

# HC WATERWORKS, INC.

November 18, 2019

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

Re: Docket No. 20190166-WU Application for increase in water rates in Highlands County by HC Waterworks, Inc. – *Response to Staff Deficiency Letter*

Dear Commission Clerk,

HC Waterworks, Inc. hereby submits its response to Staff's Deficiency Letter dated November 12, 2019. Attached are the Revised Minimum Filing Requirement schedules containing the appropriate revisions.

For further clarification on two specific items, HC Waterworks submits the following response.

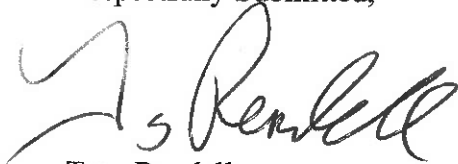
Schedule E-2 & E-14: As shown on Revised Schedule E-2w, when the appropriate adjustments to bills and gallons are made, the resulting calculated revenue is within 0.17% of the recorded revenue – See Column (9). Adjustments were made to “bills” due to the fact that in a given month when a rate change occurs, the supporting billing report will reflect two “bills” because of the pro-ration of charges. In other words, when a rate change occurs the customers bills will reflect two base facility charges and two separate gallonage charges. Although it will appear on the supporting monthly billing reports – only one bill was actually issued to the customers and not two. These are actually two charges and not two bills. Further, adjustments were made to remove “Move In” and “Move Outs” to reflect a normalized annual amount. In those instances, conceivably there could be two bills issued at the same property in the same month if there was a move in and move out. Thus, by reflecting more normalized billing data, actual annualized determinants can be utilized to calculate the appropriate proposed rates. This is supported by the fact the calculated revenue is within 0.17% of the actual recorded revenue.

Customer Deposits – Schedules D-2 and D-7. These amounts have been revised; however, the amounts are not 100% equal. This is due to timing of refunds (or credits) reflected on the supporting reports versus the actual booking. The utility's balance sheet is reconciled to the monthly billing reports. Thus, the ending balance on June 2019 is within 0.82% of the detailed reporting. This is less than 1% difference. The monthly supporting reports for a given month will also show refunds that are made in subsequent months and/or years. This is due to the fact the refunds (or credit) is tied to the deposit number or account. The balance sheet amount of deposits for June 2019 reflected on Revised Schedule D-2 is \$35,945; while the amount reflected on Revised Schedule D-7 is \$35,650 with a difference of \$296. HC Waterworks believes this minor difference is immaterial and the balance sheet amounts match the monthly totals.

HC Waterworks, Inc.  
Response to Staff Deficiency Letter  
November 18, 2019

Water Sold – Schedules F-1 and E-2. HC Waterworks has submitted Revised E-2 and E-14 schedules. However, the total amount of water sold reflected on the E schedules will not 100% match the amounts reflected on Schedule F-1. This is primarily due to adjustments made in the consumption in the E Schedules. The total amount of adjusted water sold in Revised Schedule E-2 is 33,217K gallons while the amount reflected on Schedule F-1 is 33,693K gallons, with a difference of 476K gallons. The major difference is a bill that was uncollectable and was written off to bad debt. This uncollectable bad debt equaled 406K gallons. HC Waterworks does not believe it would be appropriate to include these gallons when calculating rates since this was a onetime bill charged that was not collected by the utility. There were also other adjustments made to customers' bills that make up the difference. Regardless, the amounts are within 1.4% which HC Waterworks believes is immaterial. As for the Annual Report – HC Waterworks respectfully disagrees. The amount of water sold reflected on Schedule F-1 for the months of July through December 2018 match exactly to the Annual Report. These are in total so the Annual Report Schedule W-11 would need to added together for Lake Josephine/Sebring Lakes and Leisure Lakes. These amounts do equal. Regardless, HC Waterworks respectfully disagrees that if these amounts did not match it would constitute a deficiency in the MFRs.

Respectfully Submitted,



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

**Schedule of Water and Sewer Plant In Service  
Annual Balances Subsequent to Last Established Rate Base**

**Florida Public Service Commission**

**HC Waterworks, Inc.**  
**Docket No. 20190166-WS**  
Historical Test Year Ending June 30, 2019

**REVISED** Schedule: A-4  
Page: 1  
Preparer: W T Rendell

Explanation: Provide the annual balance of the original cost of Water plant in service, for water and sewer separately, for all years since either rate base was last established by this Commission; or the date of inception of utility service if rate base has not been established previously by this Commission; and yearly additions, retirements, and adjustments by dollar amount up to the end of the test year. Provide an additional page if necessary. If a projected test year is used, include the projected annual additions and/or retirements specifically identifying those amounts.

Line No.	(1) Description	(2) Water Year End Balance	(3) Sewer Year End Balance
1	<u>6/30/2014</u>		
2	Additions		
3	Retirements		
4	Adjustments		
5	<u>6/30/2014</u>	3,782,610	
6			
7	July 2014 - June 2015		
8	Additions	78,130	
9	Retirements	(19,580)	
10	Adjustments		
11	06/30/2015 Balance	3,841,160	
12			
13	July 2015 - June 2016		
14	Additions	61,874	
15	Retirements	(3,943)	
16	Adjustments		
17	06/30/2016 Balance	3,899,091	
18			
19	July 2016 - June 2017		
20	Additions	50,024	
21	Retirements	(9,740)	
22	Adjustments		
23	06/30/2017 Balance	3,939,375	
24			
25	July 2017 - June 2018		
26	Additions	556,512	
27	Retirements	(63,907)	
28	Adjustments		
29	06/30/2018 Balance	4,431,979	
30			
31	July 2018 - June 2019		
32	Additions	502,383	
33	Retirements	(6,794)	
34	Adjustments		
35	06/30/2019 Balance	4,927,568	

Supporting Schedules: A-5, A-6

**Schedule of Water and Sewer Accumulated Depreciation  
Annual Balances Subsequent to Last Established Rate Base**

**Florida Public Service Commission**

**HC Waterworks, Inc.**  
**Docket No. 20190166-WS**  
Historical Test Year Ending June 30, 2019

**REVISED**

Schedule: A-8  
Page: 1 of 1  
Preparer: W T Rendell

Explanation: Provide the annual balance per books of Water Accumulated Depreciation, for all years since either rate base was last established by this Commission; or the date of inception of utility service if rate base has not been established previously by this Commission; and yearly additions, retirements, and adjustments by dollar amount up to the end of the test year. Provide an additional page if necessary. If a projected test year is used, include the projected annual additions and/or retirements specifically identifying those amounts.

Line No.	(1) Description	(2) Water Year End Balance	(3) Sewer Year End Balance
1	<b>6/30/2014</b>		
2	Additions		
3	Retirements		
4	Adjustments		
5	<b>6/30/2014</b>	802,564	
6			
7	July 2014 - June 2015		
8	Additions	135,735	
9	Retirements	(19,580)	
10	Adjustments		
11	06/30/2015 Balance	918,719	
12			
13	July 2015 - June 2016		
14	Additions	139,297	
15	Retirements	(3,943)	
16	Adjustments		
17	06/30/2016 Balance	1,054,073	
18			
19	July 2016 - June 2017		
20	Additions	141,742	
21	Retirements	(8,827)	
22	Adjustments		
23	06/30/2017 Balance	1,186,987	
24			
25	July 2017 - June 2018		
26	Additions	149,729	
27	Retirements	(63,907)	
28	Adjustments		
29	06/30/2018 Balance	1,272,809	
30			
31	July 2018 - June 2019		
32	Additions	163,141	
33	Retirements	(7,966)	
34	Adjustments		
35	06/30/2019 Balance	1,427,984	

Supporting Schedules: A-9, A-10

**Schedule of Water and Sewer Contributions in Aid of Construction Florida Public Service Commission  
Annual Balances Subsequent to Last Established Rate Base**

**HC Waterworks, Inc.**  
**Docket No. 20190166-WS**  
 Historical Test Year Ending June 30, 2019

**REVISED** Schedule: A-11  
 Page: 1 of 2  
 Preparer: W T Rendell

Explanation: Provide the annual balance of Water contributions in aid of construction for all years since either rate base was last established by this Commission; or the date of inception of utility service if rate base has not been established previously by this Commission; and yearly additions, retirements, and adjustments by dollar amount up to the end of the test year. Provide an additional page if necessary. If a projected test year is used, include the projected annual additions and/or retirements specifically identifying those amounts.

Line No.	(1) Description	(2) Water Year End Balance	(3) Sewer Year End Balance
1	<b>6/30/2014</b>		
2	Additions		
3	Retirements		
4	Adjustments		
5	<b>6/30/2014</b>	848,730	
6			
7	July 2014 - June 2015		
8	Additions	11,368	
9	Retirements		
10	Adjustments		
11	06/30/2015 Balance	860,098	
12			
13	July 2015 - June 2016		
14	Additions	16,709	
15	Retirements		
16	Adjustments		
17	06/30/2016 Balance	876,807	
18			
19	July 2016 - June 2017		
20	Additions	11,780	
21	Retirements		
22	Adjustments		
23	06/30/2017 Balance	888,587	
24			
25	July 2017 - June 2018		
26	Additions	18,882	
27	Retirements		
28	Adjustments		
29	06/30/2018 Balance	907,469	
30			
31	July 2018 - June 2019		
32	Additions	18,848	
33	Retirements		
34	Adjustments		
35	06/30/2019 Balance	926,317	

Supporting Schedules: A-12

**Schedule of Water Contributions in Aid of Construction By Classification**

**Florida Public Service Commission**

Test Year Average balance

HC Waterworks, Inc.

**REVISED**

Schedule: A-12

Docket No. 20190166-WS

Page: 1

Historical Test Year Ending June 30, 2019

Preparer: W T Rendell

Historical & Pro Forma

Explanation: Provide the ending balances and average of CIAC, by classification for the prior year and the test year.

If a projected test year is employed, provide the breakdown for base year and intermediate year also.

Line No.	Acct No.	Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)
			Prior Year 06/30/18	Test Year End 06/30/19	Average Balance	Non-Used & Useful			
							%	Balance	
1		<b>WATER</b>							
2		Cash CIAC:							
3	271.1	Cash from Order No. PSC-14-0314	846,820	846,820	846,820		0.00%	0	
4	271.1	Plant Capacity Fees	16,100	22,400	19,250		0.00%	0	
5	271.1	Meter Fees	5,075	6,965	6,020		0.00%	0	
	271.1	Main Extension Charge	9,388	13,402	11,395		0.00%	0	
6	271.1	Service Installation Fees	27,730	36,730	32,230		0.00%	0	
7		Total Cash CIAC	905,113	926,317	915,715			0	
8									
9		Property CIAC:							
10	330	Dist Reservoirs & Standpipes	0	0	0		0.00%	0	
11	331	T&D Mains	0	0	0		4.70%	0	
12	333	Services	0	0	0		4.70%	0	
13	334	Meters/Meter Installation	0	0	0		0.00%	0	
14	335	Hydrants	0	0	0		4.70%	0	
15		Total Property CIAC	0	0	0			0	
16									
17		Total Water CIAC	905,113	926,317	915,715			0	
18									
19		<b>SEWER</b>							
20		Cash CIAC:							
21	271.2	Cash from Order No. PSC-14-0314			0		0.00%	0	
22	271.2	Plant Capacity Fees			0		0.00%	0	
23	271.2	Main Extension Charge			0		0.00%	0	
24	271.2	Service Installation Fees			0		0.00%	0	
25		Total Cash CIAC	0	0	0			0	
26									
27		Property CIAC:							
28	354	Structures & Improvements	0	0	0		0.00%	0	
29	360	Collection Sewers- Force	0	0	0		#REF!	#REF!	
30	361	Collection Sewers- Gravity	0	0	0		#REF!	#REF!	
31	363	Services to Customers	0	0	0		#REF!	#REF!	
32	370	Lift Stations	0	0	0		#REF!	#REF!	
33	371	Pumping Equipment	0	0	0		#REF!	#REF!	
34	366	Reuse Services	0	0	0		0.00%	0	
35	375	Reuse Transmission & Dist Mains	0	0	0		0.00%	0	
36	389	Other Plant Misc Equip	0	0	0		0.00%	0	
37		Total Property CIAC	0	0	0			#REF!	
38									
39		Total Sewer CIAC	0	0	0			#REF!	

**Schedule of Water and Sewer Accumulated Amortization of CIAC Florida Public Service Commission  
Annual Balances Subsequent to Last Established Rate Base**

**HC Waterworks, Inc.**  
**Docket No. 20190166-WS**  
 Historical Test Year Ending June 30, 2019

**REVISED** Schedule: A-13  
 Page: 1 of 2  
 Preparer: W T Rendell

Explanation: Provide the annual balance of accumulated amortization of CIAC, for water and sewer separately, for all years since either rate base was last established by this Commission or the date of inception of utility service if rate base has not been established previously by this Commission; and yearly additions, retirements, and adjustments by dollar amount up to the end of the test year. Provide an additional page if necessary. If a projected test year is used, include the projected annual additions and/or retirements specifically identifying those amounts.

Line No.	(1) Description	(2) Water Year End Balance	(3) Sewer Year End Balance
1	<b>6/30/2014</b>		
2	Additions		
3	Retirements		
4	Adjustments		
5	<b>6/30/2014</b>	<u>483,811</u>	
6			
7	July 2014 - June 2015		
8	Additions	28,312	
9	Retirements	0	
10	Adjustments	0	
11	06/30/2015 Balance	<u>512,123</u>	
12			
13	July 2015 - June 2016		
14	Additions	31,673	
15	Retirements	0	
16	Adjustments	0	
17	06/30/2016 Balance	<u>543,796</u>	
18			
19	July 2016 - June 2017		
20	Additions	32,105	
21	Retirements	0	
22	Adjustments	0	
23	06/30/2017 Balance	<u>575,901</u>	
24			
25	July 2017 - June 2018		
26	Additions	31,571	
27	Retirements	0	
28	Adjustments	0	
29	06/30/2018 Balance	<u>607,471</u>	
30			
31	July 2018 - June 2019		
32	Additions	32,261	
33	Retirements	0	
34	Adjustments	0	
35	06/30/2019 Balance	<u>639,732</u>	

Supporting Schedules: A-14

**Schedule of Working Capital Allowance Calculation**

**Florida Public Service Co**

**HC Waterworks, Inc.**  
**Docket No. 20190166-WS**  
 Historical Test Year Ending June 30, 2019

**REVISED** Schedule: A-17  
 Page: 1 of 1  
 Preparer: W T Rendell

Explanation: Provide the calculation of working capital using the formula method.  
 This is calculated by taking the balance of O&M expenses divided by 8.

Line No.	(1)	(2)	(3)	(4)
		Water	Wastewater	
1	Final Rates - 06/30/2019			
2	per Books O&M Expense (from B-5,6)	376,618		
3	1/8th O&M Expense	47,077		
4	Adjustments from B-3*1/8th	1,221		
5	Adjusted Working Capital	48,299		
6				
7	Interim Rates - 06/30/2014			
8	per Books O&M Expense (from B-5,6)	376,618		
9	1/8th O&M Expense	47,077		
10	Adjustments from B-3*1/8th			
11	Adjusted Working Capital	47,077		
12				



Comparative Balance Sheet - Equity Capital & Liabilities

Florida Public Service Commission

HC Waterworks, Inc.  
 Docket No. 20190166-WS  
 Historical Test Year Ending June 30, 2019  
 Historical [ X ] Projected [ ]

REVISED Schedule: A-19  
 Page: 1 of 1  
 Preparer: W T Rendell

Explanation: Provide a balance sheet for years requested. Provide same for historical base or intermediate, if not already shown

Line No.	(1) Liabilities	(2) Prior Year 6/30/2018	(3) Test Year 7/31/2018	(4) Simple Average
1	Common Stock Issued	571,093	571,093	571,093
2	Preferred Stock Issued	-	-	-
3	Additional Paid in Capital	730,007	730,007	730,007
4	Retained Earnings	263,750	291,399	277,575
5	Other Equity Capital	-	-	-
6				
7	TOTAL EQUITY CAPITAL	1,564,850	1,592,499	1,578,675
8				
9	TOTAL LONG TERM DEBT	1,123,348	2,060,987	1,592,168
10				
11	Accounts Payable	274,900	22,876	148,788
12	Accts & Int. Payable-Assoc Cos	-	-	-
13	Customer Deposits	32,122	35,946	34,034
14	Other Deposits	2,000	2,000	2,000
15	Accrued Taxes	12,592	24,271	18,432
16	Accrued Interest	-	-	-
17	Note Payable	-	-	-
18	Misc. Accrued Liabilities - Accounting	-	-	-
19	Misc. Accrued Liabilities - Legal	-	-	-
20	Misc. Accrued Liabilities - RAFs	15,020	2,109	8,565
21	Misc. Accrued Liabilities - Officer Salaries	69,600	82,800	76,200
22				
23	TOTAL CURRENT & ACC LIABILITIES	406,235	169,802	288,018
24				
25	OTH. DEF. CREDITS & OPER. RESERVES			
26				
27	Contributions in Aid of Construction	1,256,783	1,289,327	1,273,055
28	Less: Accum Amort of CIAC	(876,654)	(918,675)	(897,665)
29	Accumulated Deferred Income Taxes-FIT	-	-	-
30	Accumulated Deferred Income Taxes-SIT	-	-	-
	OPED Reserve-Non-Current	-	-	-
	Pension Reserve-Non-Current	-	-	-
31	Other Non-Current Liabilities	-	-	-
32				
33	TOTAL CIAC & DEF. TAXES	380,130	370,652	375,391
34				
35	TOTAL EQUITY CAPITAL & LIABILITIES	3,474,563	4,193,940	3,834,252

Operation & Maintenance Expense Comparison - Water

Florida Public Service Commission

HC Waterworks, Inc.

REVISED

Schedule: B-7

Docket No. 20190166-WS

Page: 1 of 1

Historical Test Year Ending June 30, 2019

Preparer: W T Rendell

Explanation: Complete the following comparison of the applicant's current and prior test year O & M expenses before this Commission. Provide an explanation of all differences which are not attributable to the change in customer growth and the CPI-U. If the applicant has not had a previous rate case, use the year 5 years prior to the test year for comparison. Provide an additional schedule, if necessary, to explain differences.

(1)	(2)	(3)	(4)	(5)	(6)	
Line No.	Acct No.	Account Name	Prior Test Year 2014	Test Year Adjusted	Difference	% Difference
1	601	Salaries & Wages - Employees	0	0	0	
2	603	Salaries & Wages - Bonus	9,120	10,000	880	10%
3	604	Employee Pensions & Benefits	0	0	0	
4	610	Purchased Water	0	0	0	
5	615	Purchased Power	51,043	39,975	(11,068)	-22%
6	616	Fuel for Power Production	0	0	0	
7	618	Chemicals	27,371	35,152	7,781	28%
8	620	Materials & Supplies	86	0	(86)	-100%
9	630	Contractual Services - Other	0	200	200	
10	631	Contractual Services - Engineering	0	5,179	5,179	
11	632	Contractual Services - Accounting	2,388	0	(2,388)	-100%
12	633	Contractual Services - Legal	0	150	150	
13	634	Contractual Services - Mgmt. Fees	0	0	0	
14	635	Contractual Services - Testing	0	31	31	
15	636	Contractual Services - Other	194,848	263,131	68,283	35%
16	641	Rental of Building/Real Prop.	0	0	0	
17	642	Rental of Equipment	0	0	0	
18	650	Transportation Expenses	0	0	0	
19	656	Insurance - Vehicle	0	0	0	
20	657	Insurance - General Liability	2,073	1,800	(273)	-13%
21	658	Insurance - Workman's Comp.	0	0	0	
22	659	Insurance - Other	0	0	0	
23	660	Advertising Expense	0	0	0	
24	666	Reg. Comm. Exp. - Rate Case Amort.	1,523	1,125	(398)	-26%
25	667	Reg. Comm. Exp. - Other	0	0	0	
26	670	Bad Debt Expense	7,434	8,151	717	10%
27	675	Miscellaneous Expense	4,510	9,273	4,763	106%
28						
29						
30	<b>TOTAL WATER O &amp; M EXPENSES</b>		<b>300,396</b>	<b>374,167</b>	<b>73,771</b>	<b>24.56%</b>
31						
32	Total SFR Customers		955	949	(6)	0.00%
33	Consumer Price Index - U					7.77%
34	Growth Plus Inflation					7.77%

Supporting Schedules: B-5, F-9

Year	Annual PSC Approved Index	Annual PSC Approved Cum Incr
2014	1.41%	1.41%
2015	1.57%	3.00%
2016	1.29%	4.33%
2017	1.51%	5.91%
2018	1.76%	7.77%

Operation & Maintenance Expense Comparison - Water

Florida Public Service Commission

HC Waterworks, Inc.

REVISED Schedule: B-7 Supl

Docket No. 20190166-WS

Page: 1 of 1

Historical Test Year Ending June 30, 2019

Preparer: W T Rendell

Explanation: Provide an explanation of all differences which are not attributable to the change in customer growth and the CPI-U.

Line No.	(1) Acct No.	(2) Account Name	(3) Explanation
1	601	Salaries & Wages - Employees	Salaries were increased in 2017 - there has not been an increase since
2	618	Chemicals	Change in water treatment - addition of acid and caustic at Lake Josephine WTP
3	636	Contractual Services - Other	Revision to contract due to not covering cost to operate. Addition of force draft aeration, acid, & caustic.
4	675	Miscellaneous Expense	Loan Fee - Bank of Tampa \$4,872
5	670	Bad Debt Expense	increase in bad debt of customers

**Allocation of Expenses**  
**Intercompany Expenses Per Books**  
**HC Waterworks, Inc.**  
**Docket No. 20180166-WS**  
 Historical Test Year Ending June 30, 2019  
 Historical [ X ] Projected [ ]

**Florida Public Service Commission**

REVISED Schedule: B-12  
 Page: 1  
 Preparer: W T Rendell

Explanation: Provide a schedule detailing expenses which are subject to allocation between systems (water, sewer & gas, etc.) showing allocation percentages, gross amounts, amounts allocated, and a detailed description of the method of allocation. Provide a description of all systems other than water and sewer.

Line No.	(1) Acct. No.		(3) Description	(4) Allocation Percentages				(8) Allocation Method	(9) Amounts Allocated				(13) Gross Amounts
	Water	Sewer		Water	Sewer	Other	Total		Water	Sewer	Other	Total	
1	601	701	Salaries & Wages - Employees										
2	603	703	Salaries & Wages - Officers, Exec.										
3	604	704	Employee Pensions & Benefits										
4	610	710	Purchased Water/Sewage Trtmnt										
5	615	715	Purchased Power										
6	616	716	Fuel for Purchased Power										
7	618	718	Chemicals										
8	620	720	Materials & Supplies										
9	631	731	Contractual Services - Engineering										
10	630	732	Contractual Services - Accounting	50.00%	50.00%		100.00%	N/A	N/A	N/A		\$ -	\$ -
11	633	733	Contractual Services - Legal	50.00%	50.00%		100.00%	N/A	N/A	N/A		\$ -	\$ -
12	634	734	Contractual Services - Mgmt. Fees										
13	635	735	Contractual Services - Testing										
14	636	736	Contractual Services - Other										
15	641	741	Rental of Building/Real Prop.										
16	642	742	Rental of Equipment										
17	650	750	Transportation Expenses										
18	656	756	Insurance - Vehicle										
19	657	757	Insurance - General Liability	77.09%	22.91%			# Customers	\$ 1,800.00	\$ 534.84		\$ 2,334.84	\$ -
20	658	758	Insurance - Workman's Comp.										
21	659	759	Insurance - Other										
22	660	760	Advertising Expense										
23	666	766	Reg. Comm. Exp. - Rate Case Amort.										
24	667	767	Reg. Comm. Exp. - Rate Case Other										
25	670	770	Bad Debt Expense										
26	675	775	Miscellaneous Expense										

Taxes Other Than Income

Florida Public Service Commission

HC Waterworks, Inc.  
 Docket No. 20190166-WS  
 Historical Test Year Ending June 30, 2019

REVISED Schedule: B-15  
 Page: 1 of 1  
 Preparer: W T Rendell

Explanation: Complete the following schedule of all taxes other than income.  
 For all allocations, provide description of allocation and calculations.

Line No.	(1) Description	(2)	(3) Regulatory Assessment Fees (RAFTs) 4.50%	(4) Payroll Taxes	(5) RE & Personal Property Tax on U&U	(6) Other	(7) Total
<b>Water</b>							
1	Test Year Per Books		25,837	0	29,721	0	55,559
2							
3	Adjustments to Test Year (Explain)						
4	RAF on Adj'd Rev - RAF Per Books		(200)				(200)
5	Property Tax NU&U Adj				(354)		(354)
	Pass through Property Tax Increase				4,474		4,474
	Property Tax on Pro Forma Plant				4,891		4,891
6	Total Test Year Adjustments		(200)	0	9,011	0	8,810
7	Adjusted Test Year		25,637	0	38,732	0	64,369
8							
9							
10	RAFTs Assoc. with Revenue Increase		7,847				7,847
11							
12	Total Adjusted		33,484	0	38,732	0	72,216
<b>Sewer</b>							
13	Test Year Per Books					0	0
14							
15	Adjustments to Test Year (Explain)						
16	RAF on Adj'd Rev - RAF Per Books						0
17	Property Tax Reclass & NU&U Adj						0
18	Payroll Adjustments						0
19	Total Test Year Adjustments		0	0	0	0	0
20	Adjusted Test Year		0	0	0	0	0
21							
22	RAFTs Assoc. with Revenue Increase		0				0
23							
24	Total Pro Forma		0	0	0	0	0

Recap Schedules: B-1, B-2 Source Schedule: B-3  
 Payroll taxes: FICA=7.65%, Fed & State Unemployment=0.41%

**Reconciliation of Capital Structure to Requested Rate Base**

13 Month Average Balance

**HC Waterworks, Inc.**

**Docket No. 20190166-WS**

Historical Test Year Ending June 30, 2019

Historical [ X ] Projected [ ]

**Florida Public Service Commission**

**REVISED**

Schedule:

D-2

Page:

1 of 1

Preparer:

W T Rendell

Explanation: Provide a reconciliation of the average basis capital structure to requested rate base.  
Explain all adjustments. Submit an additional schedule if a year-end basis is used.

Line No.	Class of Capital	(1)		(2)		(3)	(4)	(5)
		Prior Year 6/30/2018	Test Year 6/30/2019	Test Year Average†	Reconciliation Adjustments Pro rata	Reconciled To Test Yr Rate Base	Supporting Schedules	
1	Long-Term Debt	1,123,348	2,060,987	1,592,168	(96,766)	1,495,402	D-5	
2	Short-Term Debt	0	0	0	0	0	D-4	
3	Preferred Stock	0	0	0	0	0	D-3	
4	Common Stock	1,564,850	1,592,499	1,578,675	(95,946)	1,482,729		
5	Customer Deposits	32,122	35,946	34,034	(2,068)	31,966	D-7	
6	Accumulated Deferred Income Taxes	0	0	0	0	0	C-6	
7								
8	Total	<u>2,720,321</u>	<u>3,689,432</u>	<u>3,204,877</u>	<u>(194,780)</u>	<u>3,010,097</u>	A-1	

**Schedule of Customer Deposits**

**Florida Public Service Commission**

**HC Waterworks, Inc.**  
**Docket No. 20190166-WS**  
 Historical Test Year Ending June 30, 2019

**REVISED** Schedule: D-7  
 Page: 1 of 1  
 Preparer: W T Rendell

Utility [ X ] or Parent [ ]

Explanation: Provide a schedule of customer deposits on a 13 month average basis.

Line No.	(1) Month & Year	(2) Beginning Balance	(3) Deposits Received	(4) Deposits Refunded	(5) Ending Balance (2+3-4)
1	Jun-2018	30,681	757	95	31,344
2	Jul-2018	31,344	1,636	591	32,388
3	Aug-2018	32,388	941	644	32,685
4	Sep-2018	32,685	347	198	32,834
5	Oct-2018	32,834	1,833	832	33,835
6	Nov-2018	33,835	1,388	149	35,074
7	Dec-2018	35,074	1,438	832	35,680
8	Jan-2019	35,680	1,339	775	36,244
9	Feb-2019	36,244	1,637	5,729	32,152
10	Mar-2019	32,152	1,585	874	32,863
11	Apr-2019	32,863	2,033	495	34,401
12	May-2019	34,401	1,040	397	35,044
13	Jun-2019	35,044	893	287	35,650
14	<b>13 Month Average</b>				<u>33,861</u>
15	Simple Average - June/June				<u>33,497</u>
	June 2019 Balance Sheet			35,946	
	Difference			296	0.82%

Rate Schedule - Water

Florida Public Service Commission

HC Waterworks, Inc.

REVISED Schedule: E-1w

Docket No. 20190166-WS

Page: 1 of 1

Historical Test Year Ending June 30, 2019

Preparer: W T Rendell

Water [ X ] or Sewer [ ]

Explanation: Provide a schedule of present rates and proposed rates.

Line No.	(1) Class/Meter Size	(2) Prior to Filing	(3) Proposed Rates
<b>1</b>	<b>Residential</b>		
2	5/8" X 3/4"	20.99	31.63
3	3/4"	31.49	47.45
4	1"	52.48	79.08
5	1-1/2"	104.97	158.16
6	2"	167.95	253.06
7	3"	335.89	506.11
8	4"	524.83	790.80
9	6"	1,049.66	1,581.61
10	8"	1,679.46	2,530.57
11	10"	2,414.22	3,637.70
12	<i>Gallage Charge, per 1,000 gallons</i>		
13	0 - 3,000 gal.	8.07	10.82
14	Over 3,000	10.10	16.23
15			-
16			
<b>17</b>	<b>General Service (GS1)</b>		
18	5/8" X 3/4"	20.99	31.63
19	3/4"	31.49	47.45
20	1"	52.48	79.08
21	1-1/2"	104.97	158.16
22	2"	167.95	253.06
23	3"	335.89	506.11
24	4"	524.83	790.80
25	6"	1,049.66	1,581.61
26	8"	1,679.46	2,530.57
27	10"	2,414.22	3,637.70
28	<i>Gallage Charge</i>	8.66	12.47
29			
<b>30</b>	<b>General Service (GS2)</b>		
31	Lake Josephine RV Resort	1,574.49	2,372.25
32	<i>Gallage Charge</i>	8.66	12.47
33			
<b>34</b>	<b>Private Fire Protection</b>		
35	2"	14.00	21.09
36	3"	27.99	42.18
37	4"	43.74	65.90
38	6"	87.47	131.80
39	8"	139.95	210.88
40	10"	201.19	303.14



Revenue Schedule at Present and Proposed Rates

Florida Public Service Commission

HC Waterworks, Inc.  
 Docket No. 20190166-WS  
 Historical Test Year Ending June 30, 2019  
 Water [ X ] or Sewer [ ]

Schedule: E-2w REVISÉ  
 Page: 1 of 1  
 Preparer: W T Rendell

Explanation: Provide a calculation of revenues at present and proposed rates using the billing analysis. Explain any differences between these revenues and booked revenues. If a rate change occurred during the test year, a revenue calculation must be made for each period.

Line No.	(1) Class/Meter Size	(2) Test Year Bills	(3) TY Cons in 1,000 gal.	(4) Test Year Rate	(5) Test Year Revenue	(6) Adjusted Bills	(7) Adjusted Cons	(8) Rate Prior to Filing	(9) Revenue at Rate Prior	(10) ProForma Block Cons	(11) Repressed Block Cons	(12) Proposed Rate/W/Rpsn	(13) Revenue at Rpsn Rates
1	<b>Residential</b>												
2	5/8" X 3/4"	11,508		20.99	241,553	11,229		20.99	235,697			31.63	355,173
3	3/4"	0		31.49	0	0		31.49	0			47.45	0
4	1"	25		52.48	1,312	22		52.48	1,155			79.08	1,740
5	1-1/2"	0		104.97	0	0		104.97	0			158.16	0
6	2"	0		167.95	0	0		167.95	0			253.06	0
7	3"	0		335.89	0	0		335.89	0			506.11	0
8	4"	0		524.83	0	0		524.83	0			790.80	0
9	Gallonge Charge, per 1,000 gallons												
10	0 - 3,000 gal.		15,151	8.07	122,269	(4)	15,147	8.07	122,236	0	15,147	10.82	163,891
11	Over 3,000		12,814	10.10	129,421	(27)	12,787	10.10	129,149	(1,754)	11,033	16.23	179,059
12					0		0		0	0	0		0
13	Total Residential	11,533	27,965		494,555	11,251	27,934		488,236	(1,754)	26,180		699,863
14	Average Bill				42.88		2.483		43.39				62.20
15													
16	<b>General Service</b>												
17	5/8" X 3/4"	78		20.99	1,637	72		20.99	1,511			31.63	2,277
18	3/4"	0		31.49	0	0		31.49	0			47.45	0
19	1"	24		52.48	1,260	12		52.48	630			79.08	949
20	1-1/2"	13		104.97	1,365	12		104.97	1,260			158.16	1,898
21	2"	13		167.95	2,183	12		167.95	2,015			253.06	3,037
22	3"	0		335.89	0	0		335.89	0			506.11	0
23	4"	0		524.83	0	0		524.83	0			790.80	0
24	6"	0		1,049.66	0	0		1,049.66	0			1,581.61	0
25	8"	0		1,679.46	0	0		1,679.46	0			2,530.57	0
26	Gallonge		1,474	8.66	12,765		1,474	8.66	12,765	1,474	1,474	12.47	18,381
27	Total General Serv	128	1,474		19,210	108	1,474		18,181	1,474	1,474		26,542
28	Average Bill				150.07				168.34				245.76
29													
30	<b>General Service 2</b>												
31	RV Park	13		1,574.49	20,468	12	NA	1,574.49	18,894			2,372.25	28,467
32	Gallonge Charge												
33	per 1,000 gallons		3,778	8.66	32,717	3,778	0	8.66	32,717	0	0	12.47	47,112
34			0		0	0			0	0	0		0
35			0		0	0			0	0	0		0
36			0		0	0			0	0	0		0
37	Total General Service 2	13	3,778		53,186	3,790	0		51,611	0	0		75,579
38	Average Bill				4,091.22				3,970.10				5,813.74
39													
40	<b>Fire Protection</b>												
41	2"	0	NA	14.00	0	0		14.00	0			21.09	0
42	3"	0	NA	27.99	0	0		27.99	0			42.18	0
43	4"	0	NA	43.74	0	0		43.74	0			65.90	0
44	6"	12	NA	87.47	1,050	12		87.47	1,050			131.80	1,582
45	8"	0	NA	139.95	0	0		139.95	0			210.88	0
46	10"	0	NA	201.19	0	0		201.19	0			303.14	0
47	Total Fire Protect	12	NA		1,050	12	NA		1,050	NA			1,582
48	Average Bill				87.47								
49													
50	<b>Subtot Billed Rev</b>	11,686	33,217		568,000	15,161	29,408		559,078	(280)	27,654		803,565
51	Unbilled Revenues		2,768										
52	Guaranteed Revenues				5,805				5,805				5,805
53	Misc. Service Charge				10,237				10,237				10,237
54	Adjustments to Customers												
55	<b>Total Billed Rev</b>				584,042				576,120				819,606
56	Booked Revenue per GL				574,165				574,165				
57	Adjustments to Booked				0				0				
58	Bkd Rev Adjstd				574,165				574,165				
59	Difference				9,877		1.7%		955		0.17%		

**Billing Analysis Schedules**

**Florida Public Service Commission**

HC Waterworks, Inc.  
 Docket No. 20190166-WS  
 Historical Test Year Ending June 30, 2019  
 Water [ X ] or Sewer [ ]  
 Customer Class: Residential  
 Meter Size: 5/8" X 3/4"

Schedule: E-14 **REVISED**  
 Page: 1 of 7  
 Preparer: W T Rendell

Explanation: Provide a billing analysis for each class of service by meter size. For applicants having master metered multiple dwellings, provide number of bills at each level by meter size or number of bills categorized by the number of units. Round consumption to nearest 1,000 gallons and begin at zero. If a rate change occurred during the test year, provide a separate billing analysis which coincides with each period.

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Consumption Level	Number of Bills	Cumulative Bills	Gallons Consumed (1) X (2)	Cumulative Gallons	Reversed Bills	Consolidated Factor [(1)X(6)]+(5)	Percentage of Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	0	2857	2,857	-	-	8,651	-	0.00%
2	1	2187	5,044	2,187	2,187	6,464	8,651	7.84%
3	2	2386	7,430	4,772	6,959	4,078	15,115	24.96%
4	3	1548	8,978	4,644	11,603	2,530	19,193	41.62%
5	4	880	9,858	3,520	15,123	1,650	21,723	54.25%
6	5	560	10,418	2,800	17,923	1,090	23,373	64.29%
7	6	379	10,797	2,274	20,197	711	24,463	72.45%
8	7	232	11,029	1,624	21,821	479	25,174	78.27%
9	8	128	11,157	1,024	22,845	351	25,653	81.95%
10	9	68	11,225	612	23,457	283	26,004	84.14%
11	10	61	11,286	610	24,067	222	26,287	86.33%
12	11	34	11,320	374	24,441	188	26,509	87.67%
13	12	43	11,363	516	24,957	145	26,697	89.52%
14	13	29	11,392	377	25,334	116	26,842	90.87%
15	14	21	11,413	294	25,628	95	26,958	91.93%
16	15	15	11,428	225	25,853	80	27,053	92.74%
17	16	12	11,440	192	26,045	68	27,133	93.42%
18	17	9	11,449	153	26,198	59	27,201	93.97%
19	18	5	11,454	90	26,288	54	27,260	94.30%
20	19	7	11,461	133	26,421	47	27,314	94.77%
21	20	6	11,467	120	26,541	41	27,361	95.20%
22	21	10	11,477	210	26,751	31	27,402	95.96%
23	22	4	11,481	88	26,839	27	27,433	96.27%
24	23	3	11,484	69	26,908	24	27,460	96.52%
25	24	4	11,488	96	27,004	20	27,484	96.86%
26	26	2	11,490	52	27,056	18	27,524	97.05%
27	28	2	11,492	56	27,112	16	27,560	97.25%
28	29	1	11,493	29	27,141	15	27,576	97.36%
29	30	1	11,494	30	27,171	14	27,591	97.46%
30	32	2	11,496	64	27,235	12	27,619	97.69%
31	34	1	11,497	34	27,269	11	27,643	97.82%
32	35	1	11,498	35	27,304	10	27,654	97.94%
33	36	1	11,499	36	27,340	9	27,664	98.07%
34	37	1	11,500	37	27,377	8	27,673	98.20%
35	44	1	11,501	44	27,421	7	27,729	98.36%
36	54	1	11,502	54	27,475	6	27,799	98.55%
37	56	1	11,503	56	27,531	5	27,811	98.76%
38	58	1	11,504	58	27,589	4	27,821	98.96%
39	64	1	11,505	64	27,653	3	27,845	99.19%
40	66	1	11,506	66	27,719	2	27,851	99.43%
41	74	1	11,507	74	27,793	1	27,867	99.70%
42	85	1	11,508	85	27,878	-	27,878	100.00%

**Billing Analysis Schedules**

**Florida Public Service Commission**

**HC Waterworks, Inc.**  
**Docket No. 20190166-WS**  
 Historical Test Year Ending June 30, 2019  
 Water [ X ] or Sewer [ ]  
 Customer Class: Residential  
 Meter Size: 1"

Schedule: E-14 **REVISED**  
 Page: 2 of 7  
 Preparer: W T Rendell

Explanation: Provide a billing analysis for each class of service by meter size. For applicants having master metered multiple dwellings, provide number of bills at each level by meter size or number of bills categorized by the number of units. Round consumption to nearest 1,000 gallons and begin at zero. If a rate change occurred during the test year, provide a separate billing analysis which coincides with each period.

Line No.	(1)	(2)	(3)	(4)		(5)	(6)	(7)	(8)
	Consumption Level	Number of Bills	Cumulative Bills	Consumed Gallons (1) X (2)	Cumulative Gallons	Reversed Bills	Consolidated Factor [(1)X(6)]+(5)	Percentage of Total	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
1	0	6	6	-	-	19	-	0.00%	
2	1	2	8	2	2	17	19	2.30%	
3	2	3	11	6	8	14	36	9.20%	
4	3	1	12	3	11	13	50	12.64%	
5	4	3	15	12	23	10	63	26.44%	
6	5	6	21	30	53	4	73	60.92%	
7	6	1	22	6	59	3	77	67.82%	
8	7	1	23	7	66	2	80	75.86%	
9	9	1	24	9	75	1	84	86.21%	
10	12	1	25	12	87	-	87	100.00%	

**Billing Analysis Schedules**

**Florida Public Service Commission**

**HC Waterworks, Inc.**  
**Docket No. 20190166-WS**  
 Historical Test Year Ending June 30, 2019  
 Water [ X ] or Sewer [ ]  
 Customer Class: General Service  
 Meter Size: 5/8" X 3/4"

Schedule: E-14 **REVISED**  
 Page: 3 of 7  
 Preparer: W T Rendell

Explanation: Provide a billing analysis for each class of service by meter size. For applicants having master metered multiple dwellings, provide number of bills at each level by meter size or number of bills categorized by the number of units. Round consumption to nearest 1,000 gallons and begin at zero. If a rate change occurred during the test year, provide a separate billing analysis which coincides with each period.

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Consumption Level (1)	Number of Charges (2)	Cumulative Charges (3)	Gallons Consumed (1) X (2) (4)	Cumulative Gallons (5)	Reversed Bills (6)	Consolidated Factor [(1)X(6)]+(5) (7)	Percentage of Total (8)
1	0	1	1	-	-	77	-	0.00%
2	1	16	17	16	16	61	77	4.26%
3	2	13	30	26	42	48	138	11.17%
4	3	7	37	21	63	41	186	16.76%
5	4	10	47	40	103	31	227	27.39%
6	5	10	57	50	153	21	258	40.69%
7	6	4	61	24	177	17	279	47.07%
8	7	2	63	14	191	15	296	50.80%
9	8	2	65	16	207	13	311	55.05%
10	9	2	67	18	225	11	324	59.84%
11	10	3	70	30	255	8	335	67.82%
12	12	1	71	12	267	7	351	71.01%
13	13	1	72	13	280	6	358	74.47%
14	14	2	74	28	308	4	364	81.91%
15	16	1	75	16	324	3	372	86.17%
16	17	2	77	34	358	1	375	95.21%
17	18	1	78	18	376	-	376	100.00%

**Billing Analysis Schedules**

**Florida Public Service Commission**

**HC Waterworks, Inc.**

Schedule: E-14 **REVISED**

**Docket No. 20190166-WS**

Page: 4 of 7

Historical Test Year Ending June 30, 2019

Preparer: W T Rendell

Water [ X ] or Sewer [ ]

Customer Class: General Service

Meter Size: 1"

Explanation: Provide a billing analysis for each class of service by meter size. For applicants having master metered multiple dwellings, provide number of bills at each level by meter size or number of bills categorized by the number of units. Round consumption to nearest 1,000 gallons and begin at zero. If a rate change occurred during the test year, provide a separate billing analysis which coincides with each period.

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Consumption Level	Number of Charges	Cumulative Charges	Gallons Consumed (1) X (2)	Cumulative Gallons	Reversed Bills	Consolidated Factor [(1)X(6)]+(5)	Percentage of Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	0	7	7	-	-	17	-	0.00%
2	1	4	11	4	4	13	17	0.56%
3	2	3	14	6	10	10	30	1.40%
4	3	1	15	3	13	9	40	1.83%
5	8	1	16	8	21	8	85	2.95%
6	10	1	17	10	31	7	101	4.35%
7	50	1	18	50	81	6	381	11.38%
8	80	1	19	80	161	5	561	22.61%
9	85	1	20	85	246	4	586	34.55%
10	91	1	21	91	337	3	610	47.33%
11	110	1	22	110	447	2	667	62.78%
12	132	1	23	132	579	1	711	81.32%
13	133	1	24	133	712	-	712	100.00%

**Billing Analysis Schedules**

**Florida Public Service Commission**

**HC Waterworks, Inc.**  
**Docket No. 20190166-WS**  
 Historical Test Year Ending June 30, 2019  
 Water [ X ] or Sewer [ ]  
 Customer Class: General Service  
 Meter Size: 1 1/2"

Schedule: E-14 **REVISED**  
 Page: 5 of 7  
 Preparer: W T Rendell

Explanation: Provide a billing analysis for each class of service by meter size. For applicants having master metered multiple dwellings, provide number of bills at each level by meter size or number of bills categorized by the number of units. Round consumption to nearest 1,000 gallons and begin at zero. If a rate change occurred during the test year, provide a separate billing analysis which coincides with each period.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Line No.	Consumption Level	Number of Charges	Cumulative Charges	Gallons Consumed (1) X (2)	Cumulative Gallons	Reversed Bills	Consolidated Factor [(1)X(6)]+(5)	Percentage of Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	0	13	13	-	-	(13)	-	100.00%

**Billing Analysis Schedules**

**Florida Public Service Commission**

**HC Waterworks, Inc.**  
**Docket No. 20190166-WS**  
 Historical Test Year Ending June 30, 2019  
 Water [ X ] or Sewer [ ]  
 Customer Class: General Service  
 Meter Size: 2"

Schedule: E-14 **REVISED**  
 Page: 5 of 7  
 Preparer: W T Rendell

Explanation: Provide a billing analysis for each class of service by meter size. For applicants having master metered multiple dwellings, provide number of bills at each level by meter size or number of bills categorized by the number of units. Round consumption to nearest 1,000 gallons and begin at zero. If a rate change occurred during the test year, provide a separate billing analysis which coincides with each period.

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Consumption Level	Number of Charges	Cumulative Charges	Gallons Consumed (1) X (2)	Cumulative Gallons	Reversed Bills	Consolidated Factor [(1)X(6)]+(5)	Percentage of Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	0	6	6	-	-	7	-	0.00%
2	4	1	7	4	4	6	28	1.04%
3	6	1	8	6	10	5	40	2.59%
4	10	2	10	20	30	3	60	7.77%
5	70	1	11	70	100	2	240	25.91%
6	143	2	13	286	386	-	386	100.00%

**Billing Analysis Schedules**

**Florida Public Service Commission**

**HC Waterworks, Inc.**

Schedule: E-14

**REVISED**

**Docket No. 20190166-WS**

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Historical Test Year Ending June 30, 2019

Preparer: W T Rendell

Water [ X ] or Sewer [ ]

Customer Class: General Service

Meter Size: RV Park

Explanation: Provide a billing analysis for each class of service by meter size. For applicants having master metered multiple dwellings, provide number of bills at each level by meter size or number of bills categorized by the number of units. Round consumption to nearest 1,000 gallons and begin at zero. If a rate change occurred during the test year, provide a separate billing analysis which coincides with each period.

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Consumption Level	Number of Bills	Cumulative Bills	Gallons Consumed (1) X (2)	Cumulative Gallons	Reversed Bills	Consolidated Factor [(1)X(6)]+(5)	Percentage of Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	0	1	1	-	-	12	-	0.00%
2	97	1	2	97	97	11	1,164	2.57%
3	135	1	3	135	232	10	1,582	6.14%
4	179	1	4	179	411	9	2,022	10.88%
5	300	1	5	300	711	8	3,111	18.82%
6	315	1	6	315	1,026	7	3,231	27.16%
7	327	1	7	327	1,353	6	3,315	35.81%
8	357	1	8	357	1,710	5	3,495	45.26%
9	378	1	9	378	2,088	4	3,600	55.27%
10	395	1	10	395	2,483	3	3,668	65.72%
11	397	1	11	397	2,880	2	3,674	76.23%
12	414	1	12	414	3,294	1	3,708	87.19%
13	484	1	13	484	3,778	-	3,778	100.00%