

State of Florida



# Public Service Commission

## -M-E-M-O-R-A-N-D-U-M-

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**DATE:** June 15, 2001  
**TO:** Orlando District Office (Winston)  
**FROM:** Denise N. Vandiver; Division of Regulatory Oversight *CW*  
**RE:** Docket No. 010828-SU; Harder Hall-Howard, Inc.; Audit Request: Determine Eligibility for Staff Assistance; Audit Control No. 01-165-3-1

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Complete the attached form for determining eligibility for staff assistance (Audit Control No. 01-165-3-1) and mail under a transmittal letter to Marshall Willis, Division of Economic Regulation, with a copy to me no later than July 2, 2001.

By copy of this memorandum, I request that Charleston Winston be added to the CASR distribution list.

### Attachment

cc: Office of Public Counsel  
Division of Regulatory Oversight (Halbert)  
Division of Records and Reporting (Moses)  
Division of Economic Regulation (Willis)

APP \_\_\_\_\_  
CAF \_\_\_\_\_  
CMP \_\_\_\_\_  
COM \_\_\_\_\_  
CTR \_\_\_\_\_  
ECR \_\_\_\_\_  
LEG \_\_\_\_\_  
OPC \_\_\_\_\_  
PAI \_\_\_\_\_  
RGO \_\_\_\_\_  
SEC  \_\_\_\_\_  
SER \_\_\_\_\_  
TH \_\_\_\_\_

DOCUMENT NUMBER-DATE  
07594 JUN 19 2001  
FPSC-RECORDS/REPORTING

COMPANY NAME \_\_\_\_\_

DOCKET NO. \_\_\_\_\_

AUDITOR \_\_\_\_\_

SHORT FORM RATE CASE (Applicable to WAW Only)

PRELIMINARY AUDIT SCOPE

|   | <u>YES</u> | <u>NO</u> |
|---|------------|-----------|
| (1) Does the utility have annual revenues of \$150,000 or less for each service provided or \$300,000 or less where the services are combined?  | _____      | _____     |
| (2) Were the applicant's books and records organized consistent with Rule 25-30.455, Florida Administrative Code, so as to allow Commission personnel to verify cost and other relevant factors within the 30-day time frame set out in the rule? | _____      | _____     |
| (3) Is the utility current in its filing of annual reports?<br>Date last report filed: _____  | _____      | _____     |
| (4) Is the utility current in its payment of applicable gross receipt tax or assessment fees? Date of last payment? _____ Amount? _____   | _____      | _____     |
| (5) Is the utility a subsidiary to a larger corporation? If yes - Name immediate parent.<br>_____   | _____      | _____     |
| (6) Is the utility included in a consolidated Federal Income Tax return? If yes - name immediate parent.<br>_____   | _____      | _____     |
| (7) Comments or other financial and accounting matters which came to the attention of the auditor during the review.  |            |           |

ORIGINAL

HARDER HALL-HOWARD, INC.  
3600 Golfview Road  
Sebring, FL 33875

RECEIVED FISC  
01 JUN 11 AM 11:59  
RECORDS AND  
REPORTING

June 4, 2001

Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0870

010828 - SU

Dear Sirs,

At this time we would like to request charging interest to  
past due accounts.

Sincerely,

Paul E. Howard  
Paul E. Howard, President  
Harder Hall-Howard, Inc.

010828 - SU

DOCUMENT NUMBER-DATE  
07203 JUN 11 01  
FPSC-RECORDS/REPORTING

FLORIDA PUBLIC SERVICE COMMISSION

APPLICATION FOR A  
STAFF ASSISTED RATE CASE

010828-SU

I. General Data

A. Name of utility Harder Hall-Howard, Inc.

B. Address 3600 Golfview Drive  
Sebring, FL 33872

1. Telephone Nos. (863) 382-0500

2. County Highlands Nearest city Sebring

3. General area served Harder Hall

C. Authority:

1. Water Certificate No. N/A Date received N/A

2. Sewer Certificate No. 349-S Date received 10-24-90

3. Date utility started operations: Water N/A Sewer 10-24-90

D. How system was acquired Purchased

If utility was purchased, give date 10-24-90 Amount Paid \_\_\_\_\_

1. Name of Seller \_\_\_\_\_

2. Was seller affiliated with present owners? No

3. Did you purchase: Stock No or assets only Yes

E. Type of legal entity: Corporation, Partnership or Sole  
Proprietorship Corporation

F. Ownership & Officers:

|    | <u>Name</u>             | <u>Title</u>           | <u>Percent<br/>Ownership</u> |
|----|-------------------------|------------------------|------------------------------|
| 1. | <u>Paul E. Howard</u>   | <u>Owner/President</u> | <u>90%</u>                   |
| 2. | <u>Evelyn N. Howard</u> | <u>Owner</u>           | <u>10%</u>                   |
| 3. | _____                   | _____                  | _____                        |
| 4. | _____                   | _____                  | _____                        |

G. List of Associated Companies and Addresses:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

H. If you have retained an attorney and/or a consultant to represent the utility for this application, furnish the name(s) and address(es):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

II. Accounting Data

A. Outside Accountant

1. Name William Benton
2. Firm NCT Group CPAs, L.L.P.
3. Address 435 S. Commerce Avenue, Sebring, FL 33870
4. Telephone (863) 385-1577

B. Individual to contact on accounting matters:

1. Name William Benton
2. Telephone (863) 385-1577

C. Location of books and records 3600 Golfview Drive  
Sebring, FL 33872

D. Have you filed an Annual Report with the Commission? Yes  
Date last filed 12-31-00

E. Has your latest semiannual regulatory assessment fee payment been made (January 30 or July 30 whichever is applicable)? N/A

F. Basic Rate Base Data (Most recent two years)

| 1. Water                       | <del>19</del> 2000 | 1999          |
|--------------------------------|--------------------|---------------|
| Cost of Plant In Service:      | \$ <u>N/A</u>      | \$ <u>N/A</u> |
| Less Accumulated Depreciation: | <u>N/A</u>         | <u>N/A</u>    |
| Less Contributed Plant:        | <u>N/A</u>         | <u>N/A</u>    |
| Net Owner's Investment:        | \$ <u>N/A</u>      | \$ <u>N/A</u> |

|                                | 2000<br><u>19__</u> | 1999              |
|--------------------------------|---------------------|-------------------|
| 2. Sewer                       |                     |                   |
| Cost of Plant In Service:      | \$ <u>619,848</u>   | \$ <u>616,793</u> |
| Less Accumulated Depreciation: | <u>(372,398)</u>    | <u>(358,785)</u>  |
| Less Contributed Plant:        | <u>(182,157)</u>    | <u>(191,655)</u>  |
| Net Owner's Investment:        | \$ <u>65,293</u>    | \$ <u>66,353</u>  |

G. Basic Income Statement (Most recent two years):

|  | 19__          | 19__          |
|--|---------------|---------------|
| 1. Water   |               |               |
| Revenues (By Class):   |               |               |
| a. _____   | \$ <u>N/A</u> | \$ <u>N/A</u> |
| b. _____   | <u>N/A</u>    | <u>N/A</u>    |
| c. _____   | <u>N/A</u>    | <u>N/A</u>    |
| Total Operating Revenues:  | \$ <u>N/A</u> | \$ <u>N/A</u> |
| Less Expenses:   |               |               |
| a. Salaries & Wages - Employees  | \$ <u>N/A</u> | \$ <u>N/A</u> |
| b. Salaries & Wages - Officers,<br>Directors, & Majority<br>Stockholders | <u>N/A</u>    | <u>N/A</u>    |
| c. Employee Pensions & Benefits  | <u>N/A</u>    | <u>N/A</u>    |
| d. Purchased Water   | <u>N/A</u>    | <u>N/A</u>    |
| e. Purchased Power   | <u>N/A</u>    | <u>N/A</u>    |
| f. Fuel for Power Production   | <u>N/A</u>    | <u>N/A</u>    |
| g. Chemicals   | <u>N/A</u>    | <u>N/A</u>    |
| h. Materials & Supplies  | <u>N/A</u>    | <u>N/A</u>    |
| i. Contractual Services  | <u>N/A</u>    | <u>N/A</u>    |
| j. Rents   | <u>N/A</u>    | <u>N/A</u>    |
| k. Transportation Expenses   | <u>N/A</u>    | <u>N/A</u>    |
| l. Insurance Expense   | <u>N/A</u>    | <u>N/A</u>    |
| m. Regulatory Commission Expense   | <u>N/A</u>    | <u>N/A</u>    |
| n. Bad Debt Expense  | <u>N/A</u>    | <u>N/A</u>    |
| o. Miscellaneous Expense   | <u>N/A</u>    | <u>N/A</u>    |
| p. Depreciation Expense  | <u>N/A</u>    | <u>N/A</u>    |
| q. Property Taxes  | <u>N/A</u>    | <u>N/A</u>    |
| r. Other Taxes   | <u>N/A</u>    | <u>N/A</u>    |
| s. Income Taxes  | <u>N/A</u>    | <u>N/A</u>    |
| Operating Income (Loss)  | \$ <u>N/A</u> | \$ <u>N/A</u> |

|  | <u>2000</u>      | <u>1999</u>      |
|--|------------------|------------------|
| 2. Sewer   |                  |                  |
| Revenues (By Class):   |                  |                  |
| a. <u>Residential</u>  | \$ <u>53,280</u> | \$ <u>55,529</u> |
| b. _____   | _____            | _____            |
| c. _____   | _____            | _____            |
| Total Operating Revenues:  | \$ <u>53,280</u> | \$ <u>55,529</u> |
| Less Expenses:   |                  |                  |
| a. Salaries & Wages - Employees  | \$ <u>-0-</u>    | \$ <u>-0-</u>    |
| b. Salaries & Wages - Officers,<br>Directors, & Majority<br>Stockholders | _____            | _____            |
| c. Employee Pensions & Benefits  | _____            | _____            |
| d. Purchased Sewage Treatment  | _____            | _____            |
| e. Sludge Removal Expense  | <u>3,273</u>     | <u>1,400</u>     |
| f. Purchased Power   | <u>7,027</u>     | <u>6,846</u>     |
| g. Fuel for Power Production   | _____            | _____            |
| h. Chemicals   | <u>3,563</u>     | <u>4,191</u>     |
| i. Materials & Supplies  | _____            | _____            |
| j. Contractual Services  | <u>22,348</u>    | <u>16,690</u>    |
| k. Rents   | _____            | _____            |
| l. Transportation Expenses   | <u>1,132</u>     | <u>876</u>       |
| m. Insurance Expense   | <u>665</u>       | _____            |
| n. Regulatory Commission Expense   | _____            | _____            |
| o. Bad Debt Expense  | _____            | _____            |
| * p. Miscellaneous Expense   | <u>1,613</u>     | <u>1,332</u>     |
| q. Depreciation Expense  | <u>4,627</u>     | <u>4,534</u>     |
| r. Property Taxes  | <u>2,940</u>     | <u>3,312</u>     |
| s. Other Taxes   | <u>3,156</u>     | <u>3,294</u>     |
| t. Income Taxes  | _____            | _____            |
| Operating Income (Loss)  | \$ <u>2,936</u>  | \$ <u>13,054</u> |

H. Outstanding Debt:

|    | <u>Creditor</u>        | <u>Date<br/>Borrowed</u> | <u>Balance<br/>Due</u> | <u>Interest<br/>Rate</u> | <u>Expiration<br/>Date</u> |
|----|------------------------|--------------------------|------------------------|--------------------------|----------------------------|
| 1. | <u>PEH Enterprises</u> | _____                    | <u>\$65,629</u>        | <u>5%</u>                | _____                      |
| 2. | _____                  | _____                    | _____                  | _____                    | _____                      |
| 3. | _____                  | _____                    | _____                  | _____                    | _____                      |
| 4. | _____                  | _____                    | _____                  | _____                    | _____                      |

I. Indicate Type of Tax Return Filed:

\_\_\_\_\_ Form 1120 - Corporation  
  x   Form 1120S - Subchapter S Corporation  
 \_\_\_\_\_ Form 1065 - Partnership  
 \_\_\_\_\_ Form 1040 - Schedule C - Individual (Proprietorship)

\* Miscellaneous expense includes miscellaneous expense of \$11,411 for 2000 & \$11,122 for 1999 and amortization of CIAC expense of (\$9,798) for 2000 & (\$9,970) for 1999.

III. Engineering Data

A. Outside Engineering Consultant:

1. Name Polston Engineering, Inc.
2. Firm \_\_\_\_\_
3. Address 2925 Kenilworth Blvd. Sebring, FL 33872
4. Telephone (863) 385-5564

B. Individual to contact on engineering matters:

1. Name Dale Polston
2. Telephone (863) 385-5564

C. Is the utility under citation by the Department of Environmental Regulation (DER) or county health department? If yes, explain. NO

\_\_\_\_\_

\_\_\_\_\_

D. List any known service deficiencies and steps taken to remedy problems. None

E. Name of plant operator(s) and DER operator certificate number(s) held. Theodore A. Long 000-4969

F. Is the utility serving customers outside of its certificated area? No If yes, explain. \_\_\_\_\_

G. Wastewater:

1. Gallons per day capacity of treatment facilities existing 22,500  
\_\_\_\_\_ under construction 0 proposed 99,000
2. Type and make of present treatment facilities Steel, Davco
3. Approximate average daily flow of treatment plant effluent \_\_\_\_\_  
April 2000 - March 2001 = 26,000 gpd
4. Approximate length of sewer mains:  
Size (diameter) \_\_\_\_\_  
Linear feet \_\_\_\_\_
5. Number of manholes 58
6. Number of liftstations 3
7. How do you measure treatment plant effluent? Electro Mechanical Meter
8. Is the treatment plant effluent chlorinated? Yes If yes, what is the normal dosage rate? Basic Disinfection  
Minimum of 0.5 mg/L



9. Tap in fees - Sewer \$ 300.00
10. Service availability fees - Sewer \$ \_\_\_\_\_
11. Note DER Treatment Plant Certificate Number and date of expiration: Number \_\_\_\_\_ Expiration Date \_\_\_\_\_
12. Total gallons treated during most recent twelve months 9,392,000 gal.
13. Sewage treatment purchased during most recent twelve months N/A

H. Water

1. Gallons per day capacity of treatment facilities existing \_\_\_\_\_  
N/A under construction N/A proposed N/A
2. Type of treatment N/A
3. Approximate average daily flow of treated water N/A
4. Source of water supply N/A
5. Types of chemicals used and their normal dosage rates N/A
6. Number of wells in service N/A Total capacity in gallons per minute (gpm) N/A  
 Diameter/Depth \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
 Motor horsepower \_\_\_\_\_  
 Pump capacity (gpm) \_\_\_\_\_
7. Reservoirs and/or hydropneumatic tanks:  
 Description N/A \_\_\_\_\_  
 Capacity N/A \_\_\_\_\_
8. High service pumping:  
 Motor horsepower N/A \_\_\_\_\_  
 Pump capacity (gpm) N/A \_\_\_\_\_
9. How do you measure treatment plant production? N/A
10. Approximate feet of water mains:  
 Size (diameter) N/A \_\_\_\_\_  
 Linear feet N/A \_\_\_\_\_

11. Note any fire flow requirements and imposing government agency  
N/A
12. Number of fire hydrants in service N/A
13. Do you have a meter change out program? N/A
14. Meter installation or tap in fees - Water \$ N/A
15. Service availability fees - Water \$ N/A
16. Has the existing treatment facility been approved by DER?  
N/A
17. Total gallons pumped during most recent twelve months N/A
18. Total gallons sold during most recent twelve months N/A
19. Gallons unaccounted for during most recent twelve months N/A
20. Gallons purchased during most recent twelve months N/A

IV. Rate Data

A. Individual to contact on tariff matters:

1. Name Paul E. Howard
2. Telephone Number (863) 382-0500

B. Schedule of present rates (Attach additional sheet if more space is needed):

1. Water:

- |                      |            |
|----------------------|------------|
| a. Residential Water | <u>N/A</u> |
| b. General Service   | <u>N/A</u> |
| c. Special Contract  | <u>N/A</u> |
| d. Other             | <u>N/A</u> |

2. Sewer:

- |                                      |                     |                                 |
|--------------------------------------|---------------------|---------------------------------|
| a. Residential Sewer                 | <u>\$19.73 Base</u> | <u>\$2.16 per 1,000 Gallons</u> |
| b. General Service                   | <u>\$19.73 Base</u> | <u>\$2.59 per 1,000 Gallons</u> |
| c. Special Contract                  | <u>N/A</u>          |                                 |
| d. Other (Multi-Residential Service) | <u>\$19.73 Base</u> | <u>\$2.16 per 1,000 Gallons</u> |

C. Number of Customers (Most recent two years):

|                     | 2000<br><del>19</del> | 19 99 |
|---------------------|-----------------------|-------|
| 1. Water Metered    |                       |       |
| a. Residential      | N/A                   | N/A   |
| b. General Service  | N/A                   | N/A   |
| c. Special Contract | N/A                   | N/A   |
| d. Other - specify  | N/A                   | N/A   |
|                     | N/A                   | N/A   |
| 2. Water Unmetered  | 2000<br><del>19</del> | 19 99 |
| a. Residential      | N/A                   | N/A   |
| b. General Service  | N/A                   | N/A   |
| c. Special Contract | N/A                   | N/A   |
| d. Other - specify  | N/A                   | N/A   |
|                     | N/A                   | N/A   |
| 3. Sewer            | 2000<br><del>19</del> | 19 99 |
| a. Residential      | 81                    | 80    |
| b. General Service  |                       |       |
| c. Special Contract |                       |       |
| d. Other - specify  |                       |       |
|                     |                       |       |

V Affirmation

I, Paul E. Howard the undersigned owner, officer, or partner of the above named public utility, doing business in the State of Florida and subject to the control and jurisdiction of the Florida Public Service Commission, certify that the statements set forth herein are true and correct to the best of my information, knowledge and belief.

Signed Paul E. Howard  
 Title President

Notice: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.