

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-**

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**DATE:** August 2, 2017

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

**FROM:** Dale R. Buys, Public Utilities Supervisor, Division of Accounting & Finance 

**RE:** Docket No. 20160222-WS – Application for staff-assisted rate case in Highlands County by LP Waterworks, Inc.

Correspondence from the Office of Public Counsel dated August 1, 2017.

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Please place the attached email from the Office of Public Counsel the docket file referenced above.

COMMISSION  
CLERK

2017 AUG -2 AM 9:36

RECEIVED-FPSC

## Dale Buys

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**From:** Vandiver, Denise <VANDIVER.DENISE@leg.state.fl.us>  
**Sent:** Tuesday, August 01, 2017 8:50 AM  
**To:** Dale Buys  
**Subject:** LP Waterworks

Dale:

As we discussed, here are my points/questions on the accumulated depreciation, depreciation expenses, and property tax impacts from the two retirements that were not made from 2014 and 2015 ("Pump and Control Panel" and "Diffuser")

*Tab: Proforma, AF-1, & 2, Lines 46 and 47*

I'm not sure that that calculated adjustment for Wastewater Depreciation Expense and Accumulated Depreciation are correct.

First, the "plant addition" should not be included in the calculation of the adjustment to depreciation expense as it was already included in test year plant. Therefore the adjustment to depreciation expense should be reduced by \$1,537  $((18,477 * .0667) + (4,571 * .0667))$ .

Second, *Lines 56 and 57 of the ANOI-3C* schedule has a minus before the cell reference, so if you agree with my adjustment above, please verify that it reflects as a negative on the adjustment schedule.

Third, there does not appear to be an adjustment to accumulated depreciation to reflect the retirement in the correct period.

Fourth, shouldn't there also be a corresponding adjustment to property taxes?

Denise N. Vandiver  
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Pepper Building, Room 812  
Tallahassee, Florida 32399-1400  
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