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DIVISION OF ENGINEERING  
TOM BALLINGER  
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# Public Service Commission

November 12, 2019

Mr. Troy Rendell  
HC Waterworks, Inc.  
4939 Cross Bayou Blvd.  
New Port Richey, Florida 34652  
[trendell@uswatercorp.net](mailto: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:

We have reviewed the minimum filing requirements (MFRs) submitted on October 15, 2019, on behalf of HC Waterworks, Inc. (Utility). After reviewing this information, we find the MFRs to be deficient. The specific deficiencies are identified below:

1. Rule 25-30.437, Florida Administrative Code (F.A.C.), requires that each Class B utility applying for a rate increase provide the information required by Commission Form PSC/ECR 19 (11/93), entitled "Class A Water and/or Wastewater Utilities Financial, Rate and Engineering Minimum Filing Requirements." The following MFR schedules, as filed, do not comply with Rule 25-30.437, F.A.C. Please refile the following schedules to correct errors below:
  - a. The instructions for schedules A-4, A-8, A-11, and A-13 require the Utility provide annual balances, additions, adjustments and totals for each year since rate base was last established. The Utility did not provide these inputs for June 30, 2017 through June 30, 2019.
  - b. Schedules A-4, A-8, A-11, and A-13 did not list applicable supporting or recap schedules.
  - c. On schedule A-12, the Utility provided prior year and test year, and year-end balances for CIAC associated with main extension charges, but failed to provide average balances.
  - d. The instructions for schedule B-7 require the Utility provide an explanation for changes in expenses not attributed to the change in customer growth and CPI-U. The Utility provided an explanation for chemical expense and contractual services – other, but failed to provide an explanation for salaries & wages – bonus and miscellaneous expense. The Utility also did not include the CPI-U percentages for either year.
  - e. On schedule D-7, the Utility provided a 13-month average customer deposits balance instead of simple average balance.

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- f. The instructions for schedule B-12 require the Utility provide allocation of expenses between systems. The Utility did not provide allocations.
- g. The following supporting schedules do not reconcile to each other:
  - i. Schedule A-1 line 11 and schedule A-17.
  - ii. Schedule B-1 line 5 and schedule B-15.
  - iii. Schedule D-2 line 5 and schedule D-7.
  - iv. Schedule E-2 and schedule E-14.
- h. The gallons sold on Schedule F-1 does not match gallons sold on Schedule E-2 and the Annual Report.

If the specific deficiencies above require a corresponding change to any MFR schedules, those corrected schedules must also be submitted in accordance with Rule 25-30.436(4)(e), F.A.C. Your petition will not be deemed filed until the deficiencies identified in this letter have been corrected. These corrections should be submitted no later than December 12, 2019, to the following address:

Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Should you have any questions concerning the information in this letter, please feel free to contact Clayton Lewis at (850) 413-6578.

Sincerely,



Tom Ballinger  
Director of Engineering

TB/jp

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