

Crystal Card

From: Amy Williams <awilliams@uswatercorp.net>
Sent: Monday, December 09, 2013 2:06 PM
To: Filings@psc.state.fl.us
Subject: Brevard Waterworks, Inc. ~ Docket No. 130174-WU
Attachments: BWW Ltr. 10-01-13 Docket #130174-WU App of Transfer.pdf

Importance: High

FPSC,

Please allow this submission on behalf of Brevard Waterworks, Inc. in regards to Docket No. 130174-WU.

Any questions or concerns please feel free to contact my office directly at (727) 848-8292 ext. 239

Thank You,

Amy N. Williams

Enterprise Systems - Accounting Admin

U.S. Water Services Corporation

4939 Cross Bayou Blvd.

New Port Richey, FL 34652-3434

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BREVARD WATERWORKS, INC.

October 31, 2013

Ms. Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RE: FPSC Letter Dated October 1, 2013 Concerning Docket No 130174-WU Application for Approval of Transfer – Deficiency Letter in Response to Our Letter Dated: August 26, 2013

Ms. Cole:

Below are the responses to Mr. Tom Ballinger's Letter:

Deficiencies:

- 1: The Utility has not assumed any non-regulated operations or entities.
- 2: There are no considerations between the parties as it relates to any obligations.
- 3: There were no guaranteed revenue contracts or developer agreements.
- 4: The utility has taken steps to acquire the income tax returns from Aqua. Aqua has agreed to provide these returns upon approval of transfer. The Utility is in agreement.

Additional Information:

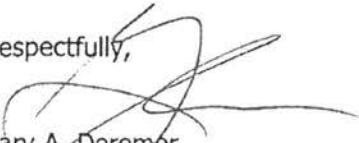
1. Schedules:

Schedule 1.1(d). There was no Scheduled 1.1(d). This letter will serve as Buyer shall not assume any obligations of Seller under any contract, agreement, commitment, lease, certificate, order, notice, permit or other instrument, whether oral, written, express or implied.

2. Other:

Attached is the 3-year budget requested:

Respectfully,


Gary A. Deremer
President Brevard Waterworks, Inc.
5320 Captains Court
New Port Richey, FL 34652

Brevard Waterworks, Inc.
Proposed Operating Proforma
Revision: 6/3/13
2013-2016

	04/01/13-03/31/14	04/01/14-03/31/15	04/01/15-03/31/16		
	Brevard	Brevard	Brevard	Total for all categories	
System Revenues					
Water Revenues:	\$ 115,012.00	\$ 116,277.13	\$ 117,556.18	\$ 348,845.31	
Wastewater Revenues:	\$ -	\$ -	\$ -	\$ -	
Other Revenues:	\$ 6,245.00	\$ 6,245.00	\$ 6,245.00	\$ 18,735.00	
Index on WTR/WST Revenues (Aqua 2012):	\$ 1,150.12	\$ 1,162.77	\$ 1,175.56	\$ 3,488.45	
Index = 1.1%	\$ 1,277.78	\$ 1,291.84	\$ 1,306.05	\$ 3,875.67	Note: 1.1% Utilized as Annual Index
Proposed Rate Increase	\$ -	\$ 20,100.00	\$ 20,321.10	\$ 40,421.10	
Total Utility Revenues:	\$ 123,684.90	\$ 145,076.74	\$ 146,603.89	\$ 415,365.54	
Operating Expenses:					
USW O & M Customer Service & Billing - Water	\$ 40,931.93	\$ 41,832.43	\$ 42,752.75	\$ 125,517.11	Anticipate CPI 2.2% Annually
USW O & M Customer Service & Billing - Wastewater	\$ -	\$ -	\$ -	\$ -	
Officer Salaries	\$ -	\$ -	\$ -	\$ -	
Chemicals	\$ -	\$ -	\$ -	\$ -	
Sludge	\$ -	\$ -	\$ -	\$ -	
Bad Debt	\$ 2,473.70	\$ 2,901.53	\$ 2,932.08	\$ 8,307.31	Estimated - Trends with Revenue
Purchase Water	\$ 71,246.00	\$ 73,383.38	\$ 75,584.88	\$ 220,214.26	Anticipated Annual Increase of 3% Annually
Purchased Power	\$ -	\$ -	\$ -	\$ -	
Insurance	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 4,500.00	
Rents (land, etc.)	\$ -	\$ -	\$ -	\$ -	
Sunshine Locates	\$ 300.00	\$ 300.00	\$ 300.00	\$ 900.00	
Misc. Expenses	\$ 1,236.85	\$ 1,450.77	\$ 1,466.04	\$ 4,153.66	Estimated - Trends with Revenue
SCADA/Phones	\$ -	\$ -	\$ -	\$ -	
Total Direct Operating Expenses	\$ 117,688.48	\$ 121,368.11	\$ 124,535.74	\$ 363,592.34	
Net Operating Revenues Before Other Deductions	\$ 5,996.43	\$ 23,708.63	\$ 22,068.15	\$ 51,773.20	

Brevard Waterworks, Inc.
Proposed Operating Proforma
Revision: 6/3/13
2013-2016

	04/01/13-03/31/14	04/01/14-03/31/15	04/01/15-03/31/16	Total for all categories	
	Brevard	Brevard	Brevard		
Allowances for Other Deductions:				\$ -	
Legal	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 6,000.00	
FPSC Fee:	\$ 5,565.82	\$ 6,528.45	\$ 6,597.18	\$ 18,691.45	
Other Taxes:	\$ 135.00	\$ 135.00	\$ 135.00	\$ 405.00	
Assumed Ad Valorem Tax deduction	\$ -	\$ -	\$ -	\$ -	
Bank Fees	\$ 50.00	\$ 50.00	\$ 50.00	\$ 150.00	
Intrest Cost	\$ -	\$ -	\$ -	\$ -	
Federal Accounting	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 7,500.00	
Total Cost:	\$ 10,250.82	\$ 11,213.45	\$ 11,282.18	\$ 32,746.45	
				\$ -	
				\$ -	
Total Available Funds:	\$ (4,254.39)	\$ 12,495.17	\$ 10,785.97	\$ 19,026.75	Prior to Depreciation and Possible CIP
				\$ -	
Less Estimated Depreciation/R & R Replacement	\$ -	\$ -	\$ -	\$ -	Pending PSC Adj
Net Operations	\$ (4,254.39)	\$ 12,495.17	\$ 10,785.97	\$ 19,026.75	

Depreciation Estimated