

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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

DATE: May 15, 2014
TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk
FROM: Michael A. Springer, Public Utilities Supervisor, Division of Accounting & Finance *MSD*
RE: Docket No. 130175-WU - 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. *CSP*

Please include the attached documents into the docket file referenced above.

RECEIVED-FPSC
14 MAY 15 AM 8:10
COMMISSION
CLERK

HC Waterworks, Inc.
 Audit Report 13-199-2-3

| <u>Water Rate Base</u> | <u>Utility Balance</u> | <u>Adjustment</u> | <u>Audit Balance</u> |
|---------------------------------|------------------------|-------------------|----------------------|
| Plant in Service | \$ 3,686,016 | | \$ 3,686,016 |
| Land | \$ 25,450 | | \$ 25,450 |
| Accuulated Depreciation | \$ (585,769) | \$ (10,912) | \$ (596,681) |
| CIAC | \$ (838,480) | | \$ (838,480) |
| Accumulated Amortization - CIAC | \$ 444,576 | \$ 2,436 | \$ 447,012 |
| | <u>\$ 2,731,793</u> | <u>\$ (8,476)</u> | <u>\$ 2,723,317</u> |

One month Depreciation - Audit Finding 1
 \$ 10,912
 Annual Amount (x12)
 \$ 130,944

| | | <u>Depreciation Expense</u> | | <u>Remaining Life of Assets</u> |
|--------------------------|---------------------|-----------------------------|-----------|---------------------------------|
| Plant in Service | \$ 3,686,016 | | | |
| Accumulated Depreciation | \$ (596,681) | | | |
| | <u>\$ 3,089,335</u> | \$ 130,944 | 4.24 | 23.59 years |
| Check figure: | | | 3,089,335 | |

One month Depreciation - Audit Finding 1
 \$ 782
 Annual Amount (x12)
 \$ 9,384

| <u>Wastewater Rate Base</u> | <u>Utility Balance</u> | <u>Adjustment</u> | <u>Audit Balance</u> |
|---------------------------------|------------------------|-------------------|----------------------|
| Plant in Service | \$ 384,456 | | \$ 384,456 |
| Land | \$ 2,200 | | \$ 2,200 |
| Accuulated Depreciation | \$ (274,502) | \$ (782) | \$ (275,284) |
| CIAC | \$ (278,950) | | \$ (278,950) |
| Accumulated Amortization - CIAC | \$ 234,609 | \$ 575 | \$ 235,184 |
| | <u>\$ 67,813</u> | <u>\$ (207)</u> | <u>\$ 67,606</u> |

| | | <u>Depreciation Expense</u> | | <u>Remaining Life of Assets</u> |
|--------------------------|-------------------|-----------------------------|---------|---------------------------------|
| Plant in Service | \$ 384,456 | | | |
| Accumulated Depreciation | \$ (275,284) | | | |
| | <u>\$ 109,172</u> | \$ 9,384 | 8.60 | 11.63 years |
| Check figure: | | | 109,172 | |