

HC WATERWORKS, INC.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

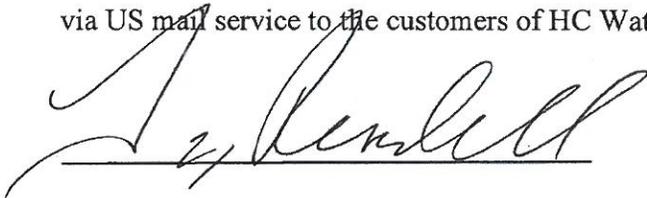
DOCKET NO. 140158-WS

APPLICATION FOR INCREASE IN WATER AND WASTEWATER RATES
IN HIGHLANDS COUNTY FLORIDA
BY HC WATERWORKS, INC.

AFFIRMATION OF MAILING

STATE OF FLORIDA
COUNTY OF LEE

This statement submitted on February 9, 2015, affirms that on January 23, 2015, the Initial Customer Notice and Customer Meeting Notice for the application for rate increase was mailed via US mail service to the customers of HC Waterworks, Inc.



Troy Rendell
Manager of Regulated Utilities

BEFORE THE PUBLIC SERVICE COMMISSION

INITIAL CUSTOMER NOTICE
AND
NOTICE OF CUSTOMER MEETING

TO THE CUSTOMERS OF
HC WATERWORKS, INC.
AND
ALL OTHER INTERESTED PERSONS

RE: DOCKET NO. 140158-WS

APPLICATION FOR INCREASE IN WATER AND WASTEWATER RATES IN
HIGHLANDS COUNTY BY HC WATERWORKS, INC.

DATED: JANUARY 30, 2015

NOTICE is hereby given that the Staff of the Florida Public Service Commission will conduct a customer meeting to discuss HC Waterworks, Inc's. application for a rate increase. The meeting will be held at the following time and place:

Thursday, February 19, 2015, 6:00 p.m.
Highlands County Administration Building
Board Chambers (Room B104)
600 South Commerce Avenue
Sebring, FL 33870

All persons who wish to comment are urged to be present at the beginning of the meeting, since the meeting may be adjourned early if no customers are present. One or more of the Commissioners of the Florida Public Service Commission may attend and participate in this meeting. The meeting will begin as scheduled and will continue until all of the customers have been heard.

Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting because of a physical impairment should call the Office of Commission Clerk at (850) 413-6770 at least 48 hours prior to the meeting. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at 1-800-955-8771 (TDD) or 1-800-955-8770 (Voice).

If a named storm or other disaster requires cancellation of the meeting, Commission staff will attempt to give timely direct notice to the parties. Notice of cancellation of the meeting will also be provided on the Commission's website (<http://www.psc.state.fl.us/>) under the Hot Topics link found at the bottom of the home page. Cancellation can also be confirmed by calling the Office of the General Counsel at 850-413-6199.

PURPOSE

The purpose of this meeting is to give customers and other interested persons an opportunity to offer comments to Commission staff regarding the quality of service the Utility provides and to ask questions, and comment on the rates proposed in this docket as well as other issues. Commission staff will be available to address and coordinate customers' comments and to assist members of the public. A representative from the Utility may also be in attendance. At the beginning of the meeting, procedures will be established for the order of comments. Commission staff will have sign-up sheets and customers will be called in the order that they sign up to speak.

HOW TO CONTACT THE COMMISSION

Any person who wishes to comment or provide information to Commission staff may do so at the meetings, either orally or in writing. Other written comments regarding the Utility and the proposed rates, or requests to be placed on the mailing list for this case, may be directed to this address:

Florida Public Service Commission
Director, Office of Commission Clerk
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0870

A courtesy copy of written comments and complaints may be mailed to the following:

Troy Rendell
U.S. Water Services Corporation
4939 Cross Bayou Blvd.
New Port Richey, Florida 34652

All correspondence should refer to "Docket No. 140158-WS, HC Waterworks, Inc." Your letter will be placed in the correspondence file of this docket. You may also submit comments through the Florida Public Service Commission's email at clerk@psc.state.fl.us, or the Commission's website available at <http://floridapsc.com/about/contact/form.aspx>.

If you wish to contact the Florida Public Service Commission regarding complaints about service, you may call the Commission's Office of Consumer Assistance and Outreach at the following toll-free number 1-800-342-3552.

BACKGROUND

HC Waterworks, Inc. (the “Utility”) is a water and wastewater utility whose corporate offices are located at 4939 Cross Bayou Blvd, New Port Richey, Florida. The Utility’s water and wastewater facilities are located in Highlands County, Florida.

On October 2, 2014, the Utility filed an application with the Florida Public Service Commission (the “Commission”) for an increase in its water and wastewater rates to its customers in Highlands County based on an historical test year ending June 30, 2014. Final rates are based upon the same test year. The application is assigned Docket No. 140158-WS and December 16, 2014, was established as the official date of filing.

The Utility is requesting a rate increase because the existing rates do not provide sufficient revenues to cover the required expenses of operations on a going-forward basis and an opportunity to earn a fair return on the Utility’s investment in used and useful property for the public use. The rate of return on equity requested in this proceeding is 6.40%. The overall return requested (the weighted cost of debt and equity) is 7.78%. The Company’s last rate proceeding was in Docket No. 100330-WS, utilizing a test year ending April 30, 2010, which culminated in Order No. PSC-12-0102-FOF-WS dated March 5, 2012.

Copies of the petition, minimum filing requirements, and the rate case synopsis are available for inspection during normal office hours at the Utility’s office and at the local library:

U. S. Water Services Corporation 4939 Cross Bayou Blvd. New Port Richey, FL 34652	Office Hours Monday through Friday 8:00 a.m. to 4:30 p.m.
Sebring Public Library 319 W. Center Avenue Sebring, FL 33870	Hours Sun-Mon – Closed Tue-Thur – 10:30 – 6:30 Fri-Sat – 9:30 – 5:30

MONTHLY WATER SERVICE

	Present Rates	Utility Requested Final
<u>Residential, General Service, and Irrigation</u>		
Base Facility Charge by Meter Size		
5/8" x 3/4"	\$18.92	\$21.60
3/4"	\$28.38	\$32.40
1"	\$47.31	\$53.99
1 1/2"	\$94.61	\$107.99
2"	\$151.38	\$172.78
3"	\$302.77	\$345.55
4"	\$473.07	\$539.93
6"	\$946.15	\$1,079.86
8"	\$1,513.83	\$1,727.77
10"	\$2,176.13	\$2,483.67
Charge per 1,000 gallons – Residential and Irrigation		
0 – 6,000 gallons	\$6.46	\$7.33
6,001 – 12,000 gallons	\$9.71	\$10.99
Over 12,000 gallons	\$12.93	\$14.65
Charge per 1,000 gallons – General Service	\$7.25	\$7.89
<u>Private Fire Protection Service</u>		
Base Facility Charge by Meter Size		
2"	\$12.62	\$14.40
3"	\$25.23	\$28.80
4"	\$39.43	\$44.99
6"	\$78.85	\$89.99
8"	\$126.16	\$143.98
10"	\$181.34	\$206.97

MONTHLY WASTEWATER SERVICE

	Present Rates	Utility Requested Final
<u>Residential Service</u>		
Base Facility Charge - All Meter Sizes	\$22.59	\$14.51
Charge per 1,000 gallons - Residential 6,000 gallon cap	\$7.64	\$4.12

General Service

Base Facility Charge By Meter Size

5/8" x 3/4"	\$22.59	\$14.51
3/4"	\$33.90	\$21.77
1"	\$56.50	\$36.28
1 1/2"	\$112.98	\$72.55
2"	\$180.78	\$116.09
3"	\$361.54	\$232.17
4"	\$564.91	\$362.77
6"	\$1,129.83	\$725.53
8"	\$1,807.20	\$1,160.85
10"	\$2,598.61	\$1,668.72
Charge per 1,000 gallons – General Service	\$9.16	\$4.94

Flat Rate Service

Residential Service	\$0.00	\$20.96
General Service	\$0.00	\$14.51

SERVICE AVAILABILITY CHARGES

The Utility is not requesting any changes to its service availability charges. Even though not requested to do so, the Commission may review and adjust service availability charges.

PROCEDURES AFTER CUSTOMER MEETINGS

The following tentative schedule was established by the Commission for the remaining major events in the Utility's rate case:

<u>Schedule Item</u>	<u>Due Date</u>
Customer Meeting	02/19/2015
Staff's PAA Recommendation	04/23/2015
Agenda Conference on PAA Rates	05/05/2015
PAA Order Issued	05/25/2015
Protest Period Expires	06/15/2015
Consummating Order if no Protest	06/19/2015

This notice was prepared by the Utility and approved by Commission staff for distribution by the Utility to its customers. If you have any questions, please call the Utility's office at (727) 848- 8292.

HC Waterworks, Inc.