

HC Waterworks, Inc.

April 2, 2015

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

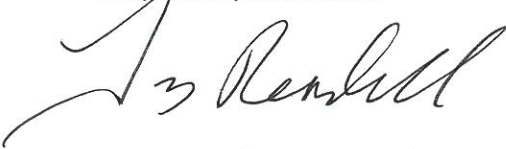
Re: Docket No. 140158-WS – Application for increase in water and wastewater rates in Highlands County by HC Waterworks, Inc.

Dear Commission Clerk,

Pursuant to the PSC's engineer request, HC Waterworks, Inc. submits revised MFR Schedules correcting errors discovered by staff. Please find attached Revised MFR Schedules, A-1; A-2; A-5; A-6; B-1; B-2; F-3; and F-5.

Should you have any questions, please contact me at (727) 848-8292, ext. 245.

Respectfully Submitted,



Troy Rendell
Manager of Regulated Utilities
// for HC Waterworks, Inc.

Water Treatment Plant Data

Florida Public Service Commission

HC Waterworks, Inc.
Docket No. 140158-WS
 Historical Test Year Ending June 30, 2014
Lake Josephine/Sebring Lakes - Interconnected:

REVISED Schedule: F-3
Page: 1 of 2
Preparer: W T Rendell

Explanation: Provide the following information for each water treatment plant. If the system has water plants that are interconnected, the data for these plants may be combined. All flow data must be obtained from the monthly operating reports (MORs) sent to the Department of Environmental Protection.

Line No.	(1) Description	(2) Date	(3) GPD
1	Plant Capacity (Lake Josephine/Sebring Lakes):		
2	LJ - Well #1 - (350 gpm X 16 hrs X 60 min) <i>per Rule 25-30.4325(6)(b), F.A.C.</i>		336,000
3	LJ - Well #2 - (350 gpm X 16 hrs X 60 min) <i>per Rule 25-30.4325(6)(b), F.A.C.</i>		336,000
4	SL - Well # 1 - (350 gpm X 16 hrs X 60 min) <i>per Rule 25-30.4325(6)(b), F.A.C.</i>		336,000
5	SL - Well # 2 - (350 gpm X 16 hrs X 60 min) <i>per Rule 25-30.4325(6)(b), F.A.C.</i>		336,000
6	The hydraulic rated capacity. If different from that shown on the DEP operating or construction permit, provide an explanation. Lake Josephine WTP #3 (wells #1&2) - DEP Permit: 300,000 Sebring Lakes WTP #4 (wells 1&2) - DEP Permit: 280,000		
7	Firm Reliable Capacity - excluding largest well. (Rule 25-30.4325(6), Florida Administrative Code)		580,000
8	Maximum Day:	07/31/13	395,400
9	The single day with the highest pumpage rate for the test year. Explain, on a separate page,		
10	if fire flow, line-breaks or other unusual occurrences affected the flow this day.		
11	Five-Day Max Year:	Day	
12	The five days with the highest pumpage rate from any one month in the test year.	1 07/30/13	229,300
13	Provide an explanation if fire flow, line-breaks or other unusual occurrences affected the flows on these days.	2 07/20/13	231,200
		3 07/09/13	237,200
		4 07/10/13	299,000
		5 07/31/13	395,400
			<u>278,420</u>
14	Average Daily Flow		155,714
15	Required Fire Flow		750
16	The standards will be those as set by the Insurance Service Organization or by a		
17	governmental agency ordinance. Provide documents to support this calculation.		

Water Treatment Plant Data

Florida Public Service Commission

HC Waterworks, Inc.
 Docket No. 140158-WS
 Historical Test Year Ending June 30, 2014
 Leisure Lakes:

REVISED Schedule: F-3
 Page: 2 of 2
 Preparer: W T Rendell

Explanation: Provide the following information for each water treatment plant. If the system has water plants that are interconnected, the data for these plants may be combined. All flow data must be obtained from the monthly operating reports (MORs) sent to the Department of Environmental Protection.

Line No.	(1) Description	(2) Date	(3) GPD
1	Plant Capacity (Leisure Lakes):		
2	Well #1 - (200 gpm X 16 hrs X 60 min) <i>per Rule 25-30.4325(6)(b), F.A.C.</i>		192,000
3	Well # 2 - (50 gpm X 16 hrs X 60 min) <i>per Rule 25-30.4325(6)(b), F.A.C.</i>		48,000
4			
5			
6	The hydraulic rated capacity. If different from that shown on the DEP operating or construction permit, provide an explanation.		
7	Firm Reliable Capacity - excluding largest well. (Rule 25-30.4325(6), Florida Administrative Code)		48,000
8	Maximum Day:	06/30/14	250,000
9	The single day with the highest pumpage rate for the test year. Explain, on a separate page,		
10	if fire flow, line-breaks or other unusual occurrences affected the flow this day. * Highest flow was on May 6, 2014, but there was a main break on that occurrence.		
1	Five-Day Max Year:	Day	
2	The five days with the highest pumpage rate from any one month in the test year.	1 05/03/14	72,500
3	Provide an explanation if fire flow, line-breaks or other unusual occurrences affected the flows on these days. * For May 6, 2014, there was a main break which was subsequently repaired.	2 05/04/14	124,500
		3 05/05/14	124,500
		4 05/06/14 *	441,000
		5 05/22/14	75,100
			<u>167,520</u>
4	Average Daily Flow		58,229
5	Required Fire Flow		750
6	The standards will be those as set by the Insurance Service Organization or by a		
7	governmental agency ordinance. Provide documents to support this calculation.		

Used and Useful Calculations
Water Treatment Plant

Florida Public Service Commission

REVISED

HC Waterworks, Inc.
Docket No. 140158-WS
Historical Test Year Ending June 30, 2014

Schedule: F-5
Page: 1 of 1
Preparer: W T Rendell

Explanation: Provide all calculations, analyses and governmental requirements used to determine the used and useful percentages for the water treatment plant(s) for the historical test year and the projected test year (if applicable).

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12)

WELLS - water treatment system

	Storage	Multiple Wells	Max Day (GPD)	Growth Factor	Excess Unaccounted for Water (GPM)	Fire Flow (GPD)	Peak Demand for Systems with Storage (GPD)	Maximum Supply Well (GPD)	Total Well Capacity (GPD)	Firm Reliable Capacity for Systems Storage (GPM)	Wells U&U Calculated	Permanent Well U&U Used
1	Yes	Yes	645,400	1.02	-	180,000	837,886	628,000	1,758,000	628,000	133.42%	100.00%
2												
3												
4	Water treatment plant used and useful calculated pursuant to Rule 25-30.4235, Florida Administrative Code for water treatment system with storages. Removal of largest well consistent with											
5	Rule 25-30.4325(6), FAC. Also, based on 16 hours of pumping with systems with storage pursuant to 25-30.4325(6)(b), FAC.											
6												
7	Water Treatment Plant found to be 85% used and useful in Order No. PSC-12-0102-FOF-WS, issued March 5, 2012.											

STORAGE

	Average 5 Max Day Demand	Reliable Storage	Bottom Drain	Max Day (GPD)	Margin Reserve Ratio	Excess Unaccounted for Water (GPD)	Fire Flow (GPD)	Peak Day Demand (GPD)	Usable Storage (Gal.)	Permanent Storage U&U Calculated	Permanent Storage U&U Used
9	278,420	450,000	Yes	395,400	1.02	-	180,000	583,049	450,000	129.57%	100.00%
10											
11	Storage previously found 100% used and useful by Order No. PSC-12-0102-FOF-WU.										

Schedule of Water Rate Base

Florida Public Service Commission

HC Waterworks, Inc.
Docket No. 140158-WS
 Historical Test Year Ending June 30, 2014
 Historical & Pro Forma

Revised Schedule: A-1
 4/2/2015 Page: 1 of 1
 Preparer: W T Rendell

Explanation: Provide the calculation of the average Water rate base for the test year, showing all adjustments. All non-used and useful items should be reported as Plant Held For Future Use.

Line No.	Description	(1)	(2)	(3)	(4)	(5)
		Historical Test Year			Adjusted	Supporting
		Average		Adjustments	Average	Schedules
		Balance			Balance	
		Per Books				
1	Utility Plant in Service	3,722,490		6,423	3,728,913	A-5
2	Utility Land & Land Rights	25,450		0	25,450	A-5
3	Less: Non-Used & Useful Components	0		(158,539)	(158,539)	A-7
4	Construction Work in Progress	0		0	0	
5	Less: Accumulated Depreciation	(695,456)		16,762	(678,694)	A-9
6	Less: CIAC	(841,545)		0	(841,545)	A-12
7	Accumulated Amortization of CIAC	469,066		0	469,066	A-14
8	Acquisition Adjustments	0		(849,440)	(849,440)	
9	Less: Accum. Amort. of Acq. Adjustments	0		78,581	78,581	
10	Less: Advances For Construction	0		0	0	A-16
11	Working Capital Allowance	0		38,182	38,182	A-17
12	Total Rate Base	2,680,005		(868,032)	1,811,974	

Schedule of Sewer Rate Base

Florida Public Service Commission

HC Waterworks, Inc.

Docket No. 140158-WS

Historical Test Year Ending June 30, 2014

Historical & Pro Forma

Revised Schedule: A-2

4/2/2014 Page: 1 of 1

Preparer: W T Rendell

Explanation: Provide the calculation of the average Sewer rate base for the test year, showing all adjustments. All non-used and useful items should be reported as Plant Held For Future Use.

Line No. Description	(1)	(2)	(3)	(4)	(5)
	Historical Test Year			Adjusted	Supporting
	Average	Average	Adjustments	Average	Schedules
	Balance	Balance		Balance	
	Per Books				
1 Utility Plant in Service	385,287	0	0	385,287	A-6
2 Utility Land & Land Rights	2,200	0	0	2,200	A-6
3 Less: Non-Used & Useful Components	0	(7,174)	(7,174)	(7,174)	A-7
4 Construction Work in Progress	0	0	0	0	
5 Less: Accumulated Depreciation	(282,952)	0	0	(282,952)	A-10
6 Less: CIAC	(285,550)	0	0	(285,550)	A-12
7 Accumulated Amortization of CIAC	240,663	0	0	240,663	A-14
8 Acquisition Adjustments	0	(21,078)	(21,078)	(21,078)	
9 Less: Accum. Amort. of Acq. Adjustments	0	4,569	4,569	4,569	
10 Less: Advances For Construction		0	0	0	A-16
11 Working Capital Allowance	0	9,495	9,495	9,495	A-17
12 Total Rate Base	<u>59,648</u>	<u>(14,188)</u>	<u>45,460</u>		

Schedule of Water Plant in Service By Primary Account

Florida Public Service Commission

Test Year Average balance

HC Waterworks, Inc.

REVISED Schedule: A-5

Docket No. 140158-WS

4/2/2015 Page: 1

Historical Test Year Ending June 30, 2014

Preparer: W T Rendell

Historical & Pro Forma

Explanation: Provide the ending balances and average of plant in service for the prior year and the test year by primary account. Also show non-used and useful amounts by account.

Line No.	(1) Acct No.	(2) Account Name	(3) Prior Year 06/30/13	(4) Test Year End 06/30/14	(5) Average Balance	(6) Non-Used & Useful %	(7) Useful Balance	(8) Pro Forma Plant	(9) Pro Forma YE	(10) Non-U&U Proforma
1		INTANGIBLE PLANT								
2	301.1	Organization	1,798	5,923	3,860	0.00%	0	0	3,860	-
3	302.1	Franchises	0	0	0	0.00%	0	0	-	-
4	339.1	Other Plant & Misc. Equipment	0	0	0	0.00%	0	0	-	-
6	303	Land & Land Rights	25,450	25,450	25,450	0.00%	0	0	25,450	-
7	304	Structures & Improvements	1,142,392	1,142,392	1,142,392	0.00%	0	0	1,142,392	-
8	305.2	Collect. & Impound Reservoirs	0	0	0	0.00%	0	0	-	-
9	306.2	Lake, River & Other Intakes	0	0	0	0.00%	0	0	-	-
10	307.2	Wells & Springs	164,182	196,412	180,297	0.00%	0	13,384	193,681	-
11	308.2	Infiltration Galleries & Tunnels	0	0	0	0.00%	0	0	-	-
12	309.2	Supply Mains	66,369	66,369	66,369	0.00%	0	0	66,369	-
13	310.2	Power Generation Equipment	123,123	123,123	123,123	0.00%	0	9,286	132,409	-
14	311.2	Pumping Equipment	152,872	160,734	156,803	0.00%	0	0	156,803	-
15	339.2	Other Plant & Misc. Equipment	0	0	0	0.00%	0	0	-	-
16		WATER TREATMENT PLANT								
18	304.3	Structures & Improvements	0	0	0	0.00%	0	0	-	-
19	311.3	Pumping Equipment	0	0	0	0.00%	0	0	-	-
20	320.3	Water Treatment Equipment	828,148	840,628	834,388	0.00%	0	755	835,143	-
21	339.3	Other Plant & Misc. Equipment	0	0	0	0.00%	0	0	-	-
22		TRANSMISSION & DISTRIBUTION PLANT								
24	304.4	Structures & Improvements	0	0	0	0.00%	0	0	-	-
25	311.4	Pumping Equipment	0	0	0	0.00%	0	0	-	-
26	330.4	Distr. Reservoirs & Standpipes	215,652	215,652	215,652	0.00%	0	0	215,652	-
27	331.4	Transm. & Distribution Mains	609,145	618,425	613,785	30.20%	185,351	0	613,785	-
28	333.4	Services	91,582	91,582	91,582	0.00%	0	0	91,582	-
29	334.4	Meters & Meter Installations	250,251	251,262	250,756	0.00%	0	0	250,756	-
30	335.4	Hydrants	18,345	18,345	18,345	0.00%	0	0	18,345	-
31	336.4	Backflow Prevention	548	548	548	0.00%	0	0	548	-
32	339.4	Other Plant & Misc. Equipment	2,647	2,647	2,647	0.00%	0	0	2,647	-
33		GENERAL PLANT								
35	304.5	Structures & Improvements	0	834	417	0.00%	0	0	417	-
36	340.5	Office Furniture & Equipment	0	0	0	0.00%	0	0	-	-
37	340.51	Computer Equipment	0	0	0	0.00%	0	0	-	-
38	341.5	Transportation Equipment	0	0	0	0.00%	0	0	-	-
39	342.5	Stores Equipment	0	0	0	0.00%	0	0	-	-
40	343.5	Tools, Shop & Garage Equipment	3,031	3,031	3,031	0.00%	0	0	3,031	-
41	344.5	Laboratory Equipment	13,624	13,624	13,624	0.00%	0	0	13,624	-
42	345.5	Power Operated Equipment	0	0	0	0.00%	0	0	-	-
43	346.5	Communication Equipment	0	0	0	0.00%	0	0	-	-
44	347.5	Miscellaneous Equipment	4,871	4,871	4,871	0.00%	0	0	4,871	-
45	348.5	Other Tangible Plant	0	0	0	0.00%	0	0	-	-
46		TOTAL	3,714,030	3,781,851	3,747,940		185,351	23,425	3,771,365	-

Schedule of Sewer Plant in Service By Primary Account

Florida Public Service Commission

Test Year Average balance

HC Waterworks, Inc.

REVISED Schedule: A-6

Docket No. 140158-WS

4/2/2015 Page: 1

Historical Test Year Ending June 30, 2014

Preparer: WT Rendell

Historical & Pro Forma

Explanation: Provide the ending balances and average of plant in service for the prior year and the test year by primary account. Also show non-used and useful amounts by account.

Line No.	(1) Acct No.	(2) Account Name	(3) Prior Year 06/30/13	(4) Test Year End 06/30/14	(5) Average Balance	(6) Non-Used & Useful %	(7) Balance
1		INTANGIBLE PLANT					
2	351.1	Organization	750	914	832	0.00%	0
3	352.1	Franchises	298	298	298	0.00%	0
4	389.1	Other Plant & Misc. Equipment	0	0	0	0.00%	0
5		COLLECTION PLANT					
6	353.2	Land & Land Rights	0	0	0	0.00%	0
7	354.2	Structures & Improvements	4,580	4,580	4,580	0.00%	0
8	355.2	Power Generation Equipment	17,947	17,947	17,947	0.00%	0
9	360.2	Collection Sewers - Force	0	0	0	7.17%	0
10	361.2	Collection Sewers - Gravity	167,963	167,963	167,963	7.17%	12,037
11	362.2	Special Collecting Structures	0	0	0	0.00%	0
12	363.2	Services to Customers	26,876	26,876	26,876	0.00%	0
13	364.2	Flow Measuring Devices	7,695	7,695	7,695	0.00%	0
14	365.2	Flow Measuring Installations	0	0	0	0.00%	0
15	389.2	Other Plant & Misc. Equipment	0	0	0	0.00%	0
16		SYSTEM PUMPING PLANT					
17	353.3	Land & Land Rights	0	0	0	0.00%	0
18	354.3	Structures & Improvements	0	0	0	0.00%	0
19	355.3	Power Generation Equipment	0	0	0	0.00%	0
20	370.3	Receiving Wells	11,836	11,836	11,836	7.17%	848
21	371.3	Pumping Equipment	29,607	29,607	29,607	7.17%	2,122
22	389.3	Other Plant & Misc. Equipment	0	0	0	0.00%	0
23		TREATMENT AND DISPOSAL PLANT					
24	353.4	Land & Land Rights	2,200	2,200	2,200	0.00%	0
25	354.4	Structures & Improvements	0	0	0	31.68%	0
26	355.4	Power Generation Equipment	0	0	0	31.68%	0
27	380.4	Treatment & Disposal Equipment	113,609	113,609	113,609	31.68%	35,988
28	381.4	Plant Sewers	0	0	0	31.68%	0
29	382.4	Outfall Sewer Lines	934	934	934	31.68%	296
30	389.4	Other Plant & Misc. Equipment	2,126	2,126	2,126	31.68%	674
31		RECLAIMED WATER TREATMENT PLANT					
32	353.5	Land & Land Rights	0	0	0	0.00%	0
33	354.5	Structures & Improvements	0	0	0	0.00%	0
34	355.5	Power Generation Equipment	0	0	0	0.00%	0
35	371.5	Pumping Equipment	0	0	0	0.00%	0
36	374.5	Reuse Distribution Reservoirs	0	0	0	0.00%	0
37	380.5	Treatment & Disposal Equipment	0	0	0	0.00%	0
38	381.5	Plant Sewers	0	0	0	0.00%	0
39	389.5	Other Plant & Misc. Equipment	0	0	0	0.00%	0
40		RECLAIMED WATER DISTRIBUTION PLANT					
41	352.6	Franchises	0	0	0	0.00%	0
42	353.6	Land & Land Rights	0	0	0	0.00%	0
43	354.6	Structures & Improvements	0	0	0	0.00%	0
44	355.6	Power Generation Equipment	0	0	0	0.00%	0
45	366.6	Reuse Services	0	0	0	0.00%	0
46	367.6	Reuse Meters & Meter Installations	0	0	0	0.00%	0
47	371.6	Pumping Equipment	0	0	0	0.00%	0
48	375.6	Reuse Transmission & Distr. Sys.	0	0	0	0.00%	0
49	389.6	Other Plant & Misc. Equipment	0	0	0	0.00%	0
50		GENERAL PLANT					
51	353.7	Land & Land Rights	0	0	0	0.00%	0
52	354.7	Structures & Improvements	0	0	0	0.00%	0
53	390.7	Office Furniture & Equipment	0	0	0	0.00%	0
54	390.71	Computer Equipment	0	0	0	0.00%	0
55	391.7	Transportation Equipment	0	0	0	0.00%	0
56	392.7	Stores Equipment	0	0	0	0.00%	0
57	393.7	Tools, Shop & Garage Equipment	984	984	984	0.00%	0
58	394.7	Laboratory Equipment	0	0	0	0.00%	0
59	395.7	Power Operated Equipment	0	0	0	0.00%	0
60	396.7	Communication Equipment	0	0	0	0.00%	0
61	397.7	Miscellaneous Equipment	0	0	0	0.00%	0
62	398.7	Other Tangible Plant	0	0	0	0.00%	0
63	TOTAL		387,405	387,569	387,487		51,964

Schedule of Water Net Operating Income

Florida Public Service Commission

HC Waterworks, Inc.
 Docket No. 140158-WS
 Historical Test Year Ending June 30, 2014
 Historical & Pro Forma

REVISED Schedule: B-1 Revised
 4/2/2015 Page: 1 of 1
 Preparer: W T Rendell

Explanation: Provide the calculation of net operating income for the test year. If amortization (Line 4) is related to any amount other than an acquisition adjustment, submit an additional schedule showing a description and calculation of charge.

Line No.	(1) Description	(2) Per Books Test Year	(3) Utility Test Year Adjustment	(4) Adjusted Test Year	(5) Requested Revenue Adjustment	(6) Requested Annual Revenues	(7) Supporting Schedules
1	OPERATING REVENUES	390,596	5,058	395,654	136,182	531,836	B-4, E-2
2	Operation & Maintenance	299,336	6,117	305,453	2,668	308,121	B-5, B-3
3	Depreciation, net of CIAC Amort., U&U	95,608	3,057	98,665	0	98,665	B-13, B-3
4	Amortization		(78,581)	(78,581)	0	(78,581)	B-3
5	Taxes Other Than Income	59,409	(2,941)	56,467	6,128	62,595	B-15, B-3
6	Provision for Income Taxes	0	0	0	0	0	C-1, B-3
7	OPERATING EXPENSES	454,352	(72,348)	382,004	8,796	390,800	
8	NET OPERATING INCOME	(63,755)	77,406	13,650	127,386	141,036	
9	RATE BASE	2,680,005	(868,032)	1,811,974		1,811,974	A-1
10	RATE OF RETURN	-2.38%		0.75%		7.78%	

Schedule of Sewer Net Operating Income

Florida Public Service Commission

HC Waterworks, Inc.
 Docket No. 140158-WS
 Historical Test Year Ending June 30, 2014
 Historical & Pro Forma

REVISED Schedule: B-2 Revised
 4/2/2015 Page: 1 of 1
 Preparer: W T Rendell

Explanation: Provide the calculation of net operating income for the test year. If amortization (Line 4) is related to any amount other than an acquisition adjustment, submit an additional schedule showing a description and calculation of charge.

Line No.	(1) Description	(2) Per Books Test Year	(3) Utility Test Year Adjustment	(4) Adjusted Test Year	(5) Requested Revenue Adjustment	(6) Requested Annual Revenues	(7) Supporting Schedules
1	OPERATING REVENUES	111,686	9,460	121,145	(44,371)	76,774	B-4, E-2
2	Operation & Maintenance	79,399	(3,439)	75,959	(869)	75,090	B-6, B-3
3	Depreciation, net of CIAC Amort., U&U	(372)	(2,553)	(2,925)	0	(2,925)	B-14, B-3
4	Amortization		(4,569)	(4,569)	0	(4,569)	B-3
5	Taxes Other Than Income	8,903	(1,269)	7,634	(1,997)	5,637	B-15, B-3
6	Provision for Income Taxes	0	0	0	0	0	C-1, B-3
7	OPERATING EXPENSES	87,930	(11,830)	76,100	(2,866)	73,234	
8	NET OPERATING INCOME	23,755	21,290	45,045	(41,505)	3,540	
9	RATE BASE	59,648	(14,188)	45,460		45,460	A-2
10	RATE OF RETURN	39.83%		99.09%		7.79%	