

# HC Waterworks, Inc.

March 11, 2015

Office of Commission Clerk  
Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399

**Re: Docket No. 140158-WS – Application for increase in water and wastewater rates in Highlands County by HC Waterworks, Inc. – Billing Determinants**

Dear Commission Clerk,

In response to the PSC staff inquiry concerning billing determinants contained on MFR Schedule E-2w, HC Waterworks has reviewed its billing analysis and discovered scrivener's errors contained on Schedule E-2w and E-14, page 6 of 7. There is only one General Service Customer with a 3" meter who received 12 bills during the test year. The four (4) bills at a consumption level of zero (0) were in error. See attached Revised MFR Schedule E-14, page 6 of 7 and Revised MFR Schedule E-2w.

In addition, upon further investigation, it has been determined that the General Service Customer with a 2" meter is no longer a customer. The original MFR Schedules E-2w and E-14, page 5 of 7 indicated there were only 9 bills issued during the test year. This was due to fact that this customer was only a customer from July 2013 through January 2014. This business is no longer a customer of HC Waterworks. See attached Revised MFR Schedule E-14, page 5 of 7 and Revised MFR Schedule E-2w.

Finally, it was also determined that a customer previously identified as a "Residential" customer with a 1 ½" meter on MFR Schedule E-2w and E-14, page 3 of 7, is actually a County Fire Department that should have been classified as a General Service Customer. HC Waterworks has also revised this information on MFR Schedule E-2w and E-14, page 3 of 7.

Further, as a follow up to HC Waterworks letter dated February 25, 2015, in response to the customer meeting, HC Waterworks would like to supply additional clarification to its comments concerning customer billing of gallons used. Upon further investigation, it has been determined that the customers usage is only billed at a thousand gallon (1,000) increment once the meter reads at that level. There is no rounding "up" of gallons. For example, if a customer used 2,800 gallons in one month, they would only be billed for 2,000 gallons.

Respectfully Submitted,



Troy Rendell  
Manager of Regulated Utilities  
//for HC Waterworks, Inc.

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Revenue Schedule at Present and Proposed Rates

Florida Public Service Commission

HC Waterworks, Inc.  
 Docket No. 140158-WS  
 Historical Test Year Ending June 30, 2014  
 Water [ X ] or Sewer [ ]

Revised Schedule: E-2w (Revised)  
 Page: 1 of 1  
 Preparer: W T Rendell

Explanation: Provide a calculation of revenues at present and proposed rates using the billing analysis. Explain any differences between these revenues and booked revenues. If a rate change occurred during the test year, a revenue calculation must be made for each period.

Line No.	(1) Class/Meter Size	(2) Test Year Bills	(3) TY Cons in 1,000 gal.	(4) Test Year Rate	(5) Test Year Revenue	(6) Adjusted Bills	(7) Adjusted Cons	(8) Rate Prior to Filing	(9) Revenue at Rate Prior	(10) ProForma Block Cons	(11) Repressed Block Cons	(12) Proposed Rate/W/Rprsn	(13) Revenue at Rpsn Rates
1	<b>Residential</b>												
2	5/8" X 3/4"	10,998		18.92	208,082	10,998		18.92	208,082			21.87	240,526
3	3/4"	0		28.38	0	0		28.38	0			32.80	0
4	1"	24		47.31	1,135	24		47.31	1,135			54.66	1,312
5	1-1/2"	0		94.61	0	0		94.61	0			109.33	0
6	2"	0		151.38	0	0		151.38	0			174.92	0
7	3"	0		302.77	0	0		302.77	0			349.84	0
8	4"	0		473.07	0	0		473.07	0			546.63	0
9	<i>Gallonge Charge, per 1,000 gallons</i>												
10	0 - 6,000 gal.		23,753	6.46	153,444	(49)	23,704	6.46	153,128	0	23,704	7.62	180,624
11	6,001 - 12,000 gal.		3,192	9.71	30,994	(4)	3,188	9.71	30,955	(207)	2,981	11.42	34,047
12	Over 12,000 gal.		884	12.93	11,430		884	12.93	11,430	(57)	827	15.23	12,591
13	Total Residential	11,022	27,829		405,086	11,022	27,776		404,731	(264)	27,512		469,100
14	Average Bill				36.75		2.520		36.72				42.56
15													
16	<b>General Service</b>												
17	5/8" X 3/4"	48		18.92	908	48		18.92	908			21.87	1,050
18	3/4"	0		28.38	0	0		28.38	0			32.80	0
19	1"	0		47.31	0	0		47.31	0			54.66	0
20	1-1/2"	12		94.61	1,135	12		94.61	1,135			109.33	1,312
21	2"	0		151.38	0	0		151.38	0			174.92	0
22	3"	12		302.77	3,633	12		302.77	3,633			349.84	4,198
23	4"	0		473.07	0	0		473.07	0			546.63	0
24	6"	0		946.15	0	0		946.15	0			1,093.26	0
25	8"	0		1,513.83	0	0		1,513.83	0			1,749.22	0
26	Gallonge		2,494	7.25	18,082		2,494	7.25	18,082	2,494	2,494	8.20	20,451
27	Total General Serv	72	2,494		23,758	72	2,494		23,758	2,494	2,494		27,011
28	Average Bill				329.98				329.98				375.15
29													
30	<b>Irrigation</b>												
31	5/8" X 3/4"	0		18.92	0	0	NA	18.92	0			21.87	0
32	<i>Gallonge Charge, per 1,000 gallons</i>												
33	0 - 6,000 gal.		0	6.46	0	0	0	6.46	0	0	0	7.62	0
34	6,001 - 12,000 gal.		0	9.71	0	0	0	9.71	0	0	0	11.42	0
35	Over 12,000 gal.		0	12.93	0	0	0	12.93	0	0	0	15.23	0
36	Block 4		0	-	0	0	0	-	0	0	0	-	0
37	Total Irrigation	0	0		0	0	0		0	0	0		0
38	Average Bill				-				-				-
39													
40	<b>Fire Protection</b>												
41	2"	0	NA	12.62	0	0		12.62	0			14.58	0
42	3"	0	NA	25.23	0	0		25.23	0			29.15	0
43	4"	0	NA	39.43	0	0		39.43	0			45.55	0
44	6"	0	NA	78.85	0	0		78.85	0			91.11	0
45	8"	0	NA	126.16	0	0		126.16	0			145.77	0
46	10"	0	NA	181.34	0	0		181.34	0			209.54	0
47	Total Fire Protect	0	NA		0		NA		0	NA			0
48	Average Bill				-				-				-
49													
50	Subtot Billd Rev	11,094	30,323		428,845	11,094	30,270		428,489	2,230	30,006		496,111
51	Unbilled Revenues		2,527		(48,000)				-				-
52	Guaranteed Revenues				2,144				2,144				2,144
53	Misc. Service Charge				13,021				13,021				13,021
54	Adjustments to Customers				(355)								
55	Tot Billed Rev				395,654				443,654				511,275
56	Booked Revenue per GL				390,596								
57	Adjustments to Booked				0								
58	Bkd Rev Adjstd				390,596								
59	Difference				5,058		1.3%						

**Billing Analysis Schedules**

**Florida Public Service Commission**

**HC Waterworks, Inc.**

**Docket No. 140158-WS**

Historical Test Year Ending June 30, 2014

Water [ X ] or Sewer [ ]

Customer Class: General Service

Meter Size: 1 1/2"

**REVISED**

Schedule: E-14

Page: 3 of 7 (Revised)

Preparer: WT Rendell

Explanation: Provide a billing analysis for each class of service by meter size. For applicants having master metered multiple dwellings, provide number of bills at each level by meter size or number of bills categorized by the number of units. Round consumption to nearest 1,000 gallons and begin at zero. If a rate change occurred during the test year, provide a separate billing analysis which coincides with each period.

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Consumption Level	Number of Bills	Cumulative Bills	Gallons Consumed (1) X (2)	Cumulative Gallons	Reversed Bills	Consolidated Factor [(1)X(6)]+(5)	Percentage of Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	0	11	11	-	-	1	-	0.00%
2	1	0	11	-	-	1	1	0.00%
3	2	0	11	-	-	1	2	0.00%
4	3	0	11	-	-	1	3	0.00%
5	4	0	11	-	-	1	4	0.00%
6	5	0	11	-	-	1	5	0.00%
7	6	0	11	-	-	1	6	0.00%
8	7	0	11	-	-	1	7	0.00%
9	8	0	11	-	-	1	8	0.00%
10	9	0	11	-	-	1	9	0.00%
11	10	1	12	10	10	-	10	100.00%

**Billing Analysis Schedules**

**Florida Public Service Commission**

**HC Waterworks, Inc.**

**Revised**

Schedule: E-14 (Revised)

**Docket No. 140158-WS**

Page: 5 of 7

Historical Test Year Ending June 30, 2014

Preparer: W T Rendell

Water [ X ] or Sewer [ ]

Customer Class: General Service

Meter Size: 2"

Explanation: Provide a billing analysis for each class of service by meter size. For applicants having master metered multiple dwellings, provide number of bills at each level by meter size or number of bills categorized by the number of units. Round consumption to nearest 1,000 gallons and begin at zero. If a rate change occurred during the test year, provide a separate billing analysis which coincides with each period.

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Consumption Level (1)	Number of Bills (2)	Cumulative Bills (3)	Gallons Consumed (1) X (2) (4)	Cumulative Gallons (5)	Reversed Bills (6)	Consolidated Factor [(1)X(6)]+(5) (7)	Percentage of Total (8)
1	0	0	-	-	-	-	-	#DIV/0!
2	1	0	-	-	-	-	-	#DIV/0!
3	2	0	-	-	-	-	-	#DIV/0!
4	3	0	-	-	-	-	-	#DIV/0!
5	4	0	-	-	-	-	-	#DIV/0!
6	5	0	-	-	-	-	-	#DIV/0!
7	6	0	-	-	-	-	-	#DIV/0!
8	7	0	-	-	-	-	-	#DIV/0!
9	8	0	-	-	-	-	-	#DIV/0!
10	9	0	-	-	-	-	-	#DIV/0!
11	10	0	-	-	-	-	-	#DIV/0!

**Billing Analysis Schedules**

**Florida Public Service Commission**

**HC Waterworks, Inc.**

**Revised**

Schedule: E-14 (Revised)

**Docket No. 140158-WS**

Page: 6 of 7

Historical Test Year Ending June 30, 2014

Preparer: W T Rendell

Water [ X ] or Sewer [ ]

Customer Class: General Service

Meter Size: 3"

Explanation: Provide a billing analysis for each class of service by meter size. For applicants having master metered multiple dwellings, provide number of bills at each level by meter size or number of bills categorized by the number of units. Round consumption to nearest 1,000 gallons and begin at zero. If a rate change occurred during the test year, provide a separate billing analysis which coincides with each period.

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Consumption Level	Number of Bills	Cumulative Bills	Gallons Consumed (1) X (2)	Cumulative Gallons	Reversed Bills	Consolidated Factor [(1)X(6)]+(5)	Percentage of Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	0	0	-	-	-	12	-	0.00%
2	80	1	1	80	80	11	960	3.52%
3	100	1	2	100	180	10	1,180	7.93%
4	120	1	3	120	300	9	1,380	13.22%
5	130	1	4	130	430	8	1,470	18.94%
6	160	2	6	320	750	6	1,710	33.04%
7	200	1	7	200	950	5	1,950	41.85%
8	220	1	8	220	1,170	4	2,050	51.54%
9	240	1	9	240	1,410	3	2,130	62.11%
10	260	1	10	260	1,670	2	2,190	73.57%
11	290	1	11	290	1,960	1	2,250	86.34%
12	310	1	12	310	2,270	-	2,270	100.00%