

HIDDEN COVE, LLC

July 25, 2022  
via efilng

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

**Re: Docket No. 20220034-WS - Application for staff-assisted rate case in Polk County by Hidden Cove, Ltd.**

Dear Mr. Teitzman:

The following are Hidden Cove's responses to Staff's Second Data Request dated July 13, 2022:

1. Please specify if the auxiliary power generator that the Utility requested as a pro forma project is intended to serve water customers, wastewater customers, or both. If both, please approximate a utilization split (i.e., 50/50, 60/40 etc.) between water and wastewater. - **It is intended to serve water customers. The auxiliary power generator will be used to run the water plant if there is a power outage. So, it should be allocated 100% to water.**
2. Please refer to HC's Annual Report – Year Ended December 31, 2020, sheet W-2 for the following question. Please confirm the data on this sheet is as of December 31, 2020, not “December 31, 2019” as shown. If the data is in fact as of December 31, 2019, please provide an updated W-2 sheet as of December 31, 2020. - **The date on sheet W-2 should have read “December 31, 2020”, not 2019. The updated W-2 sheet is attached.**
3. Concerning the three trucks capitalized by staff auditors as part of Audit Control No. 2022-070-2-3 (i.e. staff's audit conducted for this SARC), have any of these three particular trucks been retired or are they all still in service? If retirement has occurred, please specify which truck(s) and what year(s) the retirement occurred. - **All three trucks are still in service.**
4. Please refer to HC's “Responses to the Audit, Audit Control No. 2022-070-2-3” for the following questions.
  - a. Concerning Account 380 – Treatment and Disposal Equipment, first bullet point, or discussion regarding “2008,” its stated here that “plus an invoice for partial allocation to Hidden Cove \$1,112.80.” Please provide a cite indicating where this invoice can be located in the audit response. - **Attached, please find the email and check request for the \$1,112.80.**

- b. Please provide the Plant in Service balance HC had recorded on its books for Account 380 – Treatment and Disposal Equipment on 12/31/2007. - The 2007 PSC Report was completed prior to the PSC's final report for the 2006 rate increase. See attached excerpt from the Order No. PSC-08-026 showing the 380 account adjustment required. We did fix the 380 balance to the required \$40,068, but it was not fixed until the 2008 report.

Sincerely,  
/s/ Brian Altman  
Brian Altman

#2

UTILITY NAME: Hidden Cove, Ltd.

YEAR OF REPORT  
DECEMBER 31, 2020

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
304	Structures and Improvements	28	0 %	3.57 %	\$ 371	\$	\$ 0	\$ 371
305	Collecting and Impounding Reservoirs		%	%				
306	Lake, River and Other Intakes		%	%				
307	Wells and Springs	27	0 %	3.7 %	3,434		0	3,434
308	Infiltration Galleries & Tunnels		%	%				0
309	Supply Mains	32	0 %	3.13 %	1,145		0	1,145
310	Power Generating Equipment	17	0 %	5.88 %			0	0
311	Pumping Equipment	17	0 %	5.88 %	3,204		0	3,204
320	Water Treatment Equipment	17	0 %	5.88 %	1,278		165	3,369
330	Distribution Reservoirs & Standpipes	33	0 %	3.03 %	4,579		31	1,309
331	Trans. & Dist. Mains	38	0 %	2.63 %	9,425		0	4,579
333	Services	35	0 %	2.86 %	11,448		254	9,679
334	Meter & Meter Installations	17	%	5.88 %	10,885		0	11,448
335	Hydrants		%	%			981	11,866
336	Backflow Prevention Devices		%	%				
339	Other Plant and Miscellaneous Equipment		%	%				
340	Office Furniture and Equipment	6	%	16.7 %	218		0	218
341	Transportation Equipment		%	%				
342	Stores Equipment		%	%				
343	Tools, Shop and Garage Equipment		%	%				
344	Laboratory Equipment		%	%				
345	Power Operated Equipment	20	%	5.00 %	211		30	241
346	Communication Equipment		%	%				
347	Miscellaneous Equipment		%	%				
348	Other Tangible Plant		%	5.00 %	105			
	Totals				\$ 46,303	\$	\$ 1,497	\$ 47,800 *

\* This amount should tie to Sheet F-5.

#4(a)

Ron Baxley

From: rcurls@verizon.net  
Sent: Tuesday, September 16, 2008 10:18 AM  
To: Ron Baxley  
Subject: Treatment plant items.

\$1,112.80 HC

Hi Ron, the last of the treatment plant item have been fabricated, and I need to get a check cut to pick them up. We would like to pick them up on Thursday morning, so if we could come by and pick up a check tomorrow that would be great. These item should be the last major items added to the plants for a good while. Thanks very much, and have a great day. Rick

Two weirs Hidden Cove (520.00) x 2 = 1040.00 Baffle for Angler's Cove = 440.00 Bar Screen for Swiss Golf = 960.03 Brackets for Plantation return extensions = 60.00 x 8 = 480.00 Total cost including tax = 3124.43.

Vendor is GILL Manufacturing and Metal Fab Hwy 17-92 Davenport, Fl. 33837 Phone: 863-422-5711 Howard

Hidden Cove Ltd

CHECK REQUEST  
Century Companies

CHECK REQUESTS MUST BE SUBMITTED AT LEAST 24 HOURS PRIOR TO TIME REQUIRED

132-4270-720	4,112.80
005 - " "	258.94
006 - " "	211.86
048 - " "	1027.23
225 - " "	513.60

DATE: 9-16-08  
REQUISITIONER: AB  
DATE REQUIRED: 9-16  
APPROVAL: \_\_\_\_\_

ENTITY: \_\_\_\_\_  
G.L. ACCOUNT NO: \_\_\_\_\_  
VENDOR NO: 981  
INVOICE NO: \_\_\_\_\_

PLEASE HAVE A CHECK ISSUED IN THE AMOUNT OF \$ 3,124.43 AS FOLLOWS.

PAYABLE TO: GILL MANUFACTURING + METAL FAB

ADDRESS: \_\_\_\_\_

DISPOSITION OF CHECK:

( ) MAIL TO PAYEE ( )

RETURN TO: Receptionist  
FOR PICK-UP ON  
Wed A.M.

EXPLANATION: \_\_\_\_\_

PAID  
SEP 16 2008

Paid:
CK#: <u>4080</u>
Date:

<u>Acct No.</u>	<u>Account Name</u>	<u>Per Utility</u>	<u>Per Commission</u>	<u>Commission Adjustment</u>
351	Organization	\$400	\$0	(\$400)
352	Franchises	271	0	(271)
354	Structures and Improvements	17,588	343	(17,245)
360	Collection Sewer - Force	9,545	0	(9,545)
361	Collection Sewer - Gravity	43,098	60,984	17,886
363	Services to Customers	18,807	0	(18,807)
364	Flow Measuring Devices	2,000	1,145	(855)
371	Pumping Equipment	40,131	9,158	(30,973)
380	Treatment and Disposal Equip.	<u>56,223</u>	<u>40,068</u>	<u>(16,155)</u>
	Total Original Study	<u>\$188,063</u>	<u>\$111,698</u>	<u>(\$76,365)</u>

In addition, because we are changing the utility's rate structure from a flat rate structure to the use of a base facility charge/gallonage methodology, Hidden Cove shall install water meters within six months of the Consummating Order issued in this docket. In response to a staff data request, the utility asserted it plans to begin installing meters in mid-May of 2008. Based on cost estimates, Hidden Cove projects the meter installations will cost \$21,590. Therefore, the water plant shall be increased by \$21,590 to reflect the installation of these meters.

Based on the above, we calculate a UPIS balance of \$55,795 for water and \$111,698 for wastewater.

2. Land

The utility's water and wastewater systems have no balance in the land accounts. According to Audit Finding No. 2, the utility bought 20 acres for \$1,750 an acre when Hidden Cove's water and wastewater facilities were placed into service. Approximately .183 acres is used for water operations and .960 acre is used for wastewater operations. Therefore, the water land balance shall be \$320 and the wastewater balance shall be \$1,680.

3. Non-used and Useful Plant

As discussed above, we found the utility's facilities to be 100% used and useful. Therefore, a used and useful adjustment is unnecessary.

4. Accumulated Depreciation

Hidden Cove's records indicate accumulated depreciation balances of \$39,410 for water and \$159,954 for wastewater for the test year. Using the prescribed depreciation rates in Rule 25-30.140, F.A.C., we have decreased water accumulated depreciation by \$13,885 and wastewater accumulated depreciation by \$70,368. However, we have increased depreciation expense by \$1,269 for the new meters. Further, we have decreased accumulated depreciation by \$449 for water and \$864 for wastewater to reflect averaging adjustments. These adjustments result in accumulated depreciation balances of \$26,346 for water and \$88,722 for wastewater.