

HC WATERWORKS, INC.

CORRESPONDENCE
4/24/2020
DOCUMENT NO. 02191-2020

April 24, 2020

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 Office of Public Counsel Letter*

Dear Commission Clerk,

HC Waterworks, Inc. hereby submits its response to the Office of Public Counsel (OPC) letter dated April 22, 2020. OPC stated that it had received correspondences from customers who dispute the representations in HCWW's response to Highlands County. OPC attached seven (7) e-mails to its letter; however, there were two sets of duplicates from the same customers. (Fortner & Mathy). Below is a summary of these e-mails:

Tavano – stated that HCWW did not come by or leave a door tag. As shown in the attached Affidavit of Sharon Purviance and her attachment, this is incorrect. As she did go by this residence and rang the “Ring” doorbell which was not answered. She then conducted her water test on the customer's water spigot next to his outdoor garage using the outside bench. She then left a door tag on his door handle. Mr. Tavano stated that the water pressure drops “around midnight” then smells afterwards. There are autoflushers located on Oak Beach that are utilized to maintain the required chlorine residual in the distribution system. This may cause a slight drop of pressure in the system during the flushing event.

Grassman – customer stated that the water situation does seem to have changed for the better. Customer does not believe the costs of the main relocation should be passed onto customers. However, HCWW attempted several times to obtain funding through Highlands County and the DOT for this project so the cost would not be passed on to its customers. Unfortunately, HCWW was forced to complete the project at its costs pursuant to Florida Statute.

Fortner – customer provided two (2) e-mails that stated that “YES... the quality of the water has improved.” Customer also stated that “We do not believe the increase they are requesting is unreasonable.”

Mathy – customer stated no one came by her residence or left a door tag. Ms. Purviance provides further statements in the attachment to her Affidavit indicating that she did go by Mrs. Mathy's house, conducted her test, and left a doortag on the gate handle. Ms. Purviance did not attempt to knock on the door as she did not see any vehicles on the property.

Erhhart – customer states that the water quality has “been acceptable for several week now” (sic)

HC Waterworks, Inc.
Response to OPC Letter
April 24, 2020

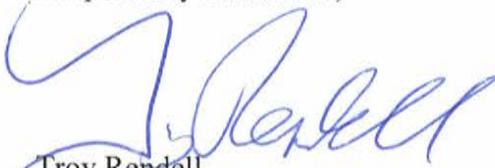
Thus the majority of the e-mails indicated that the water quality had improved. In addition OPC also refers to several documents filed in the docket file. HCWW has reviewed these complaints and determined there was no additional information on the timing of these water quality complaints or whether the quality has improved.

To HCWW's knowledge, OPC has not attempted to travel to the service territory to observe the water quality at these residences in person. Further OPC had not contacted HCWW directly to either discuss the water quality issues, or to request an on-site visit to either the water treatment plants or customers' homes. OPC has not offered any suggestions as to what further actions it would like HCWW to follow or any suggestions as to how HCWW could have done anything differently.

The Staff recommendation filed on April 23, 2020 recommends that the quality of service should be found to be unsatisfactory based solely on past customer complaints. However, Staff recognizes that HCWW is in compliance with DEP standards and has completed substantial improvements directly related to the water quality. Staff also recommends a penalty of fifty (50) basis points to its recommended return on equity. The Staff recommendation does not indicate any actions by HCWW that should have been different nor any recommended actions that should be made to address the customers' complaints.

It should be noted Staff's Recommendation also calculated a revenue requirement of \$775,366 which represents an increase of \$214,339 (38.20%). However, in its recommendation staff limits the recommended increase to a revenue requirement of \$743,964 or in increase of \$182,937 (32.61%). This results in a significant deficit to the Utility in the amount of \$31,402. This deficit includes the recommended penalty, thus applying a "double penalty" on HCWW.

Respectfully Submitted,



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

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in water rates in Highlands County by HC Waterworks, Inc.

DOCKET NO. 20190166-WU

FILED: April 24, 2020

AFFIDAVIT

STATE OF FLORIDA:

COUNTY OF PASCO:

BEFORE ME, the undersigned authority, personally appeared Sharon Purviance, who after being duly sworn, deposes and says:

1. That I, Sharon Purviance, am employed by U.S. Water Services Corporation as a Utility Manager.
2. That I am a dual Class C Water and Wastewater operator in the State of Florida with licenses numbers 13268 (W) and 12142 (WW).
3. That I hereby affirm that I attended the customer meeting held in Docket No. 20190166-WU on February 20, 2020 in Sebring, Florida.
4. That I hereby affirm that on March 9th and 10th, 2020 I personally traveled to the HC Waterworks' service territory to conduct on-site visits with the customers who provided comments concerning water quality at the customer meeting.
5. That I went to each customers' residence in the Lake Josephine service area that provided comments at the customer meeting and

personally conducted water testing and reported these results in the response to Staff's Fourth Data Request.

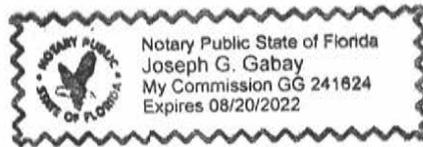
6. That I compiled the Excel spreadsheet attached to Document No. 01540-2020, HC Waterworks response to Staff's Fourth Data Request.
7. That I reviewed the letter dated April 22, 2020 from the Office of Public Counsel.
8. That I complied the attached schedule to this Affidavit providing additional comments on three residence.
9. That I traveled back to the Lake Josephine service area on April 8, 2020 to collect water samples for secondary water standards from distribution flush points.
10. That I again spoke to several of the customers who provided comments at the customer meeting.
11. That I affirm these customers told me personally that the water quality had improved and continues to be good.
12. Further, Affiant sayeth not.


SHARON PURVIANCE

STATE OF FLORIDA:
COUNTY OF PASCO:

Subscribed and sworn to before me this 24th Day of April 2020, by Sharon Purviance, who is personally known to me.


NOTARY PUBLIC
My Commission Expires:



Docket No. 20190166-WS

Name	Address	
Tamra Mathy	1934 Canary Way	I arrived at Ms. Mathy's house around 12:30 p.m. on 3/9/20. I did not see any vehicles in the driveway. This is the house directly next to the water treatment plant. This customer has had issues in the past. However, HC Waterworks recently removed an old deadend "T" next to her house due to a reported leak. After the removal, the water quality improved. Ms. Mathy personally informed me that the water had improved. It appeared the customer was not home. I left a doortag on the gate handle outside her door.
Manny Ernhart	1912 Sentinal Pt.	Customer stated in e-mail to OPC that water quality has been acceptabe for several weeks.
John Tavano	2122 Oak Beach Blvd.	I arrived at Mr. Tavano's residence at 10:10 a.m. on 3/10/20. The house had a "Ring" doorbell. I rang the doorbell which activated. I waited and nobody answered. There was an outdoor spigot next to their large separate garage. I conducted my water test on their outdoor bench. I filled out a doortag and placed on their door handle with the chorine residual results. I also indicated that the water was clear and if they had questions to call.