

LP WATERWORKS, INC.

June 5, 2025

Office of Commission Clerk
Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

*Re: Docket No. 20250013-WS - Application for Staff Assisted Rate Case (SARC)
in Highlands County by LP Waterworks, Inc. – Response to Staff Third Data
Request*

Dear Commission Clerk,

LP Waterworks, Inc. (LPWW or Utility) hereby requests its response to Staff Third Data Request in the above referenced docket.

It should be noted that the same maps submitted in this docket are the same maps obtained from the previous owner. Since that time, these same maps have been utilized and accepted by Commission Staff in at least two (2) transfer dockets and at least four (4) SARCs with no issues.

COM — Rule 25-30.125, F.A.C. states:

AFD —

APA — Each utility shall maintain on file at its principal office located within the State
ECO 13 large maps — suitable maps, drawings and/or records of its system and facilities to show size,
ENG — location, character, date of installation and installed cost of major items of plant
GCL — and extension of facilities.

IDM — This information is contained in the maps that are attached.

CLK — LPWW believes that these maps, previously accepted numerous times by the FPSC complies with the requirements of 25-30.125. The maps attached clearly show the location of both the water and wastewater lines, as well as the water and wastewater treatment plants. The maps also clearly show the water valves, fire hydrants, the length and size of both the installed water and wastewater lines, as well as the lift station. LPWW believes it should not be held to a higher standard than the rest of the industry. It appears that the data request is requesting information not required by the FPSC rules.

There have been several Staff Assisted Rate Cases processed by the Florida Public Service Commission. Below is a summary of the Commission's findings:

- PSC-2002-1739-PAA-WS
- Water Treatment Plant – 100% used and useful
- Water Distribution System – 86.9% U&U
- Wastewater Treatment Plant – 59% U&U

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Wastewater Collection System – 84.6% U&U
I&I – 0%

PSC-2014-0413-PAA-WS

Water Treatment Plant – 100% used and useful
Water Distribution System – 87% U&U
Wastewater Treatment Plant – 59% U&U
Wastewater Collection System – 100% U&U

PSC-2017-0334-PAA-WS

Water Treatment Plant – 100% used and useful
Water Distribution System – 87% U&U
Wastewater Treatment Plant – 59% U&U
Wastewater Collection System – 100% U&U
I&I – 0%

PSC-2023-0101-PAA-WS

Water Treatment Plant – 100% used and useful
Water Distribution System – 100% U&U – (*built out service area*)

Further, pursuant to Rule 25-30.432 Wastewater Treatment Plant Used and Useful Calculations:

In determining the used and useful amount, the Commission will also consider other factors such as the allowance for growth pursuant to Section 367.081(2)(a)2., F.S., infiltration and inflow, *the extent to which the area served by the plant is built out*, whether the permitted capacity differs from the design capacity, whether there are differences between the actual capacities of the individual components of the wastewater treatment plant and the permitted capacity of the plant, and *whether flows have decreased due to conservation or a reduction in the number of customers*. (Emphasis added)

This is similar to the water used and useful Rule 25-30.4325 Water Treatment and Storage Used and Useful Calculations.

(2) The Commission's used and useful evaluation of water treatment system and storage facilities will consider the prudence of the investment, economies of scale, and other relevant factors including whether flows have decreased due to conservation or to a reduction in the number of customers.

(4) A water treatment system is considered 100 percent used and useful *if the service territory the system is designed to serve is built out and there is no apparent potential for expansion of the service territory* or the system is served by a single well. (Emphasis added)

In Order No. PSC-2023-0101-PAA-WS, the Commission found that the LP Waterworks service territory is built out. It is long standing Commission practice that if the Commission has previously established used and useful in a prior case, then the current case calculation produces

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a lesser percentage, the Commission will approved the previous U&U percentage in the current case. (see Order Nos. PSC-2022-0335-PAA-WS and PSC-2012-0102-FOF-WS)

Because the U&U percentages and I&I were previously determined by the Commission several times, and because there have been no changes to the Commission's U&U Rules and no structural or operational changes to LPWW's systems since that time, it is very important for the Commission to honor its prior decisions in this area. Ignoring the U&U percentages recently established by a Commission order undermines regulatory certainty, which is a core principle for any regulated electric, gas, water and wastewater. Casting aside recently established U&U determinations when there is no material change in utility operational conditions sends a dangerous signal to utilities and increases risks to potential suppliers of investment capital.

In Order No. PSC-2012-0102-FOF-WS issued March 5, 2012, the Commission stated:

We believe that a utility should be able to rely on our approved U&U methodologies litigated and adjudicated in prior cases. Without such reliance, regulatory uncertainty results.

The Commission continued in its finding:

It is the policy of this Commission to rely upon prior Commission Orders in addressing issues where the facts and circumstances are the same or similar.
However, when there is a change in facilities or operation of a system, we believe further evaluation is warranted in determining the appropriate U&U percentage.
(Emphasis added)

Respectfully Submitted,



Troy Rendell
Vice President
Investor Owned Utilities
//For LP Waterworks, Inc.

