

Shawna Senko

From: Joseph Gabay <jgabay@uswatercorp.net>
Sent: Friday, February 07, 2014 4:13 PM
To: Filings@psc.state.fl.us
Cc: Vickie Penick
Attachments: Brevard 2014 PSC Annual Proforma.pdf

Commission Clerk:

Attached please find the Brevard Waterworks Inc. 2014 Pro Forma.

Pro Forma Data for 2014 – 6 pg.
Cover Letter – 1 pg.

Joseph G. Gabay
Utilities Controller
U.S. Water Services Corporation



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BREVARD: Proforma Assumptions

P&L: (1) Annual Revenue Index Utilitized 1.5%
(2) Purchased Water Cost Increased Annually 1.5%

Rate Base: (1) Depreciation Estimated
(2) CIAC Estimated

UTILITY NAME:

Brevard Waterworks

**PROFORMA
2014**

**SCHEDULE OF CURRENT COST OF CAPITAL
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING (1)**

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (2) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (3) (d)	WEIGHTED COST (c x d) (e)
Common Equity	\$ 93,134	100.00%	8.74%	8.74%
Preferred Stock	0	0.00%	_____	0.00%
Long Term Debt	0	0.00%	_____	0.00%
Customer Deposits	0	0.00%	_____	0.00%
Tax Credits - Zero Cost	0	0.00%	_____	0.00%
Tax Credits - Weighted Cost	0	0.00%	_____	0.00%
Deferred Income Taxes	0	0.00%	_____	0.00%
Other (Explain)	0	0.00%	_____	0.00%
Total	\$ 93,134	100.00%		8.74%

(1) If the utility's capital structure is not used, explain which capital structure is used.

(2) Should equal amounts on Schedule F-6, Column (g).

(3) Mid-point of the last authorized Return On Equity or current leverage formula if none has been established.

Must be calculated using the same methodology used in the last rate proceeding using current annual report year end amounts and cost rates.

APPROVED RETURN ON EQUITY

Current Commission Return on Equity:	
Commission order approving Return on Equity:	

APPROVED AFUDC RATE

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING YEAR

Current Commission Approved AFUDC rate:	
Commission order approving AFUDC rate:	

If any utility capitalized any charge in lieu of AFUDC (such as interest only), state the basis of the charge, an explanation as to why AFUDC was not charged and the percentage capitalized.

UTILITY NAME:

Brevard Waterworks

**PROFORMA
2014**

COMPARATIVE OPERATING STATEMENT

COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	2014 YEAR * (e)	WATER SCHEDULE W-3 * (f)	WASTEWATER SCHEDULE S-3 * (g)	OTHER THAN REPORTING SYSTEMS (h)
UTILITY OPERATING INCOME							
400	Operating Revenues	F-3(b)	\$ _____	\$ 123,340	123,340	_____	\$ _____
469, 530	Less: Guaranteed Revenue and AFPI	F-3(b)			0		
Net Operating Revenues			\$ _____ 0	\$ 123,340	123,340	_____	\$ _____ 0
401	Operating Expenses	F-3(b)	\$ _____	\$ 136,467	136,467		\$ _____
403	Depreciation Expense:	F-3(b)	\$ _____	\$ 3,920	3,920		
	Less: Amortization of CIAC	F-22		358	358		
Net Depreciation Expense			\$ _____ 0	\$ 3,561	3,561	_____	\$ _____ 0
406	Amortization of Utility Plant Acquisition	F-3(b)			0		
407	Amortization Expense (Other than CIAC)	F-3(b)			0		
408	Taxes Other Than Income	W/S-3		373	373		
409	Current Income Taxes	W/S-3			0		
410.1	Deferred Federal Income Taxes	W/S-3			0		
410.11	Deferred State Income Taxes	W/S-3			0		
411.1	Provision for Deferred Income Taxes - Cr	W/S-3			0		
412.1	Investment Tax Credits Deferred to Future	W/S-3			0		
412.11	Investment Tax Credits Restored to Opera	W/S-3			0		
Utility Operating Expenses			\$ _____ 0	\$ 140,401	140,401	_____	\$ _____ 0
Net Utility Operating Income			\$ _____ 0	\$ (17,062)	(17,062)	_____	\$ _____ 0
469, 530	Add Back: Guaranteed Revenue and AFPI	F-3(b)			0		
413	Income From Utility Plant Leased to Others				0		
414	Gains (losses) From Disposition of Utility Property				0		
420	Allowance for Funds Used During Construction				0		
Total Utility Operating Income [Enter here and on Page F-3(c)]			\$ _____ 0	\$ (17,062)	(17,062)	_____	\$ _____ 0

* For each account, Column e should agree with Columns f, g and h on F-3(b)

* Total of Schedules W-3 / S-3 for all rate groups.

UTILITY NAME:

Brevard Waterworks

COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	2014 YEAR (e)
Total Utility Operating Income [from page F-3(a)]			\$ 0	\$ (17,062)
OTHER INCOME AND DEDUCTIONS				
415	Revenues-Merchandising, Jobbing, and Contract Deductions		\$ _____	\$ _____
416	Costs & Expenses of Merchandising Jobbing, and Contract Work		_____	_____
419	Interest and Dividend Income		_____	_____
421	Nonutility Income		_____	_____
426	Miscellaneous Nonutility Expenses		_____	_____
Total Other Income and Deductions			\$ 0	\$ 0
TAXES APPLICABLE TO OTHER INCOME				
408.2	Taxes Other Than Income		\$ _____	\$ _____
409.2	Income Taxes		_____	_____
410.2	Provision for Deferred Income Taxes		_____	_____
411.2	Provision for Deferred Income Taxes - Credit		_____	_____
412.2	Investment Tax Credits - Net		_____	_____
412.3	Investment Tax Credits Restored to Operating Income		_____	_____
Total Taxes Applicable To Other Income			\$ 0	\$ 0
INTEREST EXPENSE				
427	Interest Expense	0	\$ _____	\$ 0
428	Amortization of Debt Discount & Expense	0	_____	0
429	Amortization of Premium on Debt	0	_____	0
Total Interest Expense			\$ 0	\$ 0
EXTRAORDINARY ITEMS				
433	Extraordinary Income		\$ _____	\$ _____
434	Extraordinary Deductions		_____	0
409.3	Income Taxes, Extraordinary Items		_____	_____
Total Extraordinary Items			\$ 0	\$ 0
NET INCOME			<u>\$ 0</u>	<u>\$ (17,062)</u>

Explain: Extraordinary Income

Proposed Operating Budget
Revision: 1/10/14

FY - 2014		2014	2015	2016
USAN's		Brevard	Brevard	Brevard
400	System Revenues (Note 1)			
461	Water Revenues:	\$ 117,206.13	\$ 117,645.65	\$ 118,086.82
522	Wastewater Revenues:	\$ -		
461	Other Revenues:	\$ 4,815.00	\$ 4,815.00	\$ 4,815.00
	Index for 2014/15/16 = Estimated 1.5% (April thru Dec ea yr)	\$ 1,318.57	\$ 1,323.51	\$ 1,328.48
	Total Utility Revenues:	\$ 123,339.70	\$ 123,784.17	\$ 124,230.30
	Operating Expenses:			
636	USW O & M Customer Service & Billing - Water	\$ 40,931.88	\$ 41,146.77	\$ 41,362.79
	USW O & M Customer Service & Billing - Water w/ Est. CPI Increase of 2.1% Every April p/contract	\$ 644.68	\$ 648.06	\$ 651.46
603	Officer Salaries	\$ 8,000.04	\$ 8,000.04	\$ 8,000.04
618/718	Chemicals	\$ -		
711	Sludge	\$ -		
670/770	Bad Debt Estimated 2% of Revenue	\$ 2,466.79	\$ 2,475.68	\$ 2,484.61
610/710	Purchase Water	\$ 73,061.94	\$ 74,157.87	\$ 75,270.24
615/715	Purchased Power	\$ -		
657	Insurance	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
640/740	Rents (land, etc.)	\$ -	\$ -	\$ -
675.4	Sunshine Locates	\$ 15.00	\$ 15.00	\$ 15.00
6758	Misc. Expenses / Minor Repair	\$ 1,440.00	\$ 1,440.00	\$ 1,440.00
675.1	SCADA/Phones	\$ -	\$ -	\$ -
630/730	Professional Fees (Accounting Costs)	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
	Total Direct Operating Expenses	\$ 130,560.33	\$ 131,883.43	\$ 133,224.14
	Subtotal: Net Operating Revenues	\$ (7,220.63)	\$ (8,099.26)	\$ (8,993.84)
	Allowances for Other Deductions:			
630/730	Legal	\$ -		
666/766	FPSC Fee:	\$ 5,550.29	\$ 5,570.29	\$ 5,590.36
	Other - Property Taxes:	\$ 373.32	\$ 373.32	\$ 373.32
801	Bank Fees	\$ 106.04	\$ 106.04	\$ 106.04
813	Office Supplies for the Utility	\$ 249.98	\$ 249.98	\$ 249.98
419.1	Interest Cost	\$ -		
	Total Other Cost	\$ 6,279.63	\$ 6,299.63	\$ 6,319.70
	Total Net Operating Revenue	\$ (13,500.26)	\$ (14,398.89)	\$ (15,313.54)
	ROR 8.74% (PURCH Price OF \$62,560.00 (03/28/13)	\$ 5,467.74	\$ 5,638.17	\$ 5,681.87
	Working Capital 1/8 of O&M Exp	\$ 16,320.04	\$ 16,485.43	\$ 16,653.02
403.1/.2	Depreciation	\$ 3,919.68	\$ 3,919.68	\$ 3,919.68
334	CIP / Meter Changeout	\$ 1,950.00	500	500
300's	CIP / Other	\$ -		
	R & R - (Minor Repairs Included in Misc Exp)	\$ -		

UTILITY NAME:

Brevard Waterworks

**PROFORMA
2014**

SCHEDULE OF YEAR END RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)
101	Utility Plant In Service	0	\$ 98,342	\$ 0
	Less:			
	Nonused and Useful Plant (1)			
108	Accumulated Depreciation	0	35,330	0
110	Accumulated Amortization	0	0	0
271	Contributions in Aid of Construction	0	7,803	0
252	Advances for Construction	0		
Subtotal			\$ 55,209	\$ 0
	Add:			
272	Accumulated Amortization of Contributions in Aid of Construction	0	1,865	0
Subtotal			\$ 57,075	\$ 0
	Plus or Minus:			
114	Acquisition Adjustments (2)	0	0	0
115	Accumulated Amortization of Acquisition Adjustments (2)	0	0	0
	Working Capital Allowance (3)		16,320	
	Other (Specify):			
	_____		_____	_____
	_____		_____	_____
	_____		_____	_____
RATE BASE			\$ 73,395	\$ 0
NET UTILITY OPERATING INCOME			\$ (17,062)	\$ 0
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			-23.25%	0.00%

BREVARD WATERWORKS, INC.

January 30, 2014

Office of Commission Clerk
FPSC
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RE: Brevard Waterworks, Inc. – Certificate No 002-W
System Docket: 130174-WU

Please accept the attached documents as previously submitted proformas 2014-2016.
The first submission was sent prematurely.

We appreciate your consideration in this regard.

We look forward to hearing further from the Commission. Please do not hesitate to contact us should further clarification be needed.

Respectfully Submitted,



s/Gary Deremer

Gary Deremer
President

xc: Carl Smith
V. Penick
Joseph Gabay

Enc.

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