>	<u>10%</u>	<u>11/15/12</u>
2.	_____	_____	_____	_____	_____
3.	_____	_____	_____	_____	_____
4.	_____	_____	_____	_____	_____

I. Indicate Type of Tax Return Filed:

- Form 1120 -Corporation
- Form 1120S -Subchapter S Corporation
- Form 1065 - Partnership
- Form 1040 - Schedule C - Individual (Proprietorship)

III

ENGINEERING DATA

A. Outside Engineering Consultant:

- 1. Name: **Dale Polston, PE**
- 2. Firm: **Polston Engineering**
- 3. Address: **2925 Kenilworth Blvd., Sebring, FL 33870**
- 4. Telephone: **(863) 385- 5564**

B. Individual to contact on engineering matters:

- 1. Name: **Dale Polston**
- 2. Telephone: **(863) 385- 5564**

C. Is the utility under citation by the Department of Environmental Protection (DEP) or County Health Department?
If yes, explain: **N/A**

D. List any known service deficiencies and steps taken to remedy problems: **N/A**

E. Name of plant operator(s) and DEP operator certificate number(s) held: **Short Utility Services, #8189 & #5674.**

F. Is the utility serving customers outside of its certificated area? **N/A**
If yes, explain:

G. Wastewater:

- 1. Gallons per day capacity of treatment facilities:
 - a. Existing: **50,000**
 - b. Under Construction:
 - c. Proposed:
- 2. Type and make of present treatment facilities: **Marlof**
- 3. Approximate average daily flow of treatment plant effluent: **20,750**

4. Approximate length of wastewater mains:

Size (diameter):	4"	6"	8"	10"	12"
Linear feet:	524	3041	3804	1410	88

- 5. Number of manholes: **44**
- 6. Number of lift stations: **1**
- 7. How do you measure treatment plant effluent? **Metered at plant**

8. Is the treatment plant effluent chlorinated? Yes No

If yes, what is the normal dosage rate? **Not Known**

- 9. Tap in fees – Wastewater: \$
- 10. Service availability fees – Wastewater: \$
- 11. Note DEP Treatment Plant Certificate Number and date of expiration: **FLA014340-006**
Number Expiration Date: **Oct. 14, 2015**
- 12. Total gallons treated during most recent twelve months: **7,531,000**
- 13. Wastewater treatment purchased during most recent twelve months: **N/A**

H. Water:

- 1. Gallons per day capacity of treatment facilities:
a. Existing: **100,000** b. Under Construction : c. Proposed:
- 2. Type of treatment: **Gas Chlorine**
- 3. Approximate average daily flow of treated water: **50,100**
- 4. Source of water supply: 2 wells
- 5. Types of chemicals used and their normal dosage rates: **Gas Chlorine**
- 6. Number of wells in service: **2**

Total capacity in gallons per minute (gpm):

Diameter/Depth:	10" / 1780'	6" / 680'	
Motor horsepower:	50	25	
Pump capacity (gpm):	900	380	

- 7. Reservoirs and/or hydropneumatic tanks:

Description:	Tank	Tank	
Capacity:	15,000	10,000	

- 8. High service pumping:

Motor horsepower:				
Pump capacity (gpm):				

- 9. How do you measure treatment plant production?

- 10. Approximate feet of water mains:

Size (diameter):	8" / 6"	4" / 3"	2"	1"
Linear feet:	2790' / 9440'	1660' / 2818'	920'	9258'

- 11. Note any fire flow requirements and imposing government agency:

- 12. Number of fire hydrants in service: **8**

13. Do you have a meter change out program? No Yes
14. Meter installation or tap in fees - Water \$ 200
15. Service availability fees - Water \$ _____
16. Has the existing treatment facility been approved by DEP? No Yes
17. Total gallons pumped during most recent twelve months: 20,839,000
18. Total gallons sold during most recent twelve months: 19,779,000
19. Gallons unaccounted for during most recent twelve months: 1,060,000
20. Gallons purchased during most recent twelve months: N/A

IV. RATE DATA

A. Individual to contact on tariff matters:

1. Name: John H. Lovelette
2. Telephone Number: (863) 382- 1183

B. Schedule of present rates: (Attach additional sheets if more space is needed)

1. Water:

- a. Residential Water
- b. General Service
- c. Special Contract
- d. Other - Specify

See Attach Tariff Sheets

2. Wastewater:

- a. Residential Wastewater
- b. General Service
- c. Special Contract
- d. Other - Specify

C. Number of Customers: (Most recent two years)

1. Water Metered
 - a. Residential
 - b. General Service
 - c. Special Contract
 - d. Other - Specify

2009

2010

416

416

18

18

2. Water Unmetered
 - a. Residential
 - b. General Service
 - c. Special Contract
 - d. Other - Specify

2009

2010

N/A

N/A

3. Wastewater
 - a. Residential
 - b. General Service
 - c. Special Contract
 - d. Other - Specify

2009

2010

384

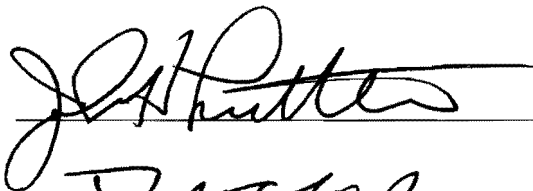

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V. AFFIRMATION

I, **John H. Lovelette** the undersigned owner, officer, or partner of the above named public utility, doing business in the State of Florida and subject to the control and jurisdiction of the Florida Public Service Commission, certify that the statements set forth herein are true and correct to the best of my information, knowledge, and belief.

Signed 
Title 

Notice: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.