

STATE OF FLORIDA

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DIVISION OF LEGAL SERVICES  
NOREEN S. DAVIS  
DIRECTOR  
(850) 413-6199

Public Service Commission

May 19, 1999

Ken Hoffman, Esquire  
Rutledge, Ecenia, Purnell & Hoffman, P.A.  
Post Office Box 551  
Tallahassee, Florida 32302

**Re:** Docket No. 980242-SU - Application for limited proceeding in wastewater rates by Lindrick Service Corporation (waiver and data request)

Dear Ken:

In your letter dated May 17, 1999, you state that "Lindrick Service Corporation hereby grants a waiver up to and until July 28, 1999 for consideration by the Commission of alleged overearnings arising out of Lindrick's annual report for 1997." Pursuant to our prior conversations, it is my understanding that this is a waiver of Section 367.081(4)(d), Florida Statutes, that the Commission may within 15-months after the filing of an annual report, if it finds that the utility exceeded the range of its last authorized rate of return on equity, order a utility to refund any portion of the price index that constitutes overearnings. If this is not correct, please advise me by no later than June 1, 1999.

Secondly, you request "that any additional data requests be provided in writing in accordance with the procedure (including the thirty day response time) previously established in this docket. "On March 2, 1999, staff submitted a data request to the utility requesting a response by April 2, 1999. Item No. 5 read as follows:

5. Based on discussions at the customer meeting, it appears that some wastewater treatment plant will be retired and additional plant improvements will be required for Phase-2. Provide a schedule listing retirements and additional improvements for Phase-2. Also provide current information on lift station design and cost.

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In your response dated April 1, 1999, you stated, in pertinent part, the following:

Once the transfer pump station has been completed and the interconnection between Lindrick Service Corporation and the City has occurred, the remainder of the plant and equipment (clarifiers, scrapers, diffusers, blowers, etc.) will be removed. (Only the concrete tanks will remain). An indepth analysis of the effect of the various plant retirements and additions has not yet been completed (plans were only recently finalized); however, the overall impact of this work on the rate structure will most likely be immaterial as the net value of the treatment plant is very low. (Diminimus effect on rate base).

Until staff receives the final calculations on this data request, it will not be able to make its final calculations for Phase II. Therefore, staff reiterates this data request, and requests that you respond as soon as possible, but no later than June 17, 1999. However, if you wish the Phase II rates to be addressed in the staff recommendation for the July 27, 1999 Agenda Conference, staff requests that you provide the data by no later than June 1, 1999.

If you have any questions or if I can be of any further assistance, please contact me.

Sincerely,



Ralph R. Jaeger  
Senior Attorney

RRJ/lw

cc: Division of Water and Wastewater (Chu, Dewberry, Gilchrist, Lingo, Munroe, Rendell,  
Willis)  
Division of Records and Reporting