

HC WATERWORKS, INC.

March 2, 2022

Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RE: Docket No. 20210184-WS – Application for limited proceeding rate increase in Highlands County by HC Waterworks, Inc. – Response to Staff Data Request

Dear Commission Clerk:

In response to staff's inquiry, HC Waterworks, Inc. provides its response to Staff's Data Request.

1. Please explain the amortization – acquisition adjustment for water and wastewater contained in your application in greater detail. Please be sure to provide your calculations for each adjustment as part of your response.

Response: The amortization for each, water and wastewater, was taken from the transfer docket. The Acquisition Adjustments were split 50/50 percent. Fifty percent of the amount was amortized over a 7 year period and the other fifty percent was amortized over the remaining life of the assets. See attached schedule.

2. Since the Transfer Order, has HC Waterworks been amortizing the seven year portion and the remaining life portion of the negative acquisition adjustment concurrently?

Response: Yes. See FPSC Audit Control Number 14-302-2-1 in Docket No. 20140158-WU and FPSC Audit Control Number 2019-329-1-1 in Docket No. 20190166-WS.

If you have any further questions or concerns, please do not hesitate to contact me at either trendell@uswatercorp.net or (727) 848-8292, ext. 245.

Sincerely,



Troy Rendell
Vice President
Investor Owned Utilities
// for HC Waterworks, Inc.

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

Water Rate Base

		Remaining Life
		of Assets
Plant in Service	\$ 3,686,016	
Land	\$ 25,450	
Accuulated Depreciation	\$ (596,681)	
CIAC	\$ (838,480)	
Accumulated Amortization - CIAC	\$ 447,012	
Acquisition Adjusment	\$ (809,041)	
Amortization of AA:		
50% at 7 years	\$ (57,788.64)	
50% at remaining life of assets	\$ (17,145.93)	23.59 years
Net Rate Base	\$1,839,341.42	

Wastewater Rate Base

		Remaining Life
		of Assets
Plant in Service	\$ 384,456	
Land	\$ 2,200	
Accuulated Depreciation	\$ (275,284)	
CIAC	\$ (278,950)	
Accumulated Amortization - CIAC	\$ 235,184	
Acquisition Adjusment	\$ (14,994.00)	
Amortization of AA:		
50% at 7 years	\$ (1,071.00)	
50% at remaining life of assets	(644.41)	11.63 years
Net Rate Base	\$ 50,897	

Monthly

HCWW - Water

	Previous	NEW as of May 2021
7 year	\$ (4,815.72)	
Remaining Life	\$ (1,428.83)	\$ (1,428.83)
Total	\$ (6,244.55)	\$ (1,428.83)

HCWW - Wastewater

7 year	\$ (89.25)	
Remaining Life	\$ (53.70)	\$ (53.70)
Total	\$ (142.95)	\$ (53.70)