

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: February 8, 2022

TO: Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

FROM: Christopher R. Richards, Public Utility Analyst III, Division of Accounting & Finance *CRR*

RE: Docket No. 20210184-WS – Application for limited proceeding in Highlands County by HC Waterworks, Inc.

Please place the attached email correspondence to the Utility along with the Notice for Solicitation of Comments and Cover Letter in the above mentioned docket file.

Thank you.

Attachments.

From: [Ryan Sandy](#)
To: ["trendell@uswatercorp.net"](mailto:trendell@uswatercorp.net)
Cc: [Christopher Richards](#); [Anthony Casper](#); [Jennifer Crawford](#); [Danyel Sims](#)
Subject: Customer Notice - Solicitation (20210184)
Date: Friday, February 04, 2022 4:30:47 PM
Attachments: [CommentsSolicitation_20210184.pdf](#)
[CoverLetter_CommentsSolicitation.pdf](#)

Trey,

Attached you'll find an approved Notice for Solicitation of Comments and a Cover Letter that goes with it.

Please send to customers of HC Waterworks at your earliest convenience.

I'll be out of the office for most of next week at a hearing. But I'll do my best to follow up with you ASAP if you have any questions or issues.

Regards,

Ryan

Ryan Sandy
Senior Attorney
Economic Regulation Section
Office of the General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0854
P: (850) 413-6856
E: RSandy@psc.state.fl.us

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STATE OF FLORIDA



KEITH C. HETRICK
GENERAL COUNSEL
(850) 413-6199

Public Service Commission

February 4, 2022

Mr. Troy Rendell
HC Waterworks Utilities, Inc.
4939 Cross Bayou Blvd.
New Port Richey, FL 34652
trendell@uswatercorp.net

VIA EMAIL

Re: Docket No. 20210184-WS – Application for limited proceeding in Highlands County by HC Waterworks, Inc.

Dear Mr. Rendell:

Please find enclosed the draft Notice for Solicitation of Comments. In order to allow customers an opportunity to provide comments, please mail the attached notice to the customers of the Utility and provide an affidavit of mailing. We ask that this be mailed to your customers as soon as possible so that comments may be received in time to be considered by the Florida Public Service Commission at its May 3, 2022 Commission Conference. The date has been left blank so you can fill in the date that the notice is sent to the customers. Please furnish me with a copy of the notice that is distributed to your customers, together with a cover letter indicating the exact date(s) on which the notice was mailed or otherwise delivered to the customers.

Should you have any questions about the matters contained herein, please do not hesitate to contact me at (850) 413-6856 or Tony Casper at (850) 413-7015.

Sincerely,

/s/Ryan Sandy
Ryan Sandy
Senior Attorney

Enclosures
RS/crr

cc: Office of Commission Clerk (Docket No. 20210184-WS)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
NOTICE FOR THE SOLICITATION OF COMMENTS
TO THE CUSTOMERS OF
HC WATERWORKS, INC.
AND ALL OTHER INTERESTED PERSONS

RE: DOCKET NO. 20210184-WS

Application for limited proceeding in Highlands County by HC Waterworks, Inc.

DATED: _____

NOTICE is hereby given that the staff of the Florida Public Service Commission (Commission) is seeking comment and information from utility customers pertaining to the petition of HC Waterworks, Inc. (HCWW or Utility) for a limited proceeding in Highlands County.

PURPOSE

The purpose of this Notice is to advise customers and other interested persons how they may provide comment to Commission staff regarding the quality of service the Utility provides and on the Utility's proposed increase in rates included in this notice. These comments will be taken into consideration by the Commission in its decision regarding the proposed rate increase.

HOW TO PROVIDE COMMENTS TO THE COMMISSION

Any person who wishes to comment or provide information may do so in one of the ways listed below.

- ❖ Email your comments to the Commission at clerk@psc.state.fl.us.
- ❖ Fill out and return, by US Mail, the "Comment Card" attached to this Notice.
- ❖ Submit written comments to the Commission Clerk at the address below.

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

All correspondence should refer to "Docket No. 20210184-WS, HC Waterworks, Inc."

- ❖ Address the Commissioners during the Commission's Conference, currently scheduled for May 3, 2022. You may address the Commissioners even if you also provide written comments through any of the other methods. If you would like to provide comments at the Commission Conference, please contact Ryan Sandy with the PSC at (850) 413-6856 or rsandy@psc.state.fl.us by noon on April 29, 2022.

Please note that written comments are given the same consideration as if they were provided to the Commission in-person.

BACKGROUND

HC Waterworks, Inc. (HCWW or Utility) is a Class B utility providing water service to approximately 967 residential customers, 12 general service customers, and 1 private fire protection customer in the Leisure Lakes, Lake Josephine, and Sebring Lakes subdivisions in Highlands County. The Utility also provides wastewater service to 317 residential wastewater customers in the Leisure Lakes subdivision. The service area is in the Southwest Florida Water Management District and is in a water use caution area. According to the Utility's 2020 Annual Report, operating revenues were \$712,733 for water and \$90,118 for wastewater. Operating expenses were \$513,226 for water and \$95,155 for wastewater.

By Order No. PSC-2014-0314-PAA-WS, the Commission approved the transfer of Certificate Nos. 422-W and 359-S from Aqua Utilities Florida, Inc. to HCWW.¹ Water rates were last established for the Utility in 2020.² Subsequently, water rates were increased by a price index rate adjustment in 2021. Wastewater rates were last established in 2015 and had subsequent price index rate adjustments in 2018 and 2021.³ On November 18, 2021, HCWW filed its application for a limited proceeding to increase its water and wastewater rates.⁴ Accompanying the Utility's application were minimum filing requirement (MFR) schedules required by Section 367.081, Florida Statutes (F.S.), and Rule 25-30.437, Florida Administrative Code (F.A.C.). The Utility was notified of deficiencies in the MFRs on December 14, 2021.⁵ The deficiencies were cured and December 22, 2021, was established as the official filing date.⁶

The Utility is requesting an increase to address significant financial impacts to HCWW's earning levels beginning in April 2021. Based on the Utility's filing, their expenses will not be recovered through current rates.

Copies of the Utility's application for a limited proceeding and all attachments are available for review by members of the public by visiting <http://www.floridapsc.com/ClerkOffice/Docket> and entering 20210184 in the docket number search field.

¹Order No. PSC-2014-0314-PAA-WS, issued June 13, 2014, in Docket No. 20130175-WS, *In re: Application for approval of transfer of certain water and wastewater facilities and Certificate Nos. 422-W and 359-S of Aqua Utilities Florida, Inc. to HC Waterworks, Inc. in Highlands County.*

²Order No. PSC-2020-0168-PAA-WS, issued May 22, 2020, in Docket No. 20190166-WS, *In re: Application for increase in water rates in Highlands County by HC Waterworks, Inc.*

³Order No. PSC-2015-0282-PAA-WS, issued July 8, 2015, in Docket No. 20140158-WS, *In re: Application for increase in water/wastewater rates in Highlands County by HC Waterworks, Inc.*

⁴Document No. 12849-2021, filed on November 18, 2021.

⁵Document No. 13057-2021, filed on December 14, 2021.

⁶Document No. 13148-2021, filed on December 22, 2021.

CURRENT AND PROPOSED MONTHLY WATER RATES

	UTILITY'S CURRENT RATES	UTILITY'S PROPOSED RATES
Residential (RS) and General Service (GS1)		
Base Facility Charge by Meter Size		
5/8" x 3/4"	\$26.56	\$27.71
3/4"	\$39.84	\$41.57
1"	\$66.40	\$69.28
1-1/2"	\$132.80	\$138.56
2"	\$212.48	\$221.70
3"	\$424.96	\$443.40
4"	\$664.00	\$692.82
6"	\$1,328.00	\$1,385.64
8"	\$2,124.80	\$2,217.02
10"	\$3,054.40	\$3,186.97
General Service (GS2) (127 ERCs)	\$3,373.12	\$3,519.52
Gallonge Charge – Residential Service		
0 – 4,000 Gallons	\$11.57	\$12.07
Over 4,000 Gallons	\$14.46	\$15.09
Charge per 1,000 Gallons – General Service	\$12.14	\$12.67
Private Fire Protection		
2"	\$17.71	\$18.48
3"	\$35.41	\$36.95
4"	\$55.33	\$57.74
6"	\$110.67	\$115.47
8"	\$177.07	\$184.75
10"	\$254.53	\$265.58

CURRENT AND PROPOSED MONTHLY WASTEWATER RATES

	UTILITY'S CURRENT RATES	UTILITY'S PROPOSED RATES
Residential Service		
Base Facility Charge – All Meter Sizes	\$12.23	\$14.64
Charge Per 1,000 Gallons 6,000 Gallon Cap	\$8.17	\$9.78
Residential Service		
Flat Rate	\$25.01	\$29.94
General Service		
Base Facility Charge by Meter Size		
5/8" x 3/4"	\$12.23	\$14.64
3/4"	\$18.35	\$21.97
1"	\$30.58	\$36.61
1-1/2"	\$61.15	\$73.21
2"	\$97.84	\$117.14
3"	\$195.68	\$234.27
4"	\$305.75	\$366.05
6"	\$611.50	\$732.10
8"	\$978.40	\$1,171.37
10"	\$1,406.45	\$1,682.84
Charge per 1,000 Gallons	\$9.81	\$11.74

PROCEDURES AFTER RECEIVING COMMENTS

Commission staff will prepare a recommendation on the Utility's proposed rate increase which is tentatively scheduled to be submitted to the Commission on April 21, 2022. The Commission will then vote on staff's recommendation, taking into consideration customer comments, at its May 3, 2022 Commission Conference. As noted above, customers may address the Commission directly at this Conference. Customers may also watch the Commission Conference live from the PSC website at www.floridapsc.com. Look for the "Watch Live Broadcast" icon on the left side of the webpage.

The Commission will thereafter issue a proposed agency action (PAA) order containing rates which may be different from those contained in staff's final recommendation. Substantially affected persons have 21 days from the date that the PAA order is issued to protest the Commission's PAA order. Customers may obtain a copy of staff's recommendation and all

documents filed in this docket under the Clerk's Office tab at the Commission's website (<http://www.floridapsc.com>).

CONTACTING THE OFFICE OF PUBLIC COUNSEL

At any time during this process, you may contact the Office of Public Counsel. The Office of Public Counsel was established by the Florida Legislature to advocate on behalf of you and other utility customer before both the Commission, and other state and federal regulatory authorities. The Public Counsel is independent from the Commission and accounts only to the people of the state of Florida through the Florida Legislature. You can reach the Office of Public Counsel at (800) 320-0222 or www.floridaopc.gov

HAVE QUESTIONS OR NEED ADDITIONAL INFORMATION

Contact information for staff is provided below. You may also find additional information in the Rate Case Overview, which can be viewed at <http://www.floridapsc.com/Publications/RateCaseOverviews>.

For technical questions contact: Tony Casper at (850) 413-7015 or tcasper@psc.state.fl.us
For legal questions contact: Ryan Sandy at (850) 413-6856 or rsandy@psc.state.fl.us

Please note, if you would like to provide comments at the Commission Conference, please contact Ryan Sandy by noon on April 29, 2022.

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

