

Shawna Senko

From: Amy Williams <awilliams@uswatercorp.net>
Sent: Thursday, January 16, 2014 10:17 AM
To: Filings@psc.state.fl.us
Subject: Docket No. 130153-3089 - Application SARC/Highlands County
Attachments: Docket #130153-3089 - App SARC-Highlands County.pdf

FPSC,

Please allow this submission on behalf of LP Waterworks, Inc. in regards to Docket No. 130153-3089.

Any questions or concerns please feel free to contact my office directly at (727) 848-8292 ext. 239

Thank You,

Amy N. Williams

Enterprise Systems - Accounting Admin

U.S. Water Services Corporation

4939 Cross Bayou Blvd.

New Port Richey, FL 34652-3434

P: (727) 848-8292 ext. 239

F: (727) 849-7809

LP WATERWORKS, INC.

January 15, 2014

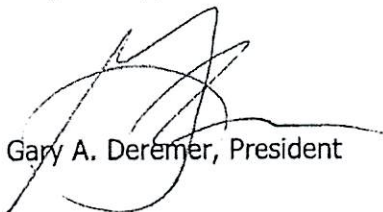
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RE: Docket No. 130153-3089 – Application SARC/Highlands County

Dear Honorable Clerk:

In follow up to the most recent correspondence in relation the above referenced SARC in progress at this time, please find the attached information for staff review and consideration.

Respectfully,



Gary A. Deremer, President

C: Victoria Penick
Carl Smith
Joseph Gabay

Enc.

5320 Captains Court, New Port Richey, FL 34652 – Tel: (866) 753-8292 Fax: (727) 848-7701

Mailing: C/O 4939 Cross Bayou Boulevard, New Port Richey, FL 34652

DOCKET: Docket No. 130153-3089 – Application SARC/Highlands County

LP Issues of Rate Case Adjustments: Test year 06/01/12 – 05/31/13 Report Review

**Current ownership cost assessed Jan – May; 5 months out of 12.

Page 5 of report: Used and Useful / re flow data after change out of ultrasonic flow meter – not sent to PSC.

Flow Data Forwarded by Separate Attachment

Page 10 - Issue 5: Test revenue: \$107,088 PSC

Current 12 Mos : \$105,938 (Jan - Dec 2013)

Page 11 - Issue 6 Items:

Salaries and Wages Officers classed to zero: Actual \$12K per year – previous owners \$10-\$12K.

Owners are fully engaged in managing the utility; subcontractor is used for Operations, Preventive Maintenance and Billing/Collection Services.

Purchased Power:

Through treatment efficiencies provided, we have been able to decrease purchased power (\$3,800) annually.

Professional Services: 2013 Accounting Fees for Tax filings and Annual reports not payable until 2014.

Quote Obtained for 2013 PSC and IRS end of year filings; forwarded as separate attachment.

Contractual testing and Contractual Services O&M: Testing included in USW Service Contract; PSC totals \$103,613 / Actual contract cost \$135,883.

Current Ops Water/Wastewater O&M and Billing/Collections Contract calculations creates annual shortfall of \$32,270 system expense - considers both PSC allowance for Testing and Operating Services. CPI applies to contract annually in the month of April. (Historical CPI by Ops Co was 2.2% in April 2013).

Page 12 - Issues:

Bad Debt

Bad debt for one full year being reviewed at this time. See AR Report Tab; Bad Debt Current Yr Tab; Collection Procedure Tab; 2% of revenue projected in budget; Current Bad Debt meeting collection protocols less than 1% at this time.

Sludge removal – we have decreased the cost through efficiencies.

Through treatment efficiencies provided, we have been able to decrease sludge treatment/hauling cost; we anticipate \$1,800 in sludge hauling cost in Jan. Approx every 4 months thereafter at \$980 ea haul.

CHEMICALS – not referenced directly in the report and is a cost direct to the utility.

GEN LIAB – Insurance not referenced directly in the report and is a cost direct to the utility.

NOTE: Operational Exp (does not include Depreciation, amortization, income taxes) PSC assesses \$ 130,487 allowable; actual cost \$180,588

DAILY SAMPLE RESULTS - PART B

Permit Number:
Monitoring Period

FLA014340-006-DW3P
From: 09/01/2013 To: 09/30/2013

Facility: Lake Placid Camp Florida Resort WWTP
(WOODLANDS)

	BOD, Carbonaceous 5 day, 20C mg/L	Chlorine, Total Residual (For Disinfection) mg/L	Coliform, Fecal #/100mL	Nitrogen, Nitrate, Total (as N) mg/L	Solids, Total Suspended mg/L	pH s.u.	Flow MGD	BOD, Carbonaceous 5 day, 20C (Influent) mg/L	Solids, Total Suspended (Influent) mg/L		
Code	80082	50060	74055	00620	00530	00400	50050	80082	00530		
Mon. Site	EFA-01	EFA-01	EFA-01	EFA-01	EFA-01	EFA-01	FLW-1	INF-1	INF-1		
1							0.0030				
2		1.00				7.40	0.0040				
3		3.30				7.40	0.0020				
4		2.80				7.40	0.0030				
5	6.4	1.20	<1.0	0.12	8.6	7.30	0.0010	138	98		
6		1.80				7.30	0.0030				
7		2.00				7.40	0.0030				
8							0.0030				
9		1.80				7.50	0.0030				
10		3.20				7.40	0.0020				
11		2.10				7.40	0.0010				
12		3.90				7.30	0.0030				
13		2.00				7.30	0.0020				
14		2.20				7.40	0.0020				
15							0.0020				
16		0.90				7.60	0.0030				
17		1.30				7.50	0.0020				
18		0.80				7.60	0.0030				
19		1.20				7.50	0.0030				
20		1.30				7.40	0.0030				
21		1.50				7.50	0.0020				
22							0.0020				
23		1.00				7.40	0.0030				
24		0.90				7.40	0.0040				
25		0.90				7.50	0.0020				
26		0.70				7.40	0.0020				
27		3.80				7.20	0.0030				
28		3.00				7.30	0.0030				
29							0.0020				
30		1.90				7.40	0.0020				
31											
Total							0.0760				
Mo. Avg.							0.0025				

PLANT STAFFING:

Day Shift Operator Class: C Certificate No: 9088 Name: WENDELL FAIRCLOTH

Evening Shift Operator Class: Certificate No: Name:

Night Shift Operator Class: Certificate No: Name:

Lead Operator Class: Certificate No: Name:

ISSUANCE/REISSUANCE DATE:

DAILY SAMPLE RESULTS - PART B

Permit Number:
Monitoring Period

FLA014340-006-DW3P
From: 10/01/2013 To: 10/31/2013

Facility: Lake Placid Camp Florida Resort WWTP
(WOODLANDS)

Code	BOD, Carbonaceous 5 day, 20C mg/L	Chlorine, Total Residual (For Disinfection) mg/L	Coliform, Fecal #/100mL	Nitrogen, Nitrate, Total (as N) mg/L	Solids, Total Suspended mg/L	pH s u.	Flow MGD	BOD, Carbonaceous 5 day, 20C (Influent) mg/L	Solids, Total Suspended (Influent) mg/L		
Mon. Site	EFA-01	EFA-01	EFA-01	EFA-01	EFA-01	EFA-01	FLW-1	INF-1	INF-1		
1		0.70				7.30	0.0040				
2		0.60				7.20	0.0040				
3		0.60				7.10	0.0050				
4		0.80				7.20	0.0050				
5		0.90				7.20	0.0040				
6							0.0090				
7		0.90				7.40	0.0090				
8	2.3	1.00	<1.0	0.18	3.8	7.30	0.0110	202	297		
9		0.80				7.40	0.0050				
10		0.80				7.30	0.0070				
11		1.00				7.40	0.0120				
12		0.90				7.30	0.0040				
13							0.0080				
14		0.50				7.20	0.0090				
15		0.60				7.40	0.0110				
16		0.60				7.40	0.0090				
17		0.60				7.40	0.0120				
18		0.80				7.30	0.0130				
19		1.00				7.30	0.0130				
20							0.0090				
21		1.20				7.40	0.0090				
22		0.80				7.30	0.0080				
23		1.00				7.30	0.0140				
24		1.50				7.20	0.0110				
25		1.30				7.30	0.0150				
26							0.0110				
27		1.00				7.30	0.0110				
28		1.80				7.60	0.0140				
29		1.60				7.50	0.0100				
30		1.50				7.40	0.0140				
31		0.70				7.40	0.0120				
Total							0.2920				
Mo. Avg.							0.0094				

PLANT STAFFING:

Day Shift Operator Class: C Certificate No: 9088 Name: WENDELL FAIRCLOTH

Evening Shift Operator Class: Certificate No: Name:

Night Shift Operator Class: Certificate No: Name:

Lead Operator Class: Certificate No: Name:

DAILY SAMPLE RESULTS - PART B

Permit Number: FLA014340-006-DW3P
 Monitoring Period: From: 11/01/2013 To: 11/30/2013

Facility: Lake Placid Camp Florida Resort WWTP
 (WOODLANDS)

	BOD, Carbonaceous 5 day, 20C mg/L	Chlorine, Total Residual (For Disinfection) mg/L	Coliform, Fecal #/100mL	Nitrogen, Nitrate, Total (as N) mg/L	Solids, Total Suspended mg/L	pH s.u.	Flow MGD	BOD, Carbonaceous 5 day, 20C (Influent) mg/L	Solids, Total Suspended (Influent) mg/L		
Code	R0082	50060	74055	00620	00530	00400	50050	80082	00530		
Mon. Site	EFA-01	EFA-01	EFA-01	EFA-01	EFA-01	EFA-01	FLW-1	INF-1	INF-1		
1		2.90				7.20	0.0160				
2		2.50				7.30	0.0070				
3							0.0060				
4		1.70				7.50	0.0060				
5		2.00				7.40	0.0040				
6	6.5	2.40	<1.0	0.07	6.4	7.40	0.0050	409	195		
7		2.00				7.50	0.0080				
8		1.80				7.40	0.0140				
9		1.50				7.40	0.0160				
10							0.0230				
11		1.40				7.40	0.0240				
12		1.30				7.40	0.0160				
13		1.20				7.40	0.0260				
14		1.40				7.30	0.0220				
15		1.10				7.40	0.0240				
16		1.30				7.40	0.0240				
17							0.0180				
18		1.30				7.20	0.0180				
19		1.30				7.30	0.0080				
20		1.80				7.30	0.0110				
21		2.10				7.20	0.0090				
22		1.40				7.30	0.0014				
23		1.50				7.30	0.0110				
24		1.30				7.20	0.0110				
25		0.90				7.40	0.0140				
26		1.50				7.40	0.0110				
27		1.80				7.30	0.0070				
28							0.0110				
29		1.00				7.30	0.0100				
30		0.70				7.40	0.0100				
31											
Total							0.3914				
Mo. Avg.							0.0130				

PLANT STAFFING:

Day Shift Operator Class: C Certificate No: 9088 Name: WENDELL FAIRCLOTH

Evening Shift Operator Class: Certificate No: Name:

Night Shift Operator Class: Certificate No: Name:

Lead Operator Class: Certificate No: Name:

ISSUANCE/REISSUANCE DATE:

LP - Proposed Operating Budget
Revision: VP - Based Upon Historical 01/01/13 - 12/31/13
FY - Projected 2014

USAN's	LP	
	\$	140,100.00
	Original Anticipated Proposed Rate Increase: \$140,100.00	
400		System Revenues (Note 1)
461	\$	57,325.36 Actual 2013
		Water Revenues:
522	\$	46,618.37 Actual 2013
		Wastewater Revenues:
461	\$	2,008.75 Actual 2013
		Other Revenues:
	\$	1,191.97
		Index for 2014 = Estimated 1.5% (April 2014 thru March 2015)
	\$	107,144.45
		Total Utility Revenues:
		Operating Expenses:
636	\$	77,187.02 Per Contract
		USW O & M Customer Service & Billing - Water
	\$	1,215.70
		USW O & M Customer Service & Billing - Water w/ Est. CPI Increase of 2.1% from Apr 2014 -Mar 2015 per contract
736	\$	58,696.41 Per Contract
		USW O & M Customer Service & Billing - Wastewater (Jan -Mar 2014)
	\$	924.47
		USW O & M Customer Service & Billing - Wastewater w/ Est. CPI Increase of 2.1% from Apr 2014 -Mar 2015 per contract
603	\$	12,000.00
		Officer Salaries
618/718	\$	2,016.55
		Chemicals
711	\$	2,700.00 None in 2013 See Notes
		Sludge
670/770	\$	2,142.89 Current Yr With Collections Applied \$120.00
		Bad Debt : Estimated at 2%
610/710	\$	-
		Purchase Water
615/715	\$	7,489.30
		Purchased Power
657	\$	2,000.00
		Insurance
640/740	\$	-
		Rents (land, etc.
675.4	\$	50.00
		Sunshine Locates
6758	\$	1,575.24
		Misc. Expenses
675.1	\$	-
		SCADA/Phones
813	\$	225.87
		Office Supplies for the Utility
630/730	\$	2,000.00
		Professional Fees (Accounting Costs)
	\$	170,223.44
		Total Direct Operating Expenses
	\$	(63,079.00)
		Net Operating Revenues Before Other Deductions

Allowances for Other Deductions:

630/730	Legal	\$	-	
666/766	FPSC Fee:	\$	4,572.68	
	Ad Valorem Taxex	\$	5,748.89	
801	Bank Fees	\$	43.64	
419.1	Interest Cost	\$	-	
	Total Other Cost:	\$	<u>10,365.21</u>	\$ 180,588.65
Total Available Funds:		\$	<u>(73,444.21)</u>	

403.1/2	Depreciation: See Notes			
	Depreciation/R & R Replacement	\$	<u>23,840.63</u>	Estimated / Overstated?
		\$	23,840.63	
	Income / (-) Loss	\$	(97,284.84)	
	Rate Base : 187K Paid 165K	\$	14,421.00	ROR 8.74%?
	Working Capital Factor?	\$	21,277.93	1/8 the of O&M
	Net :	\$	(132,983.77)	
334	Meter Changeout \$3,740	\$	-	
300's	CIP R & R \$84,260	\$	-	See separate worksheets

J. S. BAILLIE, JR.
CERTIFIED PUBLIC ACCOUNTANT
2153 GRAND BLVD.
HOLIDAY, FL 34690
(727) 937-6650

PROPOSAL

January 10, 2014

Victoria Penick
LP Waterworks, Inc.
4939 Cross Bayou Boulevard
New Port Richey, FL 34652

Dear Vickie:

In response to your request for a proposal, we anticipate the fee to be \$2,000.00 for the following services:

Preparation of Form 1120S, U.S. Income Tax Return for an S Corporation
Reconciling and adjusting general ledger in compliance with NARUC
Preparation of Class C Annual Report
Consultations and correspondence as required

If you have any questions, or need additional information, please call.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. S. Baillie, Jr.', with a large, sweeping flourish at the end.

J. S. Baillie, Jr.
Certified Public Accountant

JSB:sb

LP Waterworks, Inc.

AT 123113: Bad Debt Recommendation

Mailing Address	Balance	Close Date	Status	Current	30 Days	60 Days	90 Days	120 Days	Total
46 Oakridge Circle	2.22	6/21/2013	Inactive					2.22	2.22
129 GLENN AVE NW	82.40	9/18/2013	Inactive				17.64	64.76	82.40
118 Lakeshore Drive	23.46	3/5/2013	Inactive					23.46	23.46
60 Beachfront Lane	11.26	2/22/2013	Inactive					11.26	11.26
	119.34			-	-	-	17.64	101.70	119.34

AR REPORT 123113: LP Waterworks, Inc.

Mailing Address	Balance	Close Date	Status	Current	30 Days	60 Days	90 Days	120 Days	Total
15 HIDDEN COVE	27.52		Active	16.26	11.26				27.52
69 Freedom Way	19.06		Active	19.06					19.06
302 Shoreline Drive	63.28		Active	24.06	24.06	15.16			63.28
28 Hidden Harbor Lane	19.06		Active	19.06					19.06
P.O. Box 178	15.53		Active	15.53					15.53
447 PERSING AVE	101.22		Active	11.02	11.02	11.02	11.02	57.14	101.22
3 Hidden Cove	38.78		Active	16.26	16.26	6.26			38.78
480 Newberry Lane	11.26		Active	11.26					11.26
119 Lake Ridge Drive	18.86		Active	18.86					18.86
100 Lake Ridge Dr	2.32		Active	2.32					2.32
5925 Corrigan Rd	19.06		Active	19.06					19.06
46 Oakridge Circle	2.22	6/21/2013	Inactive					2.22	2.22
26 Beachfront Lane	0.03		Active	0.03					0.03
17 Hidden Cove	667.32		Active	667.32					667.32
113 PINE DRIVE	56.16		Active	11.02	11.02	11.02	11.02	12.08	56.16
110 HOLLY HILL DRIVE	76.05		Active	55.96	13.16	6.93			76.05
5175 Sunny Brook Ct.	64.88		Active	47.46	17.42				64.88
32 BEACHFRONT LANE	48.78		Active	16.26	16.26	16.26			48.78
34 BEACHFRONT LANE	29.46		Active	9.82	9.82	9.82			29.46
11 Windward Drive	63.72		Active	35.76	27.96				63.72
12 Grassy Lake Circle	27.52		Active	16.26	11.26				27.52
6967 Fairway Oaks	11.26		Active	11.26					11.26
122 Parkview OR CURRENT OCCUPANT	102.02		Active	11.02	11.02	11.02	13.16	55.80	102.02
129 GLENN AVE NW	82.40	9/18/2013	Inactive				17.64	64.76	82.40
16114 LAKE CLAY DR	6.14	11/15/2013	Inactive		6.14				6.14
32179 Light House Road C/O Ronald Keller	53.88		Active	53.88					53.88
14361 US HWY 33 W	77.26		Active	16.26	16.26	16.26	17.22	11.26	77.26
2908 Crestview Dr.	34.66		Active	34.66					34.66
105 Parkview	140.46		Active	11.02	11.02	11.02	11.02	96.38	140.46
105 Lake Ridge Dr	15.30		Active	15.30					15.30

411 NE 24TH AVE C/O MELISSA MCINNIS	177.06		Active	17.46	17.46	17.46	17.46	107.22	177.06
63 Beachfront Lane	11.68	12/17/2013	Inactive	11.68					11.68
27 Hidden Harbor Lane	27.96		Active	27.96					27.96
110 Parkview Dr.	0.05		Active	0.05					0.05
34 Freedom Way	31.82	11/26/2013	Inactive		20.70	11.12			31.82
16 Hidden Cove	15.16		Active	15.16					15.16
18 Hidden Cove	26.86		Active	26.86					26.86
130 Rasmussen Dr.	11.26		Active	11.26					11.26
252 Shoreline Drive	0.06		Active	0.06					0.06
2 Oak Ridge Circle	3.73		Active	3.73					3.73
118 Lakeshore Drive	23.46	3/5/2013	Inactive					23.46	23.46
147 County Road 327	11.26		Active	11.26					11.26
1865 US 27 SOUTH	81.49		Active	81.49					81.49
12 Inner Lane	44.60		Active	44.60					44.60
60 Beachfront Lane	11.26	2/22/2013	Inactive					11.26	11.26
120 Parkview Dr.	14.53		Active	14.53					14.53
121 Parkview	168.68		Active	19.58	17.44	21.72	19.58	90.36	168.68
16 Grassy Lake Circle	32.52		Active	16.26	16.26				32.52
228 Brown Blvd.	8.66		Active	8.66					8.66
5620 DEWY STREET	180.96		Active	17.46	17.46	21.36	17.46	107.22	180.96
113 Holly Hill Dr	13.14		Active	13.14					13.14
701 Tenirat St.	5.00		Active	5.00					5.00
102 PARKVIEW DRIVE	55.10		Active	11.02	11.02	11.02	11.02	11.02	55.10
	2,851.77			1,543.26	314.28	197.45	146.60	650.18	2,851.77

LP Waterworks, Inc.

Sludge Hauling Notes:

Wed 1/8/2014 3:40 PM

There is no need for hauling at this time, we are still using the other treatment train to store sludge until we need to use that train. Which will probably be in the next month. Estimate hauling from that side is 10,000 gallons @ \$0.18/gal (\$1800.00) and from February to June estimate another 5,000 gallons (\$900.00) which is anticipated every 4 months thereafter.

*Ron DeRossett, Utility Manager
US Water Services Corporation
4939 Cross Bayou Blvd.
New Port Richey, FL 34652
Office: (727)849-8292
Cell: (904)540-9765
fax: (727)849-5467*