

**Eric Fryson**

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**From:** Carl Smith [csmith@uswatercorp.net]  
**Sent:** Wednesday, August 15, 2012 6:52 AM  
**To:** Filings@psc.state.fl.us  
**Cc:** Carl Smith  
**Subject:** docket number 120158-SU refile of Exhibit J  
**Attachments:** Docket no 120158 SU\_harbor waterworks Exhibit J.pdf

Attached is our refiling of exhibit J.

Thank you

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DOCUMENT NUMBER-DATE

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8/15/2012

# HARBOR WATERWORKS, INC.

5320 Captains Court \* New Port Richey, FL 34652 \* Telephone Number: (727) 848 - 8292

August 14, 2012

Ms. Ann Cole, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

VIA EMAIL

Re: Docket No. 120158-SU – Application for approval of transfer, and original certificate for an existing wastewater system, requesting initial rates and charges in Lake County by Harbor Waterworks, Inc. – Re-file of EXHIBIT J

Ms. Cole:

Attached you will find Harbor Waterworks, Inc.'s re-submittal of Exhibit J. Harbor Waterworks, Inc. requests this new Exhibit J replace the current Exhibit J on file.

Respectfully,



Gary Deremer, President  
Harbor Waterworks, Inc.  
5320 Captains Court,  
New Port Richey, FL 34652

C: file

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Schedule A

Summary - Rate Base, Operating Income

Harbor Waterworks, Inc.  
Application for Original Certificate  
and Establishment of Initial Rates  
and Charges

	Performa Balance
Utility Plant	\$ 2,300,062.04
Depreciation	\$ 1,737,060.31
Net Utility Plant in Service	\$ 563,001.73
CIAC - Lines, Lift stations, Manholes:	\$ 1,310,783.95
CIAC - Land	\$ -
Amoritized CIAC	\$ 942,575.67
Net CIAC:	\$ 368,208.28
Net Plant	\$ 194,793.45
Allowance for Working Capital	\$ 12,583.41
Rate Base	\$ 207,376.86
Rate of Return	\$ 0.0755
Operating Income	\$ 15,656.95

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Schedule B

Depreciation

NARUC Acct No.	Description	Years In Service	Estimated Original Cost	PSC Depreciation Rate %	Depreciation Expense	Accumulated Depreciation	Capacities Annual ERC's	Annual Gallons
351	Organization	0	\$ 5,500.00	2.50%	\$ 137.50	\$ 1,375.00	2400	14,400,000
354	Structures & Improvements	40	\$ 915,167.50	3.13%	\$ -	\$ 915,167.50	2400	14,400,000
360	Collection - Sewer	40	\$ 650,133.09	3.13%	\$ -	\$ 650,133.09	2400	14,400,000
360	Collection - Sewer	0	\$ 471,517.95	3.13%	\$ 14,758.51	\$ 103,309.58	2400	14,400,000
371	Pumping equipment (Lift stations)	0	\$ 174,250.00	3.13%	\$ 5,454.03	\$ 38,178.18	2400	14,400,000
354	Structures & Improvements	2	\$ 32,500.00	3.13%	\$ 1,017.25	\$ 12,207.00	2400	14,400,000
354	Structures & Improvements	0	\$ 47,993.50	3.13%	\$ 1,502.20	\$ 15,021.97	2400	14,400,000
380	Treatment & Disposal Equipment	0	\$ 3,000.00	5.56%	\$ 166.80	\$ 1,668.00	2400	14,400,000
<b>Total:</b>			\$ 2,300,062.04		\$ 23,036.28	\$ 1,737,060.31	2400	14,400,000

Harbor Waterworks, Inc. Application for Original Certificate and  
Establishment of Initial Rates and Charges

Schedule C

Harbor Waterworks, Inc. Application for Original  
Certificate and Establishment of Initial Rates and  
Charges

Categories	Estimated Amount	Proforma Adjustments	Proforma Amount
Operating Revenue	\$ -	\$ 143,170.60	\$ 143,170.60
Operating Expense			
O&M Expense	\$ 96,365.58		\$ 96,365.58
Depreciation	\$ 23,036.28		\$ 23,036.28
Taxes Other Than Income	\$ 2,000.00	\$ 6,111.78	\$ 8,111.78
	<u>\$ 121,401.86</u>		<u>\$ 127,513.64</u>
Operating Income (loss)	<u>\$ (121,401.86)</u>	<u>\$ 137,058.82</u>	<u>\$ 15,656.95</u>
Rate Base	<u>\$ 207,376.86</u>		<u>\$ 207,376.86</u>
Rate of Return	-59%		7.55%
Total Revenue Requested to Realize a 7.55% rate of return.			<u>\$ 143,170.60</u>
Regulatory Assessment Fees:	<u>\$ 6,111.78</u>	FPSC Formula	

Schedule D

Detail O&M Budget (based on 80% of Permitted Capacity):

Harbor Waterworks, Inc. Application for  
Original Certificate and Establishment of Initial  
Rates and Charges

Line No.	NARUC Acct. No.	Description	Estimated Amount
1	615	Purchased Power	\$ 21,685.00
2	618	Chemicals	\$ 4,199.04
3	634	Contractual Services	\$ 39,466.00
4	634	Management Fees	
5	635	Insurance - Property, Casualty & Liability	\$ 13,495.54
6	675	Miscellaneous	
7		Sludge	\$ 17,520.00
		Total Estimated O&M Expenses	<u>\$ 96,365.58</u>

Proposed Service Availability:

Schedule F

Harbor Waterworks, Inc. Application  
for Original Certificate and Establishment of  
Initial Rates and Charges

Proposed Main Extension Charge for new Customers Added to the Existing System:

Line No.	Description		
1	Value of all costs associated with providing service to 58 residential and 3 commercial customers:	\$	296,600.00
2	Number of ERCs:		78
3	Cost Per ERC:	\$	3,802.56
4	<b>Proposed Main Extension Charge for New Customers:</b>	<b>\$</b>	<b><u>3,802.56</u></b>

Harbor Waterworks, Inc. Application for  
Original Certificate and Establishment of Initial  
Rates and Charges

Schedule H

Line No.		Estimated Amount	Proforma Adjustments	Proforma Amount
1	Operating Revenue	\$ -	\$ 118,037.77	\$ 143,170.60
2	Operating Expense			
3	O&M Expense	\$ 96,365.58		\$ 96,365.58
4	Depreciation	\$ 23,036.28		\$ 23,036.28
5	Taxes Other Than Income	\$ 2,000.00	\$ 6,111.78	\$ 8,111.78
6		<u>\$ 121,401.86</u>		<u>\$ 127,513.64</u>
7	Operating Income (loss)	<u>\$ (121,401.86)</u>	<u>\$ 118,037.77</u>	<u>\$ 15,656.95</u>
8	Rate Base	<u>\$ 207,376.86</u>		<u>\$ 207,376.86</u>
9	Rate of Return	-59%		7.55%
10	Total Revenue Requested to Realize a 7.55% rate of return.			<u>\$ 143,170.60</u>
11	Regulatory Assessment Fees:	<u>\$ 5,075.62</u>		

Schedule Reference

	Revenue	Rev @50%	Rev @ 50%
Total Revenue Requested:	\$ 143,170.60		
50% for BFC:		\$ 71,585.30	
50% for Volume Charge:			\$ 71,585.30
ERCs:	200		Assume 160 gallons/day
No of Months:	12		
Annual Number of ERCs:	2400		
BFC:	\$ 29.83		
Volume Charge	\$ 4.86		
Bill based on Cap of 6,000 gallons:	\$ 56.99	Gal - 2016	14400
Total gallons:	14400000		

Rate Calculations for RS and GS Volumetric Charge			
Cap: 6000 gallons.			
Proposed ERCs by Class:			
	180 Residential Service		
	20 General Service		
	200 ERCs Total		
13,000,000	RS Annual Gallons	at 80%	10,400,000
1,440,000	GS Annual gallons	at 96%	1,382,000
\$ 71,585.30	Annual Volume Revenue		11,782,000
\$ 6.08	per thousand gallons therefore Below is RS/GS Calculation		
\$ 4.86	\$	4.86	RS Charge per 1000 gallons
\$ 5.83	\$	5.83	GS Charge Per 1000 gallons