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May 1, 1998

Julia Johnson, Chairman  
Division of Records and Recording  
The Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

RE: Test Year Approval  
Crooked Lake Park Sewerage Company, Inc.

980644-SU

Dear Chairman:

The purpose of this letter is to request from the Commission approval of historic and projected test years, and provide supporting reasons and justifications showing that the requested test year(s) are representative of utility operations. This letter represents a formal request for both historic and projected test year approval pursuant to Rule 25-30.430, *Florida Administrative Code*.

**Historic Test Year**

The proposed historic test year would be the year ending December 31, 1997. The historic test year is being provided for the purpose of establishing interim rates subject to approval by the Commission. The utility received its last rate increase in 1984 and has operated under the same rate structure to date. No plant expansions or changes in operational methods have occurred since that time. A Historic test year ending December 31, 1997 is representative of utility operations at Crooked Lake Park Sewerage Company, Inc.

**Interim Year**

The proposed interim year will be the year ending December 31, 1998. During 1998 the utility has encountered and is attempting to deal with both an in-flow and infiltration (I&I) problem and potential percolation pond problems. Currently, the utility is working with the Florida Department of Environmental Protection and Hartman & Associates, Inc., consulting engineers, to both evaluate and cure any I&I or percolation pond problems. As a result of the I&I and percolation pond problems, the utility expects large capital expenditures will be needed for improvements to the system.

DOCUMENT NUMBER-DATE

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### Projected Test Year

The utility proposes a projected test year as year ending December 31, 1999. As a result of preliminary evaluations by the utility's engineering consultants the utility anticipates making capital improvements valued at approximately \$126,000.00 the improvements are necessary to bring the plant in compliance with Department of Environmental Protection standards. The anticipated improvements are outlined below and will be in service no later than December 31, 1998. The anticipated improvements are as follows:

- a. Clean and T.V. Inspect approximately 7,000 feet of the Collection System
- b. Grout and Seal approximately 3,000 feet of Piping due to infiltration
- c. Manhole Rehabilitation (reline manhole - avg. depth 7' @ \$150/foot), for 25 manholes

These improvements are the basis for this requested rate increase. The projected test year, year ending December 31, 1999, will be more representative of the utility's operations than the historical period due to the need for these improvements. The burden placed upon the utility as a result of the required improvements necessitates this request for test year approval and eventual rate increase.

I appreciate your attention to this matter. I can be reached at the above address and phone number with any questions regarding this letter.

Sincerely,



Daniel W. Hartman

- c: Kenneth Knowlton, President  
Crooked Lake Park Sewerage Company, Inc.  
Chuck Lewis, HAI