

#140158-WS

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FPSC - COMMISSION CLERK

STATE OF FLORIDA

ART GRAHAM
CHAIRMAN



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Public Service Commission

August 28, 2014

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Mr. Gary Deremer, President
HC Waterworks, Inc.
4939 Cross Bayou Blvd.
New Port Richey, FL 34652-3434

Re: Docket No. 140158-WS - Application for increase in Water and Wastewater rates in Highlands County by HC Waterworks, Inc.

Dear Mr. Deremer:

On August 22, 2014, the Florida Public Service Commission received your letter dated August 18, 2014, regarding a proposed rate case by HC Waterworks, Inc. (HCWI or Utility). In that letter, HCWI requested to use a historic test year ended June 30, 2014, for establishing final rates.

You state the Utility will file its application using the Proposed Agency Action provision set forth in Section 367.081(8), Florida Statutes (F.S.). Pursuant to Rule 25-30.430, Florida Administrative Code (F.A.C.), HCWI's test year request as outlined above is hereby approved for purposes of filing its Minimum Filing Requirements (MFRs). Docket No. 140158-WS has been assigned to the forthcoming case. Your petition will be deemed filed on the date the Office of Commission Clerk receives the complete petition, the MFRs, and the filing fee. To process this case expeditiously, we request that you file the above no later than October 31, 2014.

Pursuant to Section 367.083, F.S., the official filing date will be the date that complete corrections to deficiencies, if any, are filed. Please note that many schedules included in the MFRs are designed with a column titled "Balance Per Books." This column must reflect the balances on the general ledger and be reconciled with the balances reported in the Utility's Annual Report on file with the Commission. This requirement is applicable to all primary account balances as required by the NARUC Uniform System of Accounts. Pursuant to Rule 25-30.110(2), F.A.C., all data the Commission requests and requires to be submitted in determining a utility's rates "shall be consistent with and reconcilable with the utility's annual report to the Commission."

In addition, HCWI should satisfactorily document that it has recorded all adjustments to the Utility's general ledger and accounts that have been ordered by the Commission in any prior proceeding relating to this system. If adjustments were ordered for prior periods that impact

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subsequent years, the related adjustments shall also be made to reflect the impact for the appropriate period up to and including the approved test year. Further, HCWI should be prepared to justify its requested test year operation and maintenance expenses.

The Utility is instructed to file all information it wishes the Commission to consider when arriving at a decision on its rate case application with its original filing. Because of the time limitations contained in Section 367.081, F.S., and the lengthy auditing and investigation required, the Commission may disregard any information not filed with the original application. Approval of the test year for filing purposes does not mean that an issue regarding the appropriateness of the test period could not be raised at any time during the proceeding. If you have any questions, please contact Clarence Prestwood at (850) 413-6946 or clarence.prestwood@psc.state.fl.us.

Sincerely,



Art Graham
Chairman

AG/cpl

cc: Commissioner Lisa Polak Edgar
Commissioner Ronald A. Brisé
Commissioner Eduardo E. Balbis
Commissioner Julie I. Brown
Mr. J. R. Kelly, Office of Public Counsel
Mr. Braulio Baez, Executive Director
Ms. Lisa Harvey, Deputy Executive Director
Mr. S. Curtis Kiser, General Counsel
Mr. Andrew Maurey, Director, Division of Accounting and Finance
Ms. Cheryl Bulecza-Banks, Asst. Director, Division of Accounting and Finance
Mr. Jim Dean, Director, Division of Economics
Mr. Tom Ballinger, Director, Division of Engineering
Mr. Dale Mailhot, Director, Division of Auditing and Performance Analysis
Ms. Carlotta Stauffer, Director, Office of Commission Clerk (Docket No. 140158-WS)