

STATE OF FLORIDA

COMMISSIONERS:
RONALD A. BRISÉ, CHAIRMAN
LISA POLAK EDGAR
ART GRAHAM
EDUARDO E. BALBIS
JULIE I. BROWN



DIVISION OF ENGINEERING
TOM BALLINGER
DIRECTOR
(850) 413-6910

Public Service Commission

December 17, 2013

Mr. Gary Deremer
HC Waterworks, Inc.
4939 Cross Bayou Blvd.
North Port Richey, FL 34652

Re: Docket No. 130175-WS - Application for approval of transfer of certain water and wastewater facilities and Certificate Nos. 422-W and 359-S of Aqua Utilities Florida, Inc. to HC Waterworks, Inc. in Highlands County.

Dear Mr. Deremer:

In response to your answers to the second deficiency letter from the Commission dated October 31, 2013, staff now believes that your application is complete. To further clarify the application, please find Staff's First Data Request, (p. 2), concerning the above referenced application.

We ask that you please provide a response to this data request by **January 16, 2014**. If you have any questions concerning the items identified below, please contact me by phone (850) 413-6952, or by e-mail at mwatts@psc.state.fl.us, or Martha Barrera by phone (850) 413-6212 or by e-mail at mbarrera@psc.state.fl.us.

Sincerely,

A handwritten signature in blue ink that reads "Melinda Watts" with a stylized flourish at the end.

Melinda Watts
Engineering Specialist
Division of Engineering

MW:pz

cc: Division of Accounting & Finance (A. Norris)
Division of Economics (S. Bruce)
Division of Engineering (M. Watts)
Office of the General Counsel (M. Barrera)
Office of Commission Clerk (Docket No. 130175-WS)

Staff's First Data Request

1. Please provide a three-year projected budget that includes rate base, cost of capital, and net operating income. Please provide all supporting documentation, including information regarding the assumptions and forecasts relied upon. Please provide all work papers associated with the creation of the budget.
2. Per the Bill of Sale the total purchase price for the assets was \$10. Per the Application for Transfer (Exhibit D, Section 1.3: Consideration) the total purchase price for the assets was \$1,363,188. Per a review of court house records at the Highlands County Clerk's office, as well as a note upon the quit claim deed, a consideration paid of \$1,858,023 is shown. Please provide documentation explaining this discrepancy, as well as documentation of price paid including, but not limited to, a canceled check.