

STATE OF FLORIDA

ART GRAHAM  
CHAIRMAN



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# Public Service Commission

August 30, 2019

Mr. Gary Deremer, President  
HC Waterworks, Inc.  
4939 Cross Bayou Boulevard  
New Port Richey, Florida 34652

RECEIVED-FPSC  
2019 AUG 30 PM 12:59  
COMMISSION CLERK

**Re: Docket No. 20190166-WS - Application for Increase in Water and Wastewater Rates in Highlands County by HC Waterworks, Inc.**

Dear Mr. Deremer:

The Florida Public Service Commission received your letter on August 26, 2019, regarding a proposed rate case by HC Waterworks, Inc. (HC Waterworks or Utility). In that letter, HC Waterworks requested to use a historic test year ended June 30, 2019, for establishing interim and final rates and to file its application using the Proposed Agency Action provision set forth in Section 367.081(8), Florida Statutes (F.S.).

Pursuant to Rule 25-30.430, Florida Administrative Code (F.A.C.), HC Waterworks' test year request as outlined above is hereby approved for purposes of filing its Minimum Filing Requirements (MFRs). Docket No. 20190166-WS has been assigned to the forthcoming case. Your petition will be deemed filed on the date the Office of Commission Clerk receives the complete petition, the MFRs, and the filing fee. To process this case expeditiously, we request that you file the above no later than October 31, 2019.

Pursuant to Section 367.083, F.S., the official filing date will be the date that complete corrections to any deficiencies, if any, are filed. Please note that many schedules included in the MFRs are designed with a column titled "Balance Per Books." This column must reflect the balances on the general ledger and be reconciled with the balances reported in the Utility's Annual Report on file with the Commission. This requirement is applicable to all primary account balances as required by the NARUC Uniform System of Accounts. Pursuant to Rule 25-30.110(2), F.A.C., all data the Commission requests and requires to be submitted in determining a utility's rates "shall be consistent with and reconcilable with the utility's annual report to the Commission."

Mr. Gary Deremer  
Page 2  
August 30, 2019

In addition, HC Waterworks should satisfactorily document that it has recorded all adjustments to the Utility's general ledger and accounts that have been ordered by the Commission in any prior proceeding relating to this system. If adjustments were ordered for prior periods that impact subsequent years, the related adjustments shall also be made to reflect the impact for the appropriate period up to and including the approved test year. Further, HC Waterworks should be prepared to justify its requested test year operation and maintenance expenses, particularly those expenses which have increased above the level of customer growth and inflation since the test year utilized in the last rate case.

The Utility is instructed to file all information it wishes the Commission to consider when arriving at a decision on its rate case application with its original filing. Because of the time limitations contained in Section 367.081, F.S., and the auditing and investigation required, the Commission may disregard any information not filed with the original application. Approval of the test year for filing purposes does not mean that an issue regarding the appropriateness of the test period could not be raised at any time during the proceeding. If you have any questions, please contact Amber Norris at (850) 413-6984 or [amber.norris@psc.state.fl.us](mailto:amber.norris@psc.state.fl.us).

Sincerely,



Art Graham  
Chairman

AG/wtl

cc: Mr. J. R. Kelly, Office of Public Counsel  
Mr. Braulio Baez, Executive Director  
Mr. Mark Futrell, Deputy Executive Director - Technical  
Mr. Keith Hetrick, General Counsel  
✓ Mr. Adam Teitzman, Commission Clerk