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Public Service Commission

November 21, 2019

Mr. Troy Rendell
HC Waterworks, Inc.
4939 Cross Bathe Utility Boulevard
New Port Richey, Florida 34652
trendell@uswatercorp.net

VIA EMAIL & US MAIL

Re: Docket No. 20190166-WS - Application for increase in water rates in Highlands County by HC Waterworks, Inc.

Dear Mr. Rendell:

By this letter, the Commission staff requests that HC Waterworks, Inc. (HC or Utility) provide responses to the following data requests.

1. According to MFR Schedule B-5, page 2 of 2, line 7, the expense for Chemicals increased substantially in January 2019 and May 2019. Please explain these variances and provide supporting documentation.
2. According to MFR Schedule B-5, page 2 of 2, line 27, Miscellaneous Expense showed substantial variances in July 2018, September 2018, February 2019, March 2019, and April 2019. Please explain these variances and provide supporting documentation.
3. Please refer to MFR Volume I, Schedule F-1, page 1 of 3, detailing information for **Lake Josephine/Sebring Lakes**.
 - a. In June 2018 the Utility recorded unaccounted for water of 18.5 percent. What was the cause of the unaccounted for water?
 - b. In August 2018 the Utility recorded unaccounted for water of 41.3 percent. What was the cause of the unaccounted for water?
 - c. In October 2018 the Utility recorded unaccounted for water of 31.4 percent. What was the cause of the unaccounted for water?
 - d. In November 2018 the Utility recorded unaccounted for water of 12.3 percent. What was the cause of the unaccounted for water?
 - e. In January 2019 the Utility recorded unaccounted for water of 22.3 percent. What was the cause of the unaccounted for water?
 - f. The Utility indicates that in February 2019 the Lake Josephine/Sebring Lakes system sold and used 4.9 percent more water than was produced. Please explain how this occurred.
 - g. In March 2019 the Utility recorded unaccounted for water of 13.5 percent. What was the cause of the unaccounted for water?

- h. The Utility indicates that in June 2019 the Lake Josephine system sold and used 2.5 percent more water than was produced. Please explain how this occurred.
- 4. Please refer to MFR Volume I, Schedule F-1, page 2 of 3, detailing information for **Leisure Lakes**.
 - a. The Utility indicates that in July 2018 the Leisure Lake system sold and used 38.7 percent more water than was produced. Please explain how this occurred.
 - b. The Utility indicates that in August 2018 the Leisure Lakes system sold and used 37.8 percent more water than was produced. Please explain how this occurred.
 - c. In September 2018 the Utility recorded unaccounted for water of 10.4 percent. What was the cause of the unaccounted for water?
 - d. In November 2018 the Utility recorded unaccounted for water of 10.1 percent. What was the cause of the unaccounted for water?
 - e. In December 2018 the Utility recorded unaccounted for water of 15.3 percent. What was the cause of the unaccounted for water?
 - f. In January 2019 the Utility recorded unaccounted for water of 29.2 percent. What was the cause of the unaccounted for water?
 - g. The Utility indicates that in May 2019 the Leisure Lakes system sold and used 9.9 percent more water than was produced. Please explain how this occurred.
- 5. Please refer to MFR Volume I, Schedule F-3, page 1 of 2.
 - a. Please explain how the Utility arrived at the plant capacity values for each well.
 - b. Please explain how the Utility arrived at the Fire Flow value.
 - c. Please explain how the Utility arrived at the Firm Reliable Capacity (excluding the largest well).
- 6. Please refer to MFR Volume I, Schedule F-3, page 2 of 2.
 - a. For the maximum day for Leisure Lakes, please provide the date of the maximum day within the test year.
 - b. Please explain how the Fire Flow value was determined.
 - c. Please explain how the Utility arrived at the Firm Reliable Capacity (excluding the largest well).
- 7. Please refer to MFR Volume I, Schedule F-5.
 - a. Please provide a breakdown of the used and useful calculations for the two individual systems.
 - b. Please explain how the Utility arrived at the value of excessive unaccounted for water for the system. Also provide whether the value is in GPM or GPD.
 - c. Please explain how the Fire Flow was calculated.
 - d. Please explain if the Firm Reliable Capacity for the systems storage is in GPM or GPD.
 - e. Please explain and provide the Utility's calculations for the Growth Factor.
 - f. Please explain and provide the Utility's calculations for the margin reserve ratio.
- 8. Please refer to MFR Volume I, Schedule F-8.
 - a. Starting at line 11, please explain why Sebring Lakes is repeated.
 - i. It appears there is a typo stating "5 years beyond 20011", should this refer to 2018. If not, and assuming 2011 was the intended date, please explain why the year 2011 is used as a starting point.

9. Please refer to MFR Volume II, Monthly Operating Reports for Lake Josephine Plant #3.
 - a. For the month of April 2018 please verify the maximum gallons produced per day that month.
 - b. For the month of March 2019 please verify the maximum gallons produced per day that month.
10. Please refer to MFR Volume II, Monthly Operating Reports for Lake Josephine Plant #4.
 - a. For the month of September 2017 please verify the average gallons produced per day for the month.
 - b. For the month of October 2017 please verify the average and total gallons produced per day for the month.
 - c. For the month of June 2018 Plant #4 reports being offline, yet there are gallons of water produced recorded on the combined Plant #3 and Plant #4 June 2018 report. Please explain how this happened.
 - d. For the month of August 2018 Plant #4 reports being offline; however, there are gallons of water produced recorded on the combined Plant #3 and Plant #4 August 2018 report. Please explain how this happened.
 - e. For the month of September 2018 Plant #4 reports zero gallons, however there are gallons of water produced recorded on the combined Plant #3 and Plant #4 September 2018 report. Please explain how this happened.
 - f. For the month of October 2018 Plant #4 reports that the WTP is down, yet there are gallons of water produced recorded. Please explain how this happened.
 - g. For the month of November 2018 please verify the average gallons produced per day for the month.
 - h. For the month of December 2018 please verify the average gallons produced per day for the month.
 - i. For the month of March 2019 please verify the average gallons produced per day for the month.
 - j. For the month of April 2019 the Plant #4 reports producing no water, yet there are gallons of water produced recorded on the combined Plant #3 and Plant #4 April 2019 report. Please explain how this happened.
 - k. For the month of June 2019 please verify the average gallons produced per day for the month.
11. Please refer to MFR Volume II, Monthly Operating Reports for Leisure Lakes/Covered Bridge.
 - a. For the month of November 2017 please verify the average and total gallons produced per day for the month.
12. Please refer to the improvements to the HC Water systems listed in the Utility's letter dated August 20, 2019.
 - a. What was the start date for each improvement project?
 - b. What was the completion date or estimated completion date for each improvement project?
 - c. How many bids were obtained for each improvement project? If only one bid was obtained, please explain why.
 - d. Which bid was selected? Please explain why.
 - e. Please provide the invoices for each improvement project.

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- f. For the Lake Josephine and Leisure Lakes water quality projects, what other treatment options were considered?
 - i. Why was the selected option chosen?
 - ii. If other options were not considered, please explain why.
- 13. Please refer to Additional Engineering Information – Customer Complaints. Please provide all Utility received customer complaints from January 1, 2014 to present date in an electronic spreadsheet format.
- 14. After the installation of the aeration system/forced draft degasification tower, what is the plant capacity for the Lake Josephine/Sebring Lakes and the Leisure Lakes systems?

Please file all responses electronically no later than December 20, 2019, at the Commission's website at www.floridapsc.com, by selecting the Clerk's Office and Electronic Filing Web Form. Should the Utility have any questions, please feel free to contact me at (850)413-6836 or email me at Kerri.Johnson@psc.state.fl.us.

Sincerely,



Kerri Johnson
Engineering Specialist

KJ:jp

cc: Office of Commission Clerk (Docket No. 20190166-WS)