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SEP 17 2024

September 17, 2024

LA Public Service Commission

VIA HAND DELIVERY

Mr. Brandon Frey
Executive Secretary
Louisiana Public Service Commission
P.O. Box 91154
Baton Rouge, LA 70821-9154

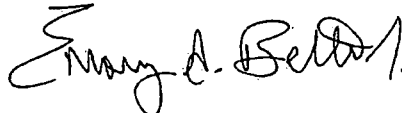
Re: Application for an Increase in Rates for Parks Waterworks, Inc.,
St. Tammany Parish, Louisiana

Dear Mr. Frey:

Enclosed please find an original and two (2) copies of Parks Waterworks, Inc.'s Application for an Increase in Rates, along with a check to cover the necessary filing fees.

Following your review, should you have any questions, or require any further information, please do not hesitate to contact me.

Sincerely,



Emory A. Belton, Jr.
(225) 615-0212
emory@beltonlawfirm.com

Encl.

ROUTE TO		ROUTE FROM	
DEPT. <u>Bull</u>	DATE <u>9/17</u>	DEPT. _____	
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SEP 17 2024

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION ^{LA} Public Service Commission

PARKS WATERWORKS, INC.
EX PARTE

DOCKET NO. _____

In Re: Application for an Increase in the Rates for Parks Waterworks, Inc., St. Tammany Parish, Louisiana.

**APPLICATION FOR INCREASE IN RATES FOR PARKS WATERWORKS INC. AND
FOR INTERIM RATE RELIEF**

NOW COMES, Parks Waterworks, Inc (“Parks Waterworks”), by and through undersigned counsel (collectively referred to as the “Petitioner”), hereby requesting the Louisiana Public Service Commission (“LPSC” or “Commission”) for authority to increase rates for supplying water service to customers and related services.

1.

Petitioner is a corporation organized under the laws of the State of Louisiana providing water services to approximately 637 residential and 44 commercial customers in St. Tammany Parish, Louisiana. On average, Petitioner delivers about 6.4 million gallons of water per month to customers. Petitioner’s principal place of business is at 27072 Teeny Weeny Lane, Folsom, Louisiana 70437. Company revenues are used to pay for the necessary operations, maintenance, and capital improvements to the system. A small amount is also used for administrative costs.

2.

Petitioner owns, operates and maintains approximately 12 miles of water line, and 10 water wells. Currently, residential customers are charged a monthly base rate of \$15.50 for a minimum usage of 4000 gallons, and an additional rate of \$1.25 for each additional 1000 gallons of usage. Commercial customers are charged a monthly base rate of \$21.00 for a minimum usage of 4000 gallons, and an additional rate of \$1.25 for each additional 1000 gallons of usage.

For reasons beyond the control of Petitioner, current rates are insufficient to maintain and repair the system, cover current operating expenses necessary for providing safe and reliable water service, comply with federal and state safety standards, and provide sufficient cash reserves for emergencies, etc. Petitioner is seeking through this Application a rate increase for its water service to account for this shortfall and provide the company with the ability to cover its obligation to provide safe and reliable service at a reasonable cost, provide the necessary annual system capital improvements, safety upgrades, provide for future service expansion, and cover ongoing costs of operation and maintenance while retaining a reasonable amount of financial reserves to respond to unexpected and emergency events. Petitioner also requests that the Commission consider all applicable professional fees associated with the subject Application in determining the amount in which to increase Petitioner's rate.

3.

Petitioner hereby petitions this Commission for authority to increase rates for supplying water service to its customers. Petitioner last received a rate increase in 2004. LPSC Docket No. U-27551. Petitioner has not requested nor been given authority to increase rates since then. The rates presently in effect under Petitioner's current rate schedule have been in effect for twenty

years. Since 2020, Petitioner has incurred the following Net Operating Losses per year: In 2020, (\$73,448.89), 2021 (\$74,989.99), 2022 (\$71,172.60), and 2023 (\$118,504.49). Obviously, this level of loss is both unsustainable and inadequate for Petitioner to ensure safe and reliable service to its customers, cover system operating costs, make the repairs necessary to maintain the system, comply with federal and state safety standards, and maintain sufficient cash reserves for emergencies, etc.

4.

The general cost of doing business i.e. labor, materials, insurance, etc. has increased since the currently approved rates were established. Those costs, coupled with an aging infrastructure, equipment in need of repair and replacement, and continually increasing obligations to comply with federal and state safety and water quality standards, administered through the Louisiana Department of Health and Hospitals (“DHH”), necessitate this request. Of particular cost concern are the water supply requirements found in the State Sanitary Code LAC 51, Part XII. As a result of these requirements, Petitioner is required by DHH to drill another water supply well at a cost of approximately \$250,000.00, and to buy and install auto start generators at its 10 current water well locations for those instances where commercial power is lost resulting in loss of pressure of the water system. The minimum size necessary for the auto start generators is 20kW, 230 volts, single phase, with 75 start up amps per leg, of which there are 2. Initial estimates indicate that generators of these specifications cost in the \$30,000/per unit range, and that there is a wait of 8-12 months for delivery after purchase. Meanwhile, the cost to rent the necessary generators to comply with DHH requirements is approximately \$3,000 to \$4,000 per month each.

5.

At this time, Petitioner is using financial resources from a residential garbage collection business owned by the owner of Petitioner to cover operational losses. Financial reserves are depleted, and current earnings are insufficient to cover ongoing costs. Based upon the current financial condition of Petitioner, loans are not a viable option. Furthermore, in addition to the costs associated with routine operations, maintenance, and repair, additional capital investments are needed at this time to maintain current levels of service and safety.

6.

Currently, our system is in good operational condition. With proper maintenance and replacement when necessary, it will remain viable for a long time to come. Increasing demands of regulations, maintenance, and our current rate structure have made it impossible to maintain our high level of service and performance. Nearly all functions of operations are done by company personnel. Very few outside contractors are used for normal and recurring operational requirements. The company has 2 full time salaried employees, and 1 part-time hourly employee. This further allows Petitioner to provide safe and reliable service at affordable rates.

7.

Petitioner is attaching to this filing relevant documents which show its current operational and financial condition, including Balance Sheets and Income Statements for years 2022 and 2023.

8.

In order to continue to provide safe and reliable water service to the customers of Parks Waterworks at the lowest reasonable price, it is necessary for Petitioner to perform the necessary capital upgrades to its system, perform necessary system maintenance, and expand the system as new customers request service.

10.

Petitioner believes that its annual revenue requirement in order to meet its cost of service and earn a small return is approximately \$510,000/yr. This amount does not include the capital purchases associated with the auto start generators (10@\$30,000/each) or \$300,000, and the cost of a new water well at approximately \$250,000. Petitioner suggests that in the event the Commission approves these costs that the recovery of the costs for the auto start generators and the new water well be an additional line item on customer bills to be collected until all costs are recovered. At which time, the additional line item costs will be removed from customer bills.

As for increases in basic rates to cover the annual costs of providing water service to customers, Petitioner respectfully requests that the Commission consider for residential customers decreasing the monthly minimum usage to 2000 gallons, and increasing the minimum residential monthly charge to \$25.00. For amounts consumed over the minimum, the cost would increase to \$6.00/thousand gallons. For commercial customers, the company respectfully requests decreasing the monthly minimum usage to 500 gallons, and increasing the minimum commercial monthly charge to \$125.00. For amounts consumed over the minimum, the cost would increase to \$12.00/thousand gallons.

These changes will result in Petitioner's rates being on par with current rates authorized by the Commission for regulated water companies of similar size, and is necessary to ensure that Petitioner will have the necessary financial resources to continue to provide safe and reliable water service to its customers.

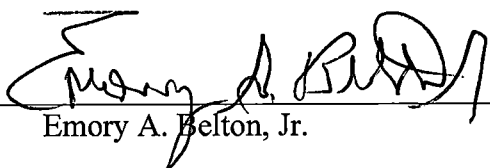
11.

Petitioner is entitled to and prays that this Commission, after due proceedings, issue an Order fixing fair, reasonable and just rates for water service furnished and to be furnished by Petitioner in the St. Tammany Parish area.

WHEREFORE, Petitioner prays that after due proceedings before this Commission that an Order be entered by the Commission fixing the charges for water service for Parks Waterworks, Inc. at such rates that will produce the additional revenue required for Petitioner to make needed upgrades, and continue to operate in a safe and reliable manner.

PARKS WATERWORKS, INC.

THROUGH ITS ATTORNEYS

By 
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