



1 PARTICIPATING:

2 BRUCE MAY, ESQUIRE, representing Aqua Utilities  
3 Florida, Inc.

4 CHARLES J. BECK, ESQUIRE, representing the Citizens  
5 of the State of Florida.

6 CECELIA BRADLEY, ESQUIRE, representing the Citizens  
7 of the State of Florida.

8 RALPH JAEGER, ESQUIRE, TIM DEVLIN, BART FLETCHER,  
9 PAUL STALLCUP and MARSHALL WILLIS, representing Commission  
10 staff.

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## P R O C E E D I N G S

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3 CHAIRMAN CARTER: Commissioners, for planning  
4 purposes we have one further matter, and I did work the court  
5 reporter overtime this morning and I think --

6 COMMISSIONER ARGENZIANO: Can we go through that,  
7 Mr. Chairman?

8 CHAIRMAN CARTER: I think we're going to need to  
9 break for lunch and then come back. We have one, one matter,  
10 Item 20. So let's do this. I'm looking at the -- let me see  
11 if I can find one that gives the right time. Looking at the  
12 clock on the wall. I'm looking for -- staff, I know you guys  
13 have got to do some stuff too before we come back. So I was  
14 looking at maybe an hour and a half. Will that give you guys  
15 an opportunity to do what you need to do and be ready to come  
16 back, staff? Hour and a half, what will that bring us back at?

17 MR. DEVLIN: Mr. Chairman, the staff is ready. I  
18 mean, we can come back earlier, if you want us to.

19 COMMISSIONER ARGENZIANO: Mr. Chair?

20 CHAIRMAN CARTER: You're recognized, Commissioner.

21 COMMISSIONER ARGENZIANO: If staff is ready, can we,  
22 can we -- is there any will to go through and not have to go to  
23 lunch?

24 CHAIRMAN CARTER: Staff, if you're ready, let's roll.  
25 You're recognized.

1 MR. FLETCHER: Commissioners --

2 CHAIRMAN CARTER: Hold on. Hold on. Hold on. Let  
3 everybody get their places here. Yeah. They're more than  
4 ready, they're eager.

5 Commissioner, staff is handing out -- make sure Larry  
6 gets a copy of this. They're handing out, well, we'll  
7 recognize staff and you can tell us what you're handing out.  
8 Staff, you're recognized.

9 MR. FLETCHER: Commissioners, I'm Bart Fletcher with  
10 Commission staff. Item 20 is staff's recommendation to approve  
11 an interim rate increase for Aqua Utilities Florida, Inc.  
12 Staff needs to make ten oral modifications to its rec.

13 A handout is being given to the Commissioners and the  
14 parties. Specifically the revisions to the recommendation are  
15 necessary to correct inputting errors contained in staff's  
16 Excel spreadsheets. As a result, the recommended revenue  
17 requirements changed for 23 water systems and 11 wastewater  
18 systems. The impact of these errors on staff's recommendation  
19 are as follows.

20 First, on Issue 2 of the recommendation on Page 8, in  
21 the last paragraph, in the last sentence of that paragraph  
22 there were -- we need to correct the amounts for the regulatory  
23 asset. So the last sentence should read, "Attachment A  
24 reflects staff's calculation of the total regulatory asset on  
25 an annual basis of \$242,701 for water and \$708,480 for

1 wastewater."

2           The second modification is on Issue 3 on Page 9. The  
3 second paragraph of staff's analysis, the third sentence, it  
4 needs to be correctly stated, "There are six systems," instead  
5 of the ten that reflect revenue decreases.

6           On the same page, the same issue, the second  
7 paragraph, the last sentence of the second paragraph of the  
8 staff analysis, it needs to read, "Thus, the consolidated  
9 capital structure under the maximum ROE limit should be applied  
10 to the six systems with a revenue decrease, and the  
11 consolidated capital structure under the minimum ROE should be  
12 applied to the remaining systems."

13           The fourth modification is on Page 12 of Issue 3.  
14 It's the last paragraph, the second to the last sentence, and  
15 we need to correct the interim revenue requirements for the  
16 water and wastewater. And the sentence should read, "Based  
17 upon recovery of actual operating expenses for the test year  
18 ending December 31st, 2007, and the consolidated capital  
19 structure on an average rate base, staff recommends that the  
20 appropriate combined interim revenue requirements are  
21 \$7,681,952 and \$5,464,764, respectively for the utility's water  
22 and wastewater systems."

23           The fifth correction is going to be on Issue 4 on  
24 Page 14 of staff's recommendation. It's the first paragraph,  
25 the second to the last sentence, and we have to correct the

1 across-the-board increases for the former Florida Water  
2 Systems. So the sentence would correctly read, "Using this  
3 methodology, staff calculated the across-the-board rate  
4 increase for the former Florida Water Service systems to be  
5 33.98 percent for water and 92.38 percent for wastewater."

6           The sixth correction would be on Issue 15 on Page,  
7 or, excuse me, Issue 5 on Page 15. The second sentence in the  
8 recommendation paragraph, we need to correct the security  
9 amount. And that sentence should read correctly, "Aqua should  
10 be required to file a corporate undertaking on behalf of its  
11 subsidiaries to guarantee any potential refunds of revenues  
12 collected under interim conditions. Aqua's total guarantee  
13 should be an amount of \$3,222,973."

14           Going on on the same issue on the first paragraph of  
15 staff's analysis section, the second sentence, it should  
16 correctly read, "As reflected in Attachment A, the total annual  
17 interim revenue increase is \$3,825,305. In addition, the  
18 combined revenue decrease for Jasmine Lakes and Lake Suzy water  
19 systems are \$349,821."

20           On the same issue, Page 15 as well, the first  
21 paragraph of staff's analysis, and it's the third sentence, it  
22 needs to read, "In accordance with Rule 25-30.360, Florida  
23 Administrative Code, staff has calculated the potential refund  
24 of revenues and interest collected under interim conditions to  
25 be \$3,222,973."

1           Then on the same page, the second paragraph of staff  
2 analysis, the seventh sentence should read, "Finally, net  
3 income has steadily increased over the period and has been on  
4 average 29 times greater than the requested cumulative  
5 corporate undertaking amount."

6           On the same page, 15, the second paragraph of staff's  
7 analysis, the last sentence should correctly read, "Based on  
8 this analysis, staff recommends that a cumulative corporate  
9 undertaking amount of \$3,222,973 is acceptable contingent upon  
10 the receipt of the written guarantee by Aqua America, Inc., and  
11 written confirmation that Aqua will not assume outstanding  
12 guarantees on behalf of Aqua America, Inc.-owned utilities in  
13 other states in excess of \$55 million, inclusive of Aqua  
14 Utilities Florida, Inc."

15           In the handout staff has included revised Attachment  
16 A, C and D, which incorporate and correct the inputting errors  
17 which are reflected in the previously stated ten oral  
18 modifications. Staff has highlighted in yellow all the numbers  
19 that have changed.

20           In addition, the calculation of rates for Palm Port  
21 Wastewater contained a material error. Staff has attached an  
22 Excel spreadsheet which contains the corrected rate schedules  
23 for or corrected rate Schedule 4-B for Palm Port. Also, staff  
24 has attached an Excel spreadsheet containing the rate  
25 calculations for Schedules 4-A and 4-B for Vienna (sic.)

1 Village that were not included in staff's July 18th, 2008,  
2 recommendation.

3           The utility has requested permission to address the  
4 Commission on this item. The Office of Public Counsel has been  
5 granted intervention in this case and has requested also to  
6 address the Commission on this item. Ms. Cecilia Bradley from  
7 the Office of the Attorney General has filed a petition to  
8 intervene and has also requested to address the Commission.  
9 Although an order granting intervention has not been issued  
10 yet, it is Commission practice to allow participation pending  
11 the granting of such a petition. Moreover, the utility states  
12 that it does not oppose participation by the Office of the  
13 Attorney General.

14           Finally, since the filing of the, this  
15 recommendation, the utility has withdrawn its request for  
16 interim rates for its Chuluota water and wastewater systems.

17           Staff is available for questions, and at this time I  
18 would like to defer to Mr. Ralph Jaeger for the remainder of  
19 staff's introduction.

20           CHAIRMAN CARTER: Mr. Jaeger.

21           MR. JAEGER: Commissioners, Ralph Jaeger, legal  
22 staff.

23           Prior to going to staff's recommendation, staff  
24 believes the Commission should first address the issue of  
25 participation and then address the utility's withdrawal of its



1 request for interim rates for the Chuluota system.

2 CHAIRMAN CARTER: First of all, Commissioners,  
3 without, no objections from the parties and we've always  
4 granted leave to the Attorney General's Office to participate.  
5 I don't see any reason for us to defer from that, so we'll  
6 grant leave of the Attorney General's Office to participate in  
7 this matter.

8 Next, your next issue was?

9 MR. JAEGER: The withdrawal of the Chuluota system  
10 for interim rates.

11 CHAIRMAN CARTER: Has there been any objections to  
12 this motion to withdraw?

13 MR. JAEGER: I've heard nothing from OPC, AG or  
14 anybody else.

15 CHAIRMAN CARTER: Commissioners, without any  
16 objections we'll allow the withdrawal of the petition for the  
17 Chuluota system from this case.

18 Okay. Staff, you're recognized.

19 COMMISSIONER EDGAR: Mr. Chairman --

20 CHAIRMAN CARTER: Mr. Beck, are you going to join us  
21 down here?

22 COMMISSIONER EDGAR: Just for clarity, we did include  
23 OPC in the --

24 CHAIRMAN CARTER: OPC is also a party.

25 MR. JAEGER: Mr. Chairman, I just wanted to clarify

1 to make sure that was just for the interim rates that they've  
2 withdrawn Chuluota, but they're still in the ultimate mix for  
3 the final rates.

4 CHAIRMAN CARTER: Pursuant to the motion.

5 Commissioners, at some point I'm really going to have  
6 to give the court reporter a break. We only have one court  
7 reporter today, so at some point we're going to have to do  
8 that. So we'll see how far we can go, but we're going to need  
9 to be considerate of that point.

10 Okay. Staff, you're recognized.

11 MR. FLETCHER: Commissioners, I guess we're going  
12 issue by issue, if you'd like, which the first issue is staff  
13 is recommending that the utility's proposed final water and  
14 wastewater rates be suspended.

15 CHAIRMAN CARTER: One second. Why don't -- I think  
16 we probably need to hear from the parties. Let's do this. I  
17 guess food deprivation is working on my brain.

18 Let's hear from the parties first.

19 MR. MAY: Good morning, Mr. Chairman, Commissioners.  
20 My name is Bruce May. I'm with the Law Firm of Holland &  
21 Knight appearing today on behalf of Aqua Utilities Florida.

22 MR. BECK: Commissioners, my name is Charlie Beck.  
23 I'm with the Office of Public Counsel, and we'd like to address  
24 the Commission. Is this the appropriate time?

25 CHAIRMAN CARTER: You are recognized, sir.

1 MR. BECK: Thank you, Mr. Chairman and Commissioners.  
2 Good afternoon. And thank you for granting us leave to appear  
3 and address the Commission today.

4 Commissioners, this past month the full Commission  
5 has attended seven separate service hearings for this company.  
6 We started on July 2nd in Gainesville and we went that evening  
7 to Palatka. On July 7th we went to Sebring, spent the evening  
8 there, and then the next day we went to Lakeland and heard from  
9 customers there. July 16th we went to Mt. Dora, and then the  
10 next day we had two separate hearings in Chuluota where we  
11 heard from customers.

12 One of the things that I found striking, and I hope  
13 you do too, is how quickly certain patterns began to emerge as  
14 a result of those hearings. One of those patterns was huge  
15 billing problems that the customers experienced with the  
16 company. At our very first service hearing we heard from quite  
17 a few customers who told you about their experiences.

18 One customer said, "My bills have just been going  
19 crazy." And they asked for meter tests twice and as far as  
20 they knew nothing had happened. Another customer at our first  
21 service hearing in Gainesville said they had to take a full  
22 eight-hour day after getting off spending time to talk to the  
23 people at Aqua to try to get their billing straightened out. A  
24 third customer told the Commission that their billing was  
25 simply an absolute nightmare.

1           After hearing from customers in Gainesville, we went  
2 to Palatka and heard from customers that evening. One of the  
3 customers you heard from was Mr. Hoffman, who is the head of  
4 the homeowners association in the Tomoka area near Ormond  
5 Beach. I think you'll recall him saying that he spent eight  
6 months with the company trying to get his billing disputes  
7 resolved and it took dozens of phone calls. He said that this  
8 was common in his area to have these sorts of billing problems  
9 and recounted one of the people in his, in his homeowners  
10 association where they actually redid the plumbing in their  
11 house because after getting bills that far exceeded their  
12 actual usage, the company told them that the problem was  
13 theirs, not the company's. And that, of course, is a second  
14 pattern I think that you've seen throughout the service  
15 hearings, and that is blame the customer even though the  
16 company knows that they're having billing problems.

17           You know, we've heard a number of times from the  
18 company that they had trouble with the new meters and when they  
19 came in the people weren't reading them correctly, reading the  
20 meters correctly. They've had other billing problems that are  
21 unrelated to that. Yet if the company knew that they were  
22 having these sorts of problems and people's bills were going up  
23 by a factor of ten, why didn't customer service know that and  
24 why did they not treat the customers with respect and inquire  
25 whether the new meter might be a problem and whether they, that

1 might be the cause? Instead of that, repeatedly they tell the  
2 customer it's their fault and send the customers through an  
3 absolute nightmare is what a lot of customers told you. I  
4 think you'll recall we had one customer in Lakeland said that  
5 he, that he lost evenings of sleep worrying about the problem  
6 and trying to deal with the company.

7           These problems that we saw, that was just the first  
8 day of the hearings, and, of course, we heard it time and time  
9 again. It crossed time frames. We heard about problems during  
10 the test year, we've heard about problems that were as recent  
11 as the person coming in still experiencing the problem. We  
12 heard it geographically it's throughout the whole state. We  
13 are delighted to see the company withdraw their request for  
14 interim relief for Chuluota, but that's just two systems, the  
15 water and wastewater. There's still 80 others. And the  
16 billing problems and the customer service problems are not just  
17 Chuluota; they expand throughout the entire service area of the  
18 company.

19           A third pattern that we saw from the company is that  
20 when people, when the customers ask the company to, to call  
21 them back, that they first tried to get a supervisor and the  
22 customer service representatives would refuse to give them a  
23 supervisor. But then ultimately when pushed they would come  
24 and say, "Well, we'll have, we'll have a supervisor call you  
25 back." And what happened? They didn't. Repeatedly service

1 hearing after service hearing we heard the same thing from  
2 customers, that the company would say they would call them back  
3 and then they didn't do it.

4           Now we've seen these patterns in this case, you know,  
5 throughout all the service hearings, but it's nothing new  
6 because we saw the same thing in the last case. What I'd like  
7 to do is just read you a few, just a few short quotes from  
8 testimony we filed in the last case from Kimberly Dismukes  
9 about customer service problems. And this is what she  
10 described again last year. She said, "If callers do not get  
11 through to a customer service center, they spoke with people  
12 who are rude, unhelpful, unknowledgeable or simply unable to  
13 provide the information." In the last case customers reported  
14 billed usage fluctuating wildly from month to month with no  
15 apparent reason. One customer said, "If you leave your name  
16 and number, no one calls you back." Another customer, "The  
17 billed usage, whether reported as actual or estimated, varies  
18 widely month to month."

19           You could read her testimony in the last case and  
20 think that she was describing the testimony that we heard this  
21 last month in the seven separate service hearings. There's  
22 nothing new here that we haven't seen before. And for whatever  
23 reason, whether they're unwilling or unable to correct these  
24 problems, they're there and they continue. And it appears to  
25 be a corporate policy of how they treat the customers, of

1 blaming the customers and not calling back. Because if it  
2 weren't, you wouldn't see it happen time and time again bearing  
3 over time and over geographic regions.

4 Now the company knows it has some severe billing  
5 problems. In fact, in the rate case they've spent \$200,000 on  
6 a consultant to try to clean up the customer billing records,  
7 and they're going to ask the customers to pay for that.  
8 Needless to say, we're going to oppose the request that that be  
9 included in rate case expense. But they know they have severe  
10 billing problems.

11 Commissioners, the PSC has discretion on whether to  
12 grant an interim increase or not, and we think it's entirely  
13 appropriate that you consider the sworn testimony of customers  
14 about their billing problems and their customer service  
15 problems. In the statute which authorizes interim rates it  
16 says the customer (sic.) may grant an interim rate increase.  
17 Now if the Legislature had intended it to be mandatory, it  
18 could have easily said shall instead of may in that initial  
19 section of the statute, 367.082(1), but it didn't. So we think  
20 it's appropriate for you to consider the impact of the customer  
21 service hearings and the testimony by, by the company.

22 The interim increase is a severe hardship on  
23 customers. And I think in Lakeland you heard from one customer  
24 talk about last time when they were required to pay the interim  
25 increase and ultimately received it back. And they told you

1 that wasn't good enough because when they need their money to  
2 pay for medicine or other items, it wasn't there and they had  
3 to wait until later to get it back.

4           The interim increases in this case are, are, needless  
5 to say, very, very large. In fact, if you look at the Tomoka  
6 system where Mr. Hoffman spoke and they had the problems there  
7 we heard about in Palatka, the interim increase is 210 percent  
8 that staff has proposed to you today. We think it's wrong. We  
9 think given the record and given the problems with their  
10 billing it's simply not good enough. The information is not  
11 reliable, the billing isn't reliable enough for you to do this,  
12 and that you should exercise your discretion and not grant an  
13 interim rate increase in this case. Thank you.

14           CHAIRMAN CARTER: Thank you, Mr. Beck.

15           Ms. Bradley. I'll come back to you, Mr. May.

16           Ms. Bradley.

17           MS. BRADLEY: Thank you. I appreciate the Commission  
18 allowing us to speak and hearing from us, and I appreciate  
19 Mr. May not objecting to it.

20           We wanted to address the Commission because when we  
21 look at the statute charging this Commission, it talks about  
22 the police power that is granted to this Commission for  
23 protection of the public health and safety. And it also goes  
24 on to point out that these provisions should be construed so as  
25 to accomplish this purpose. There's been some that have



1 suggested that the granting of interim rates is almost  
2 automatic, it's just routinely done. We feel like in this  
3 particular case, as in any other case, the Commission should be  
4 allowed to utilize their discretion. You shouldn't be given  
5 this ultimate power to utilize if you can't use that discretion  
6 and look at the case and the facts before you. So it's  
7 important that you consider the facts that are here today.

8           Mr. Beck has gone into great detail and mentioned  
9 some of the people here. But it talks about -- we look at the  
10 fact that, as Mr. Beck indicated, there were numerous people  
11 that came up at the hearings. One after the other they were  
12 talking about the problems with their billing and all the  
13 problems they had had and they couldn't understand why they  
14 were being billed so much. They actually -- and we thought it  
15 was a good thing because Aqua had brought staff to the meetings  
16 and they would be sent to the back to take care of these  
17 problems, and we thought that was great, that was a positive  
18 thing. Unfortunately, we've talked to some of those customers  
19 since then and as late as a couple of days ago we were getting  
20 e-mails by people saying, "Well, I talked to them and they said  
21 they'd look at it and get back to me next day, but I've never  
22 heard from them." These bills just seem to continue, and it  
23 shouldn't be that hard to get this kind of thing fixed.

24           A year ago when we looked at this, it was bad meter  
25 readers and this kind of thing. And then we heard they were

1 putting in an electronic meter system and we thought that was a  
2 great improvement, that it would be much more efficient, it  
3 would be much more reliable. And then this year it was the bad  
4 zeros that were being put in place and they couldn't depend on  
5 that, but they were going to get that fixed. And all this time  
6 later we're still faced with the fact that these errors are  
7 still there. There are still significant billing errors. And  
8 people were talking about under these proposed increases their  
9 bills may be as high as \$1,000 a month, and this is bothersome.

10 We also had people coming in that talked about being  
11 on fixed incomes and the fact that they just didn't know how  
12 they could afford to pay their water bill if this was  
13 increased. We're not talking about some luxury. We're talking  
14 about water. We all have to have it for our survival. We're  
15 all sitting here with drinks today. You know, we can't get  
16 very long without some kind of fluids, and so this is an  
17 important thing to these people. And they came in, several  
18 people came in and testified, "I'll be looking at whether or  
19 not I can pay my water bill or buy food or buy medications."  
20 And we shouldn't put people in that position.

21 We have to look at the facts of this case. And if  
22 we're going to grant this kind of increase -- excuse me. If  
23 you are going to grant this kind of increase, I'm not that  
24 confused today, if you're going to grant that kind of increase  
25 and put this kind of burden on the citizens, it should be based

1 upon reliable records and things that you know exactly what  
2 you're doing, the impact it's going to have on the company as  
3 well as the citizens. And we would urge you to deny these  
4 interim rates today and wait until we have reliable records  
5 that you can see what, what you're doing and the impact it's  
6 going to have. So we would respectfully urge you to deny this  
7 rate increase today.

8 CHAIRMAN CARTER: Thank you.

9 Mr. May.

10 MR. MAY: Thank you, Mr. Chairman, Commissioners.

11 I'm going to speak very briefly on one issue, and  
12 that's our support of staff's recommendation. But with your  
13 indulgence, some of the comments that, that I just heard causes  
14 me to ask you to reflect a minute on where we are in this  
15 proceeding and consider some of the due process issues that are  
16 being raised by Mr. Beck by quoting testimony from a case that  
17 was withdrawn. That testimony was never in the record. That  
18 case is not this case, it's a totally separate case. So I want  
19 the record to reflect that.

20 As you work through my client's request for interim  
21 rate relief today, you've got a tough job. You've got a hard  
22 job, Commissioners. I'm going to ask you to be mindful of  
23 several important due process considerations that are an  
24 integral part of this case and are embedded in your interim  
25 statute as recognized by the Florida Supreme Court, as

1 routinely and consistently recognized by this Commission and as  
2 recognized by the Legislature.

3           This rate case, like every other rate case for every  
4 other utility, be it a water, wastewater, electric or gas, is  
5 governed by a unique standard. It's called prefiled testimony.  
6 That's not my -- it's not my rules, it's your rules. And I  
7 think historically if you look at why we have those rules,  
8 you're dealing with in-depth numbers and figures, and prefiled  
9 testimony gives you an opportunity to digest those numbers and  
10 figures in a very reflective and considerate way.

11           As you know, a prefiled testimony case is tried much  
12 differently than a DOAH hearing or any civil trial. The  
13 utility prefiles its testimony, discovery ensues, there is  
14 customer input hearings, then later the OPC and other  
15 intervenors present their prefiled testimony. Later still the  
16 staff presents its prefiled testimony. And then even later  
17 still the company is finally able to rebut the statements and  
18 the allegations made in the customer input hearings and the  
19 statements and the testimony prefiled by OPC and the  
20 intervenors.

21           Following that prefiled testimony, a technical  
22 hearing is scheduled. It consists primarily of intense  
23 cross-examination of all prefiled testimony. After that your  
24 staff gathers all the evidence, looks at it, issues a  
25 recommendation, and then after that all of the evidence is

1 brought back before you and you vote on it.

2           In this case we find ourselves at the very front end  
3 of this lengthy and complex process. Aqua has prefiled its  
4 testimony. OPC and staff has propounded numerous  
5 interrogatories and discovery requests. You're a little  
6 halfway through your service hearings. Intervenor testimony is  
7 not due until October 13th. Staff's testimony is not due until  
8 October 27th. Aqua's opportunity to rebut the allegations in  
9 the service hearings and to rebut the prefiled testimony of OPC  
10 and other intervenors does not arise until November 19th, 2008.  
11 The discovery deadline is December 2001 -- excuse me,  
12 December 1, 2008, of this year. The hearing is scheduled for  
13 December 8th through the 11th. Briefs are due December 30th,  
14 and the Commission will not vote and will not have all the  
15 evidence before it until February of 2009.

16           Commissioners, I mention the current procedural  
17 posture of the case because you, your staff and the OPC and  
18 Aqua recently sat through a series of service hearings that  
19 Ms. Bradley and Mr. Beck referred to. I've been appearing  
20 before the Commission for 20 years, and I've been repeatedly  
21 instructed that the purpose of a customer service hearing is to  
22 allow the customer to tell the Commission its concerns without  
23 interruption by the lawyers or the utility representatives.  
24 The utility's job, I've been, I've been told and I've been  
25 instructed, is to listen to the concerns expressed at the

1 service hearing and to be, and to try to be as cooperative and  
2 helpful in resolving those concerns as possible. And if  
3 necessary, the utility then responds by filing rebuttal  
4 testimony at the appropriate time. That's my understanding of  
5 your rules, Commissioners. And I've expressly instructed my  
6 client to abide by those rules with the courtesy and restraint  
7 that I believe you expect, and I think my client has done that.

8           The week before last you attended very lengthy  
9 service hearings, and I heard and I know you heard a lot of  
10 customer input. Scattered in those customer statements were  
11 some very serious allegations that my client takes very  
12 seriously, and I'm sure you will be and OPC will be looking at  
13 those allegations in depth as this case progresses on. I'm  
14 only asking and I'm respectfully requesting that you not  
15 misinterpret my client's courtesy and restraint shown at those  
16 customer service hearings as some kind of a consensus or some  
17 kind of agreement that those allegations are correct. We don't  
18 agree with all of those allegations, and we intend to put on  
19 rebuttal testimony at the appropriate time to show that we have  
20 looked into every one of those customer concerns and we've  
21 responded. And after you take that information, you can decide  
22 for yourselves. But I would respectfully request that you keep  
23 that due process in mind today as you hear the argument.

24           Let me talk briefly about staff's recommendation. At  
25 the outset I think it's very important to focus on the fact

1 that you're voting today on an interim rate increase. This  
2 does not impact your decision on permanent rates. That will be  
3 done in February of next year after you consider all the  
4 evidence. The Legislature and the courts have recognized that  
5 a utility needing rate relief may have to wait for extended  
6 periods of time, in this case nearly a year, before final  
7 relief, final rate relief is attained. Courts call this delay  
8 regulatory lag.

9           The Florida Supreme Court on numerous occasions and  
10 this Commission on repeated occasions have recognized that  
11 regulatory lag can have a devastating impact on a utility's  
12 ability to effectively provide service. The courts and the  
13 Commission have also recognized that your interim statutes,  
14 like Section 367.082 that Ms. Bradley referred to, is a due  
15 process safeguard to protect against regulatory lag. As  
16 interpreted by the Florida Supreme Court and the Commission,  
17 these statutes entitle a utility to interim relief if the  
18 utility makes a prima facie showing that its achieved rate of  
19 return falls below the authorized rate of return. Your  
20 Commission orders have made it clear that that's a mechanical  
21 accounting function. When this is shown, the utility is  
22 entitled to interim relief and such relief cannot be denied  
23 without violating due process.

24           So what does prima facie showing mean? The Supreme  
25 Court of Florida in Southern Bell v. Bevis answered that

1 question directly. The court found that once a prima facie  
2 showing is made, a utility is entitled to interim relief. And  
3 the court then went on to say a prima facie case is shown if  
4 the utility alleged, and I quote, alleged that its rate of  
5 return was below that approved by the Commission.

6 Now it's also important to understand what the  
7 Supreme Court ultimately did in that case. It quashed the  
8 decision of the Florida Public Service Commission denying  
9 interim rate relief to BellSouth. Commission, your orders have  
10 consistently followed the BellSouth rationale, and, in fact,  
11 you found where a prima facie case for interim rate relief has  
12 been established not to grant interim relief could be  
13 confiscatory. That's your Labrador Utilities case, Case Number  
14 PSC-04-0220.

15 Based on a long line of cases, Commissioners, based  
16 on the Supreme Court decisions, I believe there's no doubt that  
17 Aqua has made a prima facie case for entitlement to interim  
18 relief. Your staff, your experts, your objective experts have  
19 looked at the filing on its face and has found that my client  
20 is entitled to interim relief.

21 Now I don't want to go into too much more detail, but  
22 I do want to take, take a minute to mention two things.  
23 Yesterday Mr. Beck filed a letter claiming that Aqua should be  
24 denied the due process protection of interim rates because of  
25 customer statements at service hearings. There's, there is



1 nothing more important to my client than customers and  
2 customers' concerns, but we don't believe it's appropriate to  
3 base a denial of interim relief on customer concerns at this  
4 stage in the proceeding when we haven't had the due process  
5 opportunity to respond to those concerns with prefiled  
6 testimony.

7           Mr. Beck cites two cases to support his claim that  
8 you have the discretion to deny interim rates. I'd ask that  
9 you take a close look at both of these cases. If you read  
10 below the headnotes, you'll see that neither one has any  
11 applicability to the facts before you.

12           The first case he cites is not one of your decisions,  
13 rather it's a decision of the Bay County Utility Authority. In  
14 that case a utility initially refused to give Bay County and  
15 its staff any real information to show what kind of earnings  
16 the utility had achieved. When the utility staff asked for  
17 additional information to support the interim rates, the  
18 utility responded that the information was proprietary and it  
19 refused to provide it to the staff. The staff at Bay County  
20 went back to the utility and said, "We'll provide you with a  
21 confidentiality agreement. Give us the information." The  
22 utility still provided -- still refused to provide that  
23 information.

24           The facts of the Bay County case are certainly not  
25 presented here. Commissioners, my client has worked diligently

1 to put together a complete and comprehensive and thorough rate  
2 case filing, it's proud of that filing, and has gone the extra  
3 mile to be as open and forthcoming to Mr. Beck in his discovery  
4 and to staff in its discovery on what our records show. I'll  
5 leave it for another day to go into the amount of discovery  
6 we've answered, but suffice it to say we've answered over  
7 600 interrogatories to date.

8           Commissioners, it's absurd to suggest that we're not  
9 entitled to interim relief because we've not been forthcoming  
10 with data to support our prima facie case. As reflected in  
11 your staff's recommendation our client has made that prima  
12 facie case. The Bay County case has no bearing here.

13           Let's take a look at the other case that Mr. Beck  
14 cites. It's called Continental Country Club, Order Number  
15 20639 dated January 20th, 1989. That case involved a utility,  
16 a water and wastewater utility that provided services to a  
17 780-lot mobile home park and a master-metered condominium  
18 complex in Sumter County. It was initially regulated by Sumter  
19 County. When Sumter County transferred jurisdiction to the  
20 Commission, the utility came in for a rate case. In its rate  
21 filings it provided no billing information whatsoever as to  
22 what it was charging the mobile home lots. Those charges were  
23 embedded in some community service fee. The staff was unable  
24 to determine, make any determination as to what the prima facie  
25 case was. There was no indication on the face of the pleadings

1 that the utility was overearning.

2 In denying the request for interim, this is what you  
3 said, this is what the Commission said, and I quote, "Since the  
4 utility's application does not disclose what charges are  
5 currently paid by the mobile home park residents for water and  
6 wastewater services, those charges being intermingled with  
7 community service fees, a revenue deficiency or excess for the  
8 utility standing alone is indeterminable."

9 There's no showing here that the revenue decrease  
10 that my client has demonstrated in its MFRs is indeterminable.  
11 Your staff has recognized that. We've made a prima facie case,  
12 Commissioners. And as I've explained, the highest court in the  
13 state has made it clear that once a prima facie case is shown  
14 for interim relief, that relief can't be denied. That's the  
15 law.

16 Now I had a cup of coffee with my wife this morning  
17 and she was asking what I was going to argue today. And I  
18 said, "I'm going to go into the Florida Public Service  
19 Commission and I'm going to tell them that they don't have the  
20 discretion to grant my client interim rate -- to deny my client  
21 interim rate relief." And she said, "You've got a tough day  
22 ahead of you." And I do, I really do, Commissioners. But I  
23 would respectfully submit to you that the law in this land, the  
24 law in this state is absolutely clear. We've made a prima  
25 facie case. There's a due process safeguard against regulatory

1 lag, and we're entitled to that.

2 I'm going to wrap it up now. And I know I've taken a  
3 lot of your time; I appreciate your indulgence. As I said,  
4 you're routinely called on to make tough decisions. You have a  
5 hard job; there's no doubt about it. Now some would say the  
6 easy thing for you to do would be to ignore the case law, it  
7 would be to ignore the Supreme Court's decision, to ignore your  
8 prior orders, to ignore the legislation and to deny the request  
9 for interim relief and let the lawyers kick it around and sort  
10 it out at the First District Court of Appeal. That may be the  
11 easy thing to do but it's not the right thing to do. I would  
12 submit to you it's not the right thing to do. Commissioners,  
13 I'm asking you to give my client interim rate relief, give them  
14 the due process safeguard that the law provides. Thank you.

15 CHAIRMAN CARTER: Thank you.

16 Commissioners, I told you that we're going to have to  
17 give Linda a break. We're at 1:00 now. So we're going to  
18 need, we're going to go to lunch. We'll be back at 2:20.  
19 We're on recess.

20 (Recess taken.)

21 CHAIRMAN CARTER: We are back on the record with our  
22 Agenda Conference.

23 Commissioner Argenziano, are you with us?

24 COMMISSIONER ARGENZIANO: Yes, I am, Mr. Chairman.

25 CHAIRMAN CARTER: Okay. We are ready. Staff, you

1 are recognized.

2 MR. FLETCHER: Commissioners, if it's your pleasure,  
3 we can start with Issue 1 and proceed through the issues.

4 Issue 1 is staff's recommendation to suspend the  
5 utility's proposed final water and wastewater rates.

6 CHAIRMAN CARTER: Commissioner McMurrin.

7 COMMISSIONER McMURRIAN: I'll move staff  
8 recommendation on the suspension.

9 COMMISSIONER EDGAR: Second.

10 CHAIRMAN CARTER: Commissioners, any questions? Any  
11 debate on Issue 1? Hearing none, all those in favor, let it be  
12 known by the sign of aye. Aye.

13 COMMISSIONER EDGAR: Aye.

14 COMMISSIONER SKOP: Aye.

15 COMMISSIONER McMURRIAN: Aye.

16 CHAIRMAN CARTER: Okay. Those opposed --

17 COMMISSIONER EDGAR: You're moving too fast.

18 CHAIRMAN CARTER: I'm moving too fast. Those  
19 opposed, like sign. Show it done.

20 I didn't have any lunch. That's what it is. I'm  
21 still wired.

22 Commissioner Skop, you're recognized, sir.

23 COMMISSIONER SKOP: Thank you, Mr. Chairman.

24 Just a quick question. I know staff is introducing  
25 the issues and we just voted on Issue 1. Would it be possible

1 at some point to go back and ask a question respectively to  
2 both Mr. Beck and Mr. May?

3 CHAIRMAN CARTER: You're recognized, Commissioner.

4 COMMISSIONER SKOP: All right. Thank you.

5 I guess I'll start with Mr. May, I guess. I don't  
6 think that Aqua would be willing to withdraw its request for  
7 interim rates across the board, so I'm going to try and do my  
8 best to be fair and apply the law to the facts in this  
9 situation.

10 But in that regard, I think one of the points that  
11 you'd mention in your briefing, which I appreciated and I had  
12 the time over the lunch break to, to review the, the case  
13 law -- let me see how I want to frame this. Are you suggesting  
14 in your argument that under 367.082, interim rates, provision  
15 one, the provision "may" is not controlling upon the  
16 Commission?

17 MR. MAY: Commissioner, I think the way the courts  
18 have interpreted similar statutes, the electric and the gas  
19 statute in Chapter 366 is framed virtually identical, and the  
20 courts have, and the courts have interpreted them similarly.

21 But to answer your question, I think this is  
22 Ms. Bradley's interpretation of the statute. And with all due  
23 respect, I think that interpretation, that that, the word "may"  
24 in (1) gives the Commission unbridled discretion really flies  
25 in the face of the case law and the way the courts have

1 interpreted that.

2           The way I think the courts have interpreted that,  
3 Commissioner Skop, is that's a permissive, it's a permissive  
4 term that gives the Commission the authority to award interim  
5 relief. If the utility establishes a prima facie case, then  
6 that utility is entitled, and I think the word "entitled" is in  
7 that, in that same statute as well.

8           COMMISSIONER SKOP: Okay. And I appreciate that.  
9 And to that point, again, I was looking at the Southern Bell  
10 versus Bevis case that you cited as controlling precedent from  
11 the Supreme Court of Florida. I noticed that that case in fact  
12 was a telecom case under the telecom statute.

13           MR. MAY: That's correct.

14           COMMISSIONER SKOP: And I read that case, and the  
15 court was pretty clear in terms of what constituted prima facie  
16 case.

17           I guess what I'm struggling with is, is the statutory  
18 provision I think is a little different or differently worded,  
19 at least the way I just looked at it, in 367.082, which is  
20 provision one and then followed by provision two. I see a  
21 little tension between permissive and mandatory, and that's in  
22 the context of water and wastewater systems.

23           I do agree with your assertion, however, at least on  
24 the telecom that the case law that you cited seems to be very  
25 controlling in the body of case law related to telecom. I'm

1 just seeing a little bit of a difference in the two statutes.

2 But --

3 MR. MAY: Commissioner, if I may just to follow up on  
4 that point. You know, absolutely, I concede that the BellSouth  
5 decision or the Southern Bell decision was decided under a  
6 telecom statute. But the policy behind that -- and the policy  
7 was really it's a due process protection. And in addition,  
8 your Commission in earlier orders have relied on that BellSouth  
9 case in water and wastewater decisions to grant interim, so.

10 COMMISSIONER SKOP: Right. I'm not, I'm not  
11 disputing that. I'm just trying to distinguish and get  
12 comfort.

13 Next question just real quick to Mr. Beck and then  
14 one quick question to staff. I guess, Mr. Beck, how would you  
15 respond to Mr. May's assertion that it's inappropriate to  
16 consider not only testimony from a prior case that was  
17 withdrawn but also pending testimony from the consumers in the  
18 instant case?

19 MR. BECK: Well, I have a number of points. First of  
20 all, on considering testimony from the other case that was  
21 withdrawn, we have testimony in this case that stands for the  
22 same proposition. You know, you heard customers testify that  
23 nothing has changed. And I'm trying to recall specifically  
24 which service hearing, but customers have told you nothing has  
25 changed since the last case and this case. So to the extent I



1 quoted testimony from the last case, it's, you could say it's  
2 supportive of what you have heard in this case.

3 COMMISSIONER SKOP: I understand. But how does that  
4 comport with either a prima facie showing or not? I mean, to  
5 me --

6 MR. BECK: Okay. There's two things. First of all,  
7 the cases cited by Mr. May do not construe an interim statute  
8 such as the water and wastewater statute we have here where you  
9 have the (1) with the "may" being the permissive and then the  
10 "shall" is in the (2). In fact, the 1973 case, Bell versus  
11 Bevis, you know, doesn't, doesn't go into the statutory  
12 construction. I know of no case on point that directly  
13 construes 367.082(1).

14 Second of all, even if you don't agree with the  
15 analysis we've put forth and the Attorney General has put forth  
16 on construing that, you still reach the next step of have they  
17 made a prima facie case. And there's nothing that stops the  
18 Commission from considering the evidence in this case, whether  
19 the evidence is sufficiently firm and sufficiently trustworthy  
20 and reliable for you to use it. You do not have to take what  
21 they've said at face value. And the customer testimony you've  
22 heard in this case is evidence in the case, it's under oath, it  
23 was subject to cross-examination, whether the company chose to  
24 or not.

25 COMMISSIONER SKOP: Okay. That's fine. And I'm just

1 trying to flesh out the fine points and what I perceive is  
2 trying to apply the controlling law to the facts. And I think  
3 that, again, the points are well-taken on both sides.

4 To staff, with respect to the E-2 and E-3 schedules,  
5 in Mr. May's letter dated 24, July, 2008, they discuss that  
6 they'd actually provided a response to the Commission's  
7 exceptions or discrepancies. And then at the appropriate time,  
8 and I'll leave it for now, I just wanted to get staff's  
9 perception on whether they have reviewed the responses to the  
10 discrepancies that staff has identified and what the staff  
11 response to that would be. But I think at this point,  
12 Mr. Chair, I'm happy to turn it back over to staff.

13 CHAIRMAN CARTER: Staff, you're recognized.

14 MR. FLETCHER: With Commissioner Skop's question, I'd  
15 have to defer to Mr. Paul Stallcup to address that.

16 MR. STALLCUP: Commissioner, I'm Paul Stallcup of the  
17 Commission staff. Would you like to address that issue now?

18 COMMISSIONER SKOP: Mr. Chair?

19 CHAIRMAN CARTER: Yes. Sure. You're recognized.

20 MR. STALLCUP: Thank you.

21 We saw the letter that Mr. May provided to us and  
22 we've also seen the revised MFRs that were submitted to the  
23 Commission in response to the deficiency letter we had sent  
24 them earlier.

25 In my opinion, the utility did resolve any

1 ambiguities that may have existed between the E-2 schedules and  
2 the E-14 schedules. However, in my review of the information  
3 the company submitted, they did not resolve the ambiguity that  
4 existed between the E-2s and the E-3s. For us that would be  
5 the kind of thing we would tend to look at through discovery as  
6 the case proceeded. At this point I think other members of the  
7 staff have handled that ambiguity correctly by adjusting the  
8 revenues that the company would have earned.

9 COMMISSIONER SKOP: Thank you.

10 CHAIRMAN CARTER: Thank you.

11 Commissioner McMurrin.

12 COMMISSIONER McMURRIAN: Thank you.

13 Mr. Stallcup, I guess to me that was ambiguous about  
14 the ambiguity and I think I just got lost.

15 You said they -- I thought I heard you say they  
16 resolved the ambiguity between E-2 and E-3. But was it that in  
17 part of it they resolved it and the other part they didn't? I  
18 was confused.

19 MR. STALLCUP: No, Commissioner. There are actually  
20 three E schedules that we look at, all of which are drawn from  
21 the billing records of the company. There's an E-2, an E-3 and  
22 an E-14. The company did resolve any differences that may have  
23 existed between the E-2s and E-14s; however, in my opinion they  
24 did not resolve the ambiguity between the E-2s and E-3s.

25 COMMISSIONER McMURRIAN: Okay. Okay.

1 CHAIRMAN CARTER: You're recognized.

2 COMMISSIONER McMURRIAN: I have some, I have some  
3 other questions, I think, for Mr. Beck, I think. Yes.

4 Mr. Beck and I think Ms. Bradley makes the same  
5 arguments about the use of the word "may" in the statute where  
6 "The Commission may during any proceeding for a change of rates  
7 upon its own motion apply a petition from any party or by a  
8 tariff filing of a utility or regulated company authorize the  
9 collection of interim rates until the effective date of the  
10 final order." And I think you're suggesting to us, both of  
11 you, that it didn't say "shall" so that that allows us some  
12 discretion.

13 I guess what I'm having a hard time with is that if  
14 the statute did have "shall" instead of "may" in that sentence,  
15 that it would, it would in a sense suggest that the Commission  
16 upon its motion would have to authorize a collection of interim  
17 rates. So I guess what I'm saying is I don't really think you  
18 could have put "shall" there and have any level of discretion.  
19 It would almost suggest that the Commission would need to do  
20 that on its own. But help me understand how that works.

21 And then I guess the second part of that is that  
22 sentence also doesn't include a suggestion that there would  
23 have to be some kind of showing of underearnings. And I think  
24 that that would have to be -- if you were to put "shall" in,  
25 you would definitely need the rest of that. So it seems to me

1 that the latter part of the statute is sort of a, is really a  
2 telling part about the entitlement in the prima facie --

3 MR. BECK: Right. I don't think you could simply  
4 change the word "may" to "shall" because there would be  
5 problems, as you cited.

6 But on the other hand, they did use, they chose the  
7 word "may," and it could have been worded in a way where it  
8 wouldn't have said that. You know, they said that, they could  
9 have said the companies are entitled to it upon a showing of, a  
10 prima facie showing. There's lots of ways that could have been  
11 worded to make it clear that it's mandatory. But that's not  
12 the way it's written. The way it's written, it says the  
13 Commission may and so forth. I do agree you couldn't just  
14 replace "may" and "shall" and everything would be fine.

15 CHAIRMAN CARTER: Commissioner, if you don't mind.

16 COMMISSIONER McMURRIAN: Absolutely.

17 CHAIRMAN CARTER: Where I think you were going on  
18 that is that in the resolution of (a) is that the last portion  
19 of that, it says, "To establish a prima facie entitlement for  
20 interim relief, the Commission, the petitioning party, the  
21 utility or the regulated company shall demonstrate that the  
22 utility or the regulated company is earning outside the range  
23 of reasonableness on a rate of return calculated in accordance  
24 with (5)." I think -- were you not asking about how those two  
25 are resolved in that, in the prima facie showing? That's what

1 I thought you were asking Mr. Beck.

2           COMMISSIONER McMURRIAN: I think that's somewhat what  
3 I'm getting at. It's probably just an inartful way of asking.  
4 Because I think the, I think the parties are suggesting that  
5 the use of the word "may", and, of course, they did choose  
6 "may" instead of "shall" and they could have used "shall"  
7 there, I guess I was suggesting that the use of the word  
8 "shall" in that sentence would be problematic for other reasons  
9 because you wouldn't even include any kind of demonstration by  
10 the utility, there wouldn't be that in that sentence if you  
11 just changed it to "shall." And I realize that's not -- I  
12 don't think that's what they're saying is it should have been  
13 changed to "shall." But I think, I think that in reading  
14 everything in totality, that I think there is a suggestion in  
15 the part that you recognized, is that it's made more clear as  
16 you go to the end of that section and it talks strictly about  
17 an entitlement and how the utility has to demonstrate it, and  
18 it suggests that if they demonstrate that, then the Commission,  
19 the Commission would -- they would be entitled to that through  
20 the Commission. That's the way I read it. But I'm having  
21 trouble -- I understand the point they're making. I'm just  
22 having trouble sort of coinciding those two sections. So, yes,  
23 your, your point is correct.

24           CHAIRMAN CARTER: I was, I was hoping -- Mr. Beck,  
25 can you speak to that issue, please? And then I'll come back

1 to you, Commissioner. Because I was, I was on that wavelength.

2 MR. BECK: After you get through the section that  
3 says, "The Commission may authorize the collection," then you  
4 get down further into the "shall." And, of course, that's what  
5 the company has to show to establish a prima facie case.

6 Let me mention that our argument still stands even if  
7 you don't agree with us on "may." The prima facie case, you  
8 still have to -- it's not just because they said so. You have  
9 to consider the evidence and feel that the evidence is  
10 sufficiently concrete, it's sufficiently reliable to warrant  
11 your consideration.

12 If you agree that the billing matters are  
13 problematic, that you've seen customers testify -- I won't go  
14 through it all again -- but if you agree that they're  
15 problematic, that goes to the issue of whether they've, they've  
16 made the prima facie case. So put aside if you want to the  
17 issue about "may." You still have to decide that the evidence  
18 they've provided is adequate and sufficient and reliable for a  
19 prima facie case. What I'm arguing is it isn't. You've got  
20 loads of evidence in this case that it's not sufficiently  
21 reliable because of all the billing problems.

22 COMMISSIONER ARGENZIANO: Mr. Chair?

23 CHAIRMAN CARTER: Commissioner Argenziano.

24 COMMISSIONER ARGENZIANO: Yes. And I'd like to ask  
25 Mr. Beck, because I sat through those meetings also and I agree

1 that, you know, last year there was nightmare after nightmare  
2 after nightmare. But in all fairness -- and there have been a  
3 lot of problems for the people. And I have to express that I  
4 am very glad that Chuluota was taken off of this because I  
5 could not in all good conscience go along because we have  
6 quality of service there for sure.

7 But in all fairness, I also heard, and in the notes  
8 that we all took, a lot of the problems from the billing and so  
9 on, there were problems last year that were worse. I think  
10 that the company did put forth an effort to try to resolve  
11 that. They hired new people, there were some people in some  
12 places who had indicated also that things were much better in  
13 billing and so on. Some of the nightmares that were  
14 exacerbated were due to the, and in all fairness again, were  
15 the problems when they tried to change the meters out and, and  
16 there were repeated problems there of adding the zeros and so  
17 on and so on, but I think that was a result of trying to make  
18 positive changes. And unfortunately they had some real  
19 problems: Human errors, which we know occur.

20 But I think that, from what I had heard, and, Mr.  
21 Beck, I think you heard this too, that they were trying to make  
22 changes. I'm not saying it's perfect, but I think that some of  
23 those things that we heard this time around, with the exception  
24 of Chuluota, were that they were a result of problems stemming  
25 from trying to correct some of the problems. And I also



1 believe that in the service area we did hear some of the  
2 complaints that we couldn't get a supervisor. But we also  
3 heard some of the ones I didn't hear last year that, you know,  
4 the people were better, the local people were doing better, and  
5 indicated to me that a series of unfortunate circumstances this  
6 time around, but maybe things were starting to get better. And  
7 I wondered what your comments were about, you know, that, some  
8 of those comments that we heard.

9 MR. BECK: Commissioner, I don't disagree with  
10 anything you've said. But on the other hand, you heard the  
11 same comments in every service hearing, not only geographically  
12 but over time the same complaints repeated, repeated, repeated.  
13 And if it were just as simple as, you know, they're putting in  
14 new meters and couldn't get the reading correct, then why did  
15 it occur over such a long length of time and over so many  
16 different places?

17 COMMISSIONER ARGENZIANO: To that point I agree, why  
18 did it take so long? But I could see it as a problem that's I  
19 think on its way to remedy almost. I think, I think if we had  
20 hearings again in six months, I would hope that -- I think that  
21 that would be resolved. That exacerbated the original. I  
22 mean, people were infuriated with good cause what we heard last  
23 year. But I think what I'm, what I'm concerned with is that --  
24 and I guess I'm not sure if this is the proper time to say it,  
25 Mr. Chair. But I'm concerned with, you know, we had real

1 problems and we still have problems, but I see remedies taking  
2 place also. And I guess the thing that I'm looking at with the  
3 statutory language, I was there when we, in the Legislature  
4 when we discussed the regulatory lag and I know what the policy  
5 was, was, was put forth, I know what it meant. And I guess  
6 when I look at it, the company did put money into some systems.  
7 And do they have a right for interim rates to recover that, and  
8 I think they do. And the prima facie thing is very important  
9 to me also.

10 But I guess I just wanted to take Mr. Beck and OPC  
11 and even the AG's office as far as, you know, the company is  
12 moving forward. I'm not saying they're perfect and there's a  
13 lot of things I'm still very concerned with, but I'm still  
14 stuck to, Mr. Beck, on, on looking at both sides of that.  
15 Because I did hear a little something else this time, people  
16 saying, you know, in a lot of those places saying, yeah, you  
17 know, the problems, the ones that continued, the same things  
18 that we heard last year were people who did have that extra  
19 zero on, and there were many of those. And, granted, that took  
20 a long time to get, to get -- and I'm not sure it's totally  
21 remedied yet. It took a long time. But, but I think other  
22 people also came up and said that, you know, I'm dealing with a  
23 local guy or I'm dealing with this woman, except Tamika, who we  
24 all know didn't do a very good job, but I heard some other  
25 positives that I was, I was, I just wanted to bring up.

1 Because that to me said a little bit of something that the  
2 company really was trying to put forward an effort, maybe not  
3 quick enough or not good enough, but I just had to throw that  
4 in there.

5 But also to staff, if I may ask, Mr. Chairman.

6 CHAIRMAN CARTER: You're recognized.

7 COMMISSIONER ARGENZIANO: And I've read and I think  
8 we all know, but can you repeat for me, I'd like to get a good  
9 idea again now while we're all in a roundtable what the company  
10 has asked for, actually what the company spent, what they  
11 actually spent on, excluding Chuluota, on, you know, remodeling  
12 or, I'm sorry, I forgot the word I'm looking for, the money  
13 they expended on repairs and making the systems better, then  
14 what they asked for and what we actually are giving them or  
15 what staff is recommending, not what we're giving them, what  
16 the recommendation is.

17 CHAIRMAN CARTER: Mr. Willis, you're recognized.

18 MR. WILLIS: Commissioner Argenziano, I think I  
19 understand what you're asking for is how much money has, how  
20 much the utility has invested in their system?

21 COMMISSIONER ARGENZIANO: Yes. In repairs and making  
22 the systems better.

23 MR. WILLIS: In repairs?

24 COMMISSIONER ARGENZIANO: I mean, the systems were  
25 not good systems.

1           MR. WILLIS: I'm not sure that's a number -- we'd  
2 have to go back and gather that from the MFRs. I don't have  
3 that in front of us at this point. We can get that  
4 information. It's not something I have readily available in  
5 front of me.

6           CHAIRMAN CARTER: Can you give a range? Do you have  
7 a range?

8           MR. FLETCHER: If I remember correctly, it was  
9 definitely over \$5 million for the water systems because they  
10 were replacing meters, they were replacing -- this is for  
11 collectively, in aggregate. They were also making improvements  
12 for the water distribution system, and it was at least equal to  
13 that or more for the wastewater system because they were also  
14 making repairs to their collection system.

15           CHAIRMAN CARTER: Commissioner, was that helpful?  
16 That gave us a general range.

17           COMMISSIONER ARGENZIANO: That's good because that's  
18 about what I recall. And then what the company came in and  
19 asked for percentage-wise, dollar-wise, and then what the  
20 staff's recommendations are percentage-wise and dollar-wise,  
21 please.

22           CHAIRMAN CARTER: Staff, you're recognized.

23           MR. FLETCHER: Yes, Commissioners. I have the total  
24 revenue increase. I have it broken down by revenue increase  
25 from -- the company had requested in aggregate for water and

1 wastewater \$5,925,512. That was their total revenue increase  
2 with, with, I think, I believe the Commissioner is requesting  
3 without Chuluota, is that what you, the revenue increase?

4 CHAIRMAN CARTER: Yes.

5 MR. FLETCHER: Would be \$3,557,129. That would be  
6 the revenue increase without Chuluota.

7 COMMISSIONER ARGENZIANO: Without Chuluota. Okay.

8 CHAIRMAN CARTER: Do you, okay, do you have some kind  
9 of -- I think Commissioner Argenziano was also asking whether  
10 or not there was a percentage. Is that -- did you ask that,  
11 Commissioner?

12 COMMISSIONER ARGENZIANO: Yeah. What I'm looking for  
13 now, because anybody listening right now needs to understand  
14 what the company was asking for as far as the increase in rates  
15 monetarily, the dollar figure, plus the percentage of increase  
16 over the current charges. Is it 100 percent above,  
17 200 percent? We've heard as high as 180 percent, maybe even  
18 higher. And then go to what staff is actually recommending, is  
19 it 40 percent, is it 50 percent, you know? This is the heart  
20 of why we're here. You guys should know what I'm talking  
21 about.

22 CHAIRMAN CARTER: Okay. Staff.

23 MR. FLETCHER: I don't have the aggregate number for  
24 their requested revenue increase. I have the dollar amount.

25 CHAIRMAN CARTER: Hold on a second. Hold on a

1 second. Hold on, boys and girl. Let's do this, see if we can  
2 kind of come around.

3 First of all, the company recommended, the company  
4 requested what? Let's put that number down.

5 COMMISSIONER ARGENZIANO: Yes.

6 CHAIRMAN CARTER: Let's take it slow and easy. We  
7 can get there. What's the total amount the company requested?

8 MR. MAY: Commissioners, if I may be helpful in some  
9 of the --

10 CHAIRMAN CARTER: You're recognized, Mr. May.

11 MR. MAY: It's on Page 9, Issue 3, second, third  
12 paragraph there is the --

13 CHAIRMAN CARTER: Page 9, Issue 3, the third  
14 paragraph.

15 COMMISSIONER ARGENZIANO: Right. Mr. Chair, for all  
16 the benefit of the people that don't have that in front of  
17 them, that's why I'm asking it to be read out loud.

18 CHAIRMAN CARTER: Okay. They have requested -- I'm  
19 reading from Page 9, it looks like \$2,946,615 for water  
20 operations and \$2,978,897 for wastewater operations. And the  
21 combined increase for water and wastewater operations, if this  
22 math is correct, and I have no reason to believe otherwise, is  
23 \$5,925,512, and the water and wastewater on an interim basis of  
24 \$14,934,895. Staff, am I making any sense?

25 MR. FLETCHER: Yes, sir.

1 COMMISSIONER ARGENZIANO: So which, which of these --

2 CHAIRMAN CARTER: So what's the total number?

3 MR. FLETCHER: Well, what they have requested in the  
4 MFRs would be 39.68 percent for water and wastewater, the  
5 revenue increase.

6 CHAIRMAN CARTER: 39.68 percent?

7 COMMISSIONER ARGENZIANO: For water and waste.

8 CHAIRMAN CARTER: For water and wastewater.

9 COMMISSIONER ARGENZIANO: Okay. And what is staff's  
10 recommendation today?

11 MR. FLETCHER: Hold on one moment.

12 COMMISSIONER ARGENZIANO: Okay.

13 MR. FLETCHER: That would -- staff's recommended  
14 revenue increase on a total basis is 26.44 percent.

15 CHAIRMAN CARTER: 26.4 percent for both water and  
16 wastewater.

17 COMMISSIONER ARGENZIANO: So, Mr. Chair, it's dropped  
18 down from --

19 CHAIRMAN CARTER: You're recognized.

20 COMMISSIONER ARGENZIANO: Thank you. It's dropped  
21 down from 39.68 percent to staff's recommendation of 26.44. Is  
22 that correct?

23 CHAIRMAN CARTER: Did you say, did you say 26.4 or  
24 26.44, staff?

25 MR. FLETCHER: 26.44 percent.

1 CHAIRMAN CARTER: Okay.

2 MR. FLETCHER: And that is actually, it would be less  
3 than that because that includes the Chuluota system.

4 CHAIRMAN CARTER: Can you break that out? I know it  
5 may be painstaking, but let's break, let's take Chuluota out so  
6 we can have a real number here. Commissioners, just bear with  
7 me momentarily.

8 COMMISSIONER ARGENZIANO: Thank you, Mr. Chair.

9 CHAIRMAN CARTER: Okay.

10 (Pause.)

11 While staff is doing that, Commissioners, I'm showing  
12 by my ciphering courtesy of the South Georgia public school  
13 system is that from 39.68, taking out staff's rec from that is  
14 26.44, that leaves, that's a reduction of 13.24 percent from --

15 COMMISSIONER ARGENZIANO: That's still including  
16 Chuluota.

17 CHAIRMAN CARTER: And that does include Chuluota. So  
18 that's a 13.24 percent reduction in terms of what staff has  
19 recommended versus what the company asked for.

20 Now, staff, you're recognized for --

21 MR. FLETCHER: Chairman, the calculation without  
22 Chuluota is 22 percent.

23 CHAIRMAN CARTER: 22 percent? Commissioners, you can  
24 kind of help me do the math here.

25 MR. WILLIS: Chairman, if I could just add.



1 CHAIRMAN CARTER: Mr. Willis.

2 MR. WILLIS: What Mr. Fletcher gave you was the  
3 actual increase in rates. There's an extra amount which would  
4 be about \$665,000 which would be included in that regulatory  
5 asset the company is requesting to be deferred until the final  
6 end of the case. So if you -- there's two amounts because this  
7 is so different. The company's methodology is to request an  
8 interim increase in rates at a limited amount and anything  
9 above that that they're actually entitled to would be placed  
10 into a regulatory asset. So there's a limiting factor. It's  
11 what we talked about the capped rates for interim. Anything  
12 above the capped rates would be placed into that regulatory  
13 asset which the Commission would make a determination on at the  
14 tail end of the case as to how that would be collected, the  
15 remaining part. So there's an additional amount on top of that  
16 when you look at the actual increase. I just wanted to make  
17 sure we're talking apples and apples here because the actual  
18 interim rate increase is what Mr. Fletcher talked about here.

19 CHAIRMAN CARTER: And that's what we're talking  
20 about.

21 MR. WILLIS: Right.

22 CHAIRMAN CARTER: The \$600,000 you're talking about,  
23 that's, the Commission may or may -- that would be a part of  
24 coming to the final analysis which would be later on; is that  
25 correct?

1           MR. WILLIS: That's correct, Chairman. That would be  
2 if the Commission were to agree with the company's methodology  
3 of including that regulatory asset for the amount over the  
4 capped interim rates for any amount over that to be collected  
5 at a future time. If the Commission is not going to agree  
6 today to do that type of deferral on the excess amount, you  
7 would have to look at the entire amount they're entitled to.  
8 For instance, just to back up --

9           COMMISSIONER ARGENZIANO: Mr. Chair?

10          CHAIRMAN CARTER: One second. Commissioner  
11 Argenziano.

12          COMMISSIONER ARGENZIANO: For the, for the benefit of  
13 people who may be listening, it gets so confusing, because I  
14 know it gets confusing for me, could you explain, I guess, what  
15 the recoveries are for very briefly? There are monies  
16 expended -- are we talking about rates of return? I know that  
17 some people have asked me time and time again that they're not  
18 sure when we're talking about what the rate increases are for.  
19 And when you go on the, the capped rates, I think we may have  
20 just confused a whole lot of people. Maybe, maybe in  
21 simplistic terms just explaining, if we can. And I know  
22 it's -- I don't want to make this lengthier than it has to be,  
23 but I think that trying to make things very clear to the public  
24 who could be listening and for me also in certain, certain  
25 areas would be most helpful. And I don't know if, if

1 Mr. Willis can do that. If you can go back over the capped  
2 rates issue, I think that would clarify some things.

3 MR. WILLIS: Sure, Commissioner Argenziano.

4 The company has requested in its filing for interim  
5 rates that the rates approved for interim purposes not be  
6 higher than the rates they requested for final.

7 COMMISSIONER ARGENZIANO: For final. Right.

8 MR. WILLIS: And if you remember, in this case the  
9 company has requested a statewide final rate where every system  
10 would pay the same rate.

11 COMMISSIONER ARGENZIANO: Right.

12 MR. WILLIS: That's where the cap comes in. For --  
13 if you -- the way we have to calculate rates currently is based  
14 on the rate structures that are in place. Some are stand-alone  
15 systems, some were grouped under the old Florida Water system,  
16 they were purchased from Florida Water, and we have to  
17 calculate the interim increases based on how they were grouped  
18 prior to coming in for this rate case.

19 If a company's, or if a system's actual revenue  
20 increase for interim was calculated by staff to be higher than  
21 what the company had requested for a final rate under the  
22 stand-alone or under the statewide final rate, the excess  
23 amount that that would produce over that statewide final rate  
24 would be placed in a regulatory asset, which would be set aside  
25 and deferred for collection after the Commission votes at the

1 final Agenda Conference on this. The Commission would make a  
2 determination on how that was to be collected, that additional  
3 amount.

4 The staff has to go through, and you saw our  
5 recommendation, there's 200 something pages here of schedules  
6 where we had to go through and calculate a revenue requirement  
7 by system for every one of these systems. If you had a  
8 stand-alone rate, you wouldn't have to do that. You'd have to  
9 calculate one water revenue requirement, one wastewater revenue  
10 requirement. You can see the magnitude of work we had to do to  
11 go through this. But that's where you get the variance. Every  
12 system has a different calculation. Some would be below what a  
13 statewide uniform rate would produce according to the company,  
14 some came up higher than what a statewide uniform rate would  
15 produce according to the company. That's where the cap came in  
16 was what the proposed requested statewide uniform rate would  
17 produce. Anything above that statewide uniform rate that the  
18 company requested was put into a deferred account under the  
19 company's proposal and would be collected later.

20 For instance, under staff's recommendation, without  
21 Chuluota included in this, staff's revenue increase would be  
22 \$3,557,000, but that's dealing with the portion that goes into  
23 regulatory asset and a portion that would be collected through  
24 rates. If you break that down, we're basically calculating it  
25 on an annual basis, \$665,000 would be included in that

1 regulatory asset if these rates were to be collected over a  
2 year's time. That's our approximate calculation. The amount  
3 that would be collected through interim rates to customers  
4 would be \$2,891,000. That's how that would be broken down. So  
5 there's two components of the interim rates under consideration  
6 right here. It's that amount which you would approve for  
7 interim rates to be collected from customers now and that  
8 amount which you would defer to another time.

9           Now under the company's proposal, if you adopt their  
10 methodology to do that, this works. If you don't adopt their  
11 methodology, then we have to fall back on separate calculations  
12 for each system.

13           COMMISSIONER ARGENZIANO: For stand-alones. Uh-huh.

14           MR. WILLIS: Pardon, Commissioner?

15           COMMISSIONER ARGENZIANO: Well, can I ask you a  
16 question?

17           MR. WILLIS: Yes.

18           COMMISSIONER ARGENZIANO: That would -- Mr. Chairman?

19           CHAIRMAN CARTER: You're recognized.

20           COMMISSIONER ARGENZIANO: That would be determined on  
21 how we would vote, whether we voted for staff's recommendations  
22 denying the uniform rates; is that correct?

23           MR. WILLIS: No, Commissioner, it doesn't have to be.  
24 The way the, the way this issue is set out, if the Commission  
25 decides in the tail end of this case not to go along with the

1 statewide uniform rate, the amount of interim revenue  
2 collections being deferred could be separated out between  
3 systems. So that if you were to go along with a, for instance,  
4 a regional rate, a county rate or a stand-alone rate, that  
5 portion for each system would still be able to be broken out  
6 however you decide to set rates.

7           So the methodology, what you would be -- if you went  
8 along with the company's proposal, with this methodology, we  
9 can break out the amount to be deferred by system, by county,  
10 by region, however you want to do it in the tail end. So  
11 you're not really at this point agreeing to a stand-alone rate.  
12 What you do today has nothing to do with agreeing with a  
13 stand-alone rate at all.

14           COMMISSIONER ARGENZIANO: Okay. That's what I wanted  
15 to clarify. Thank you.

16           CHAIRMAN CARTER: Commissioner Skop.

17           COMMISSIONER SKOP: Thank you, Mr. Chair. And I  
18 guess I've been listening to Commissioner Argenziano's  
19 questioning. I think I followed the staff recommendation, but  
20 I just, for the folks at home, I just want to go through this  
21 maybe to make an example.

22           I guess -- is it correct to understand based on the  
23 methodology and what staff has done with the regulatory asset  
24 that if the uncapped interim rates would be, say, \$100 and the  
25 requested final rates were \$80, then the capped rates would try

1 and mimic the final rates being \$80 and \$80 and that the  
2 \$20 difference would be held as a regulatory asset?

3 MR. WILLIS: Yes.

4 COMMISSIONER SKOP: Okay.

5 MR. WILLIS: That's how it works.

6 COMMISSIONER SKOP: And that would be collected later  
7 without interest under the recommended methodology.

8 MR. WILLIS: Yes. Under the company's proposal they  
9 would not, they're not requesting interest on that deferred  
10 amount, nor are they requesting that it be put in the balance  
11 sheet approach for a rate of return during the time period that  
12 it's being collected.

13 COMMISSIONER SKOP: So to that point, that's similar  
14 or analogous to a rate smoothing technique where the interim  
15 rates are actually in theory higher than the final rates, but  
16 they'll be smoothed out with the regulatory asset to make  
17 everything equal.

18 MR. WILLIS: Correct.

19 COMMISSIONER SKOP: Okay. Thank you.

20 CHAIRMAN CARTER: Commissioner McMurrian.

21 COMMISSIONER McMURRIAN: Thank you, Chairman.

22 I have five or six. I want to clarify something that  
23 Mr. Willis was just discussing. That, that collection of that  
24 regulatory asset only occurs though after we've had the full  
25 hearing and decided whether or not they're, that they should

1 get recovery of those dollars. So there's no guarantee at this  
2 point that they're going to recover the remainder, that part  
3 that's put in that regulatory asset.

4 MR. WILLIS: Yes, Commissioners. Just like interim  
5 rates, that's all subject to the Commission's final  
6 determination.

7 COMMISSIONER McMURRIAN: I just wanted to make sure  
8 because I think we were missing out on the if it's ultimately  
9 approved part, but anyway.

10 MR. WILLIS: Exactly.

11 COMMISSIONER McMURRIAN: And maybe I just didn't hear  
12 it, too. I had four or five other questions for staff.

13 CHAIRMAN CARTER: You're recognized.

14 COMMISSIONER McMURRIAN: Despite the discrepancy in  
15 the data that we've talked about, Mr. Stallcup talked about,  
16 isn't it correct that staff was able to determine an annualized  
17 revenue adjustment in a manner that went in the customers'  
18 favor? And I should clarify that. With the exception of four,  
19 I think, water and wastewater systems out of the remaining  
20 53 water and 21 wastewater systems.

21 MR. FLETCHER: That's correct.

22 COMMISSIONER McMURRIAN: Okay. Thank you. And then  
23 using those numbers that you were able to pull together -- and  
24 let me just editorialize a minute. I don't -- I'm not, I'm not  
25 happy that staff had to try to figure out which number to use.



1 I do think that the company has a responsibility to try to get  
2 the data in order. And anyway, so it's unfortunate we're  
3 there. But I think it did -- I that staff, whenever there was  
4 a discrepancy, it seems like they took the number that was more  
5 favorable to the customer and I think that's important to point  
6 out. So using those numbers, does the utility's filing on its  
7 face show that its achieved rate of return falls outside of the  
8 Commission's authorized rate of return?

9 MR. FLETCHER: Yes, Commissioners, Commissioner. It,  
10 it did fall outside the lower limit for the interim rate,  
11 interim revenue rate increases, it did fall outside the lower  
12 limit of the return on equity.

13 COMMISSIONER McMURRIAN: Okay. And doesn't that --  
14 in accordance with at least that last sentence in the statute,  
15 and I guess this maybe is for Mr. Jaeger, doesn't that entitle  
16 the company to interim rates?

17 MR. JAEGER: Yes, Commissioner. That's my  
18 interpretation of that last sentence of 082(1) and then also  
19 the first sentence of (2)(a).

20 COMMISSIONER McMURRIAN: Okay. And, Commissioners,  
21 I'm concerned about the precedent. I've heard what Ms. Bradley  
22 and Mr. Beck have to say and I understand what they're saying  
23 about the word "any," and I realize that they're also looking  
24 at the customer service aspects. But I guess I'm concerned  
25 that if you don't grant interim rates because of discrepancies

1 in the billing data, I'm not sure where you draw the line. How  
2 many discrepancies are enough to say that you throw it out?  
3 And so I wanted to ask a question about precedence.

4 If the company has established a prima facie case for  
5 interim rates, and it sounds like our staff believes they have,  
6 and this Commission denies interim rates in this case based on  
7 the discrepancies in the billing data, what kind of precedent  
8 would that set with respect to the granting of interim rates  
9 going forward?

10 MR. JAEGER: I think there's case law that says you  
11 have the ability to do each individual interim rate  
12 calculation. But I think all we're saying here today is that  
13 if they -- the question was has the utility put on its prima  
14 facie case, and that's both a fact and a legal question. And  
15 staff says, the technical staff believes they have put on that  
16 prima facie case to show they were earning below the authorized  
17 rate of return. So it's just -- I don't believe it has any  
18 precedent in granting it. It's just -- I think I reviewed  
19 probably 50 orders where we denied interim rate increases, and  
20 all of them turned on that prima facie case that they're  
21 earning below their last authorized rate of return. That's the  
22 question. And if they don't put on that prima facie case, they  
23 don't get it. If they do, they do get it.

24 COMMISSIONER McMURRIAN: Okay. And I think one last  
25 one, Chairman.

1 CHAIRMAN CARTER: You're recognized.

2 COMMISSIONER McMURRIAN: If we were to deny interim  
3 rates today based on the argument that the billing information  
4 was incorrect, can't the company correct those MFRs and ask us  
5 again before we get to the final rate stage and end up right  
6 back here determining whether or not to put in an interim  
7 increase?

8 MR. JAEGER: We rarely give them two bites of the  
9 apple. But in a similar case with Southern States where they  
10 had multiple systems and they were trying to do a projected  
11 test year and the data was just so messed up that the  
12 Commission couldn't really make a determination about the prima  
13 facie case, then they gave Southern States a second bite of the  
14 apple, that Commission did, and let them come back in and show  
15 through another filing, and this time I think they used like a  
16 historical test year and got away from the projected interim  
17 test year. But that was the problem with the projected interim  
18 test year. It just became too complicated, too -- and I think  
19 the statute had just changed. And it says projected rate base,  
20 and the Commission didn't know what they meant because then you  
21 get a mismatch. If you do a projected rate base but don't  
22 project everything else, then you really get messed up. I hope  
23 I answered your question.

24 COMMISSIONER McMURRIAN: You did. I guess I did -- I  
25 had the assumption that they could ask again and again and

1 again until the final rates were put into effect. But you're  
2 saying we don't usually give them that second bite of the  
3 apple, so that did clarify something for me. But you said we  
4 have done it in certain cases. So I guess that's one of those  
5 things where we have the discretion to take it up or not?

6 MR. JAEGER: I believe so.

7 COMMISSIONER McMURRIAN: I mean, I thought that the,  
8 I thought that in those cases the Commission might consider  
9 whether or not the rate case, the additional rate case expense  
10 of them trying several times might not be approved, and I don't  
11 think it should be approved if they didn't get their case in  
12 order and then had to refile and refile and refile and ask for  
13 more rate case expense, and I don't think that that's  
14 appropriate to give them the rate case expense. At least  
15 that's my, my thinking. But there -- but is there anything  
16 that really limits them asking for interim rates again if we  
17 were to deny this today before the final rates determined, were  
18 determined?

19 MR. JAEGER: I'm not aware of anything in the  
20 statutes that limits them from trying again if they believe  
21 they do have it right or can put on a better, or a prima facie  
22 case.

23 COMMISSIONER McMURRIAN: Okay. Thank you.

24 And, Chairman, I just wanted to say I -- a lot of  
25 this has come up already about how we've heard the same thing

1 this time as last time. And I agree with Mr. Beck, we've heard  
2 a lot of repeat testimony. I do also agree with Commissioner  
3 Argenziano that some things had gotten better and there were  
4 some customers that told us that some of the problems they had  
5 before had been corrected or they were able to get someone on  
6 the phone now. But, again, we still heard a lot of, a lot of  
7 concerns about the extra zero, we had a lot of concerns about  
8 people still buying bottled water. I know Ms. Bradley pointed  
9 that out in her filing. A lot of concerns about customers  
10 weren't getting called back when they called customer service  
11 or, frankly, very flippant explanations about what was, what  
12 was the, what was the impetus of their problem, just saying  
13 that, you know, there's a leak, automatically there's a leak  
14 without suggesting that perhaps the problem could be on the  
15 utility's side. And I think that that's something that I hope  
16 that you all are already looking at, and I think time and time  
17 again we did hear about the extra zero.

18 I am encouraged that you are putting in the new  
19 metering service, the new meter, the new meters, but it does  
20 seem like there's some training issues there both on the  
21 customer service side and the metering side and perhaps even  
22 the person who takes the information from the meters and puts  
23 it in the billing system. So I think there's definitely -- at  
24 least there's concerns on my part that we are still hearing  
25 some of those same things.

1           But, Commissioners, I do believe that with the  
2 statute and with staff's representation that they have met the  
3 prima facie case, I do believe that they are entitled under the  
4 statute to some sort of interim rate increase. Thank you.

5           CHAIRMAN CARTER: Thank you.

6           Commissioner Skop.

7           COMMISSIONER SKOP: Thank you, Mr. Chairman.

8           And I think Commissioner McMurrian hit on a very,  
9 very good point that was just being fleshed out. I think what  
10 all this boils down to is, is a couple of things: How you  
11 interpret the Commission's discretion under the statute or lack  
12 thereof, the need or the company being able to demonstrate the  
13 fact that they may be subject to regulatory lag, and I know  
14 that to establish the prima facie case they shall demonstrate,  
15 and those are very strong words. And I'm trying to balance the  
16 tension here.

17           Apparently, you know, on one hand one could argue  
18 they've met their prima facie case and they should be granted  
19 interim rates to be compensatory with what they've invested.  
20 On the other hand, you know, you could argue that there's a  
21 discrepancy between E-2 and E-3 that would fall into what  
22 Commissioner McMurrian suggested, that maybe they be afforded  
23 an opportunity to reconcile those schedules such that our staff  
24 doesn't have to do that and come back in at a later point in  
25 time seeking interim rate relief.

1           Again, I'm just sitting here listening. I think that  
2 all the discussion has been excellent. I don't know myself  
3 whether the discrepancy on the E-2 versus E-3 schedules arises  
4 to, to a lack of showing in terms of making a prima facie case.  
5 I think that what's evident to me is that they are probably  
6 underearning below the lowest ROE rate. I'm not so sure that,  
7 you know, on a technicality basis you can make an issue and  
8 require them to reconcile that discrepancy in the schedule and  
9 come back in. I think that that's a point that's well-taken  
10 that maybe the Commission should look at if it desires to do  
11 so. But I thought that Commissioner McMurrian raised an  
12 excellent point in that regard.

13           Again, under 367.082, you know, the "may" is giving  
14 me a little bit of heartache because, again, I think it's  
15 different from the case that we cited or was cited as precedent  
16 under, under case law. And that case didn't address a  
17 situation where, what to make of the "may." It just basically  
18 state these are the elements of the prima facie case.

19           And as much as I might be willing to test the statute  
20 under the 367.082 on, you know, on behalf of the discretion  
21 that we may have, I kind of think that it would be  
22 counterproductive and we'd just end up in an appeal to the  
23 1st DCA. I think Mr. May's already suggested that. You know,  
24 like I say, I wish I could light a votive candle and Aqua would  
25 just withdraw all of the interim requests on behalf of all the

1 customers because, you know, similar to Chuluota because I just  
2 think that -- you know, I just question the fairness. I know  
3 legally they're entitled to, and I think staff would agree, to  
4 request the interim rates for any system that they have. But  
5 it just, you know, I think that some of the terms that were  
6 used that Chuluota was, was unique, and I wrote it down  
7 somewhere but I don't have it exactly in front of me, but there  
8 were unique circumstances, special and compelling factors that  
9 are unique to the Chuluota system. I don't really want to get  
10 into the opinion testimony. I think that, you know, the bottom  
11 line is this is a statutory question, a question of fact and  
12 applying the law to the facts more so than getting into the  
13 evidentiary basis for what we should do or not do.

14 I think the Attorney General's Office argument is  
15 extremely well-taken, as is the Office of Public Counsel. And  
16 I'm trying to balance that between the request of the  
17 petitioner and trying to be fair and make sure that, you know,  
18 we do a good job of applying the law to the facts. And, I  
19 mean, there is some tension here. You know, I think what  
20 the -- you know, I think all of us as Commissioners feel this  
21 tension because a lot of times, and a lot of times I don't  
22 think the consumers really understand this or the people at  
23 home, is a lot of times our decision, we don't have a lot of  
24 discretion. It's driven by statute.

25 And in this case, although it may appear that we have



1 some discretion, you know, taken in the totality and looking at  
2 some past precedent and some interpretation, you know, I think  
3 at best what we could hope to do is along the lines of what  
4 Commissioner McMurrian perhaps suggested. Or other than that,  
5 you know, I feel that as much as I'd be uninclined to do so, I  
6 have to follow the law. I don't make the law. I just am duty  
7 bound to follow it. And there doesn't seem to be a whole lot  
8 of discretion there. I wish, I wish there were. But, again, I  
9 think to do so would just be counterproductive and we'd just  
10 end up in a legal fight. And I'm not so sure that our time  
11 would be better spent doing that as opposed to, to drilling  
12 down through the numbers and putting our staff's effort into  
13 making sure that they've made their case for rate, final rate  
14 relief as stated in the statute. Interim rates, while applied  
15 and very high particularly for some systems, are subject to  
16 refund, and we've been through that exercise once already.

17 But, like I say, I just wanted to touch upon the  
18 point that Commissioner McMurrian raised. Because I do think  
19 that offers, you know, some sense of fairness to the extent  
20 that if there were a question of fact as to whether a prima  
21 facie showing has actually been made due to the discrepancy  
22 that staff identified and has subsequently tried to work  
23 around, then that would be the basis for the Commission having  
24 discretion to say we'll give you a second bite at the apple.  
25 But other than that, I think that, you know, based on staff's

1 analysis it's reasonable to conclude that they may be below the  
2 low end of the earnings range and basically entitled,  
3 rightfully or wrongfully, to interim rate relief until such  
4 time as we address the final issues associated with the case.

5 CHAIRMAN CARTER: Thank you.

6 Commissioner McMurrin.

7 COMMISSIONER McMURRIAN: Thank you, Chairman. I just  
8 wanted to clarify. I wasn't suggesting that the utility get a  
9 second bite at the apple. I guess what I was saying was I'm  
10 concerned that if we denied the interim rate increase on the  
11 basis of the billing data not lining up properly on the E-3 and  
12 14, I'm not sure I used the right ones, or E-2 and E-3,  
13 whichever schedules they were, where it didn't --

14 MR. WILLIS: E-2 and E-3.

15 COMMISSIONER McMURRIAN: E-2 and E-3. Thank you.  
16 That if we did that on that basis that I was afraid that the  
17 utility, we would just be back here in a few weeks where the  
18 utility had corrected the deficiency discrepancies. And, in  
19 fact, if they corrected the discrepancies against the  
20 customer's favor, we would be faced with possibly a higher  
21 interim rate increase. So I would rather not afford them the  
22 opportunity -- I wasn't suggesting they have that opportunity.  
23 But I was suggesting that if we did deny it, that that might be  
24 where we were if the law didn't prevent them from asking for an  
25 interim rate increase again if we denied it. So that's the

1 point. I just wanted to clarify that. So thank you, Chairman,  
2 for letting me.

3 COMMISSIONER ARGENZIANO: Mr. Chair?

4 CHAIRMAN CARTER: Yes, ma'am. You're recognized,  
5 Commissioner Argenziano.

6 COMMISSIONER ARGENZIANO: Okay. Thank you,  
7 Mr. Chair.

8 I see several different things. I think staff is  
9 correct that they've made a prima facie case as per  
10 their earnings, underearnings. I think that's established.  
11 That's my opinion and I agree with staff there.

12 But I see a difference in the statutes between  
13 operating costs and rate of return. And staff needs to correct  
14 me if I'm wrong on this, but it seems to me that the customer  
15 service issues, which there are, come into play in the final  
16 rates as a rate of return issue. And Statute 367.011 pertains  
17 to customer service issues, quality issues, and even if you're  
18 not in compliance with DEP and other state agencies and  
19 actually affecting and giving us the ability to reduce a rate  
20 of return for those reasons.

21 But I don't think that you can at this point -- I  
22 don't think it means limiting their operating costs and that's  
23 what I'm -- I want this company to correct and fix those, those  
24 facilities that they have. And them spending the money on  
25 those facilities I think is critical in getting it to a point

1 where the people who are paying for water can actually drink  
2 their water and, of course, have better service at some point.  
3 And I agree with Mr. Beck, it's gone on for a long time.

4           So at this point I think that staff is correct in  
5 the, in their recommendation that prima facie has been met and,  
6 and that somewhere down the line that, staff would correct me  
7 if I'm wrong or please indicate if I'm right, that if it comes  
8 down to the final rates and we are then dealing with still  
9 having quality issues or out of compliance issues, we can then  
10 use 367.011. Am I correct there, staff?

11           MR. FLETCHER: Yes, Commissioner Argenziano, you are  
12 correct. In the final, Commission's final determination if  
13 there's a quality of service, if it's based on the evidence of  
14 the record, if there is quality of service unsatisfactory, if  
15 that's what transpires, then under 367.111 there is the  
16 provision there where the return on equity -- and also in the  
17 past the Commission has also looked to officer salaries to  
18 address quality of service.

19           COMMISSIONER ARGENZIANO: Absolutely. And,  
20 Mr. Chair, and my final comments on this is that, as I said  
21 before, I'm very glad Chuluota is not in this because we have a  
22 real problem there and, as you know in the hearings, I wanted  
23 some additional information from DOH and DEP. And I'm glad  
24 it's not on the table today because, quite frankly, I think a  
25 lot needs to be done there. And I hope that the company and

1 the City of Oviedo come to some kind of a meeting of the minds  
2 because those people need to have safe, clean drinking water.

3 As for customer service issues, I want the company to  
4 understand I am very, very concerned with those issues. I do  
5 see some movement on the company's part and I hope that the  
6 company continues. And I'm a little concerned with hearing  
7 from the Attorney General's Office that some of those people  
8 who were taken to the back of the room that were told they'd  
9 get a call back didn't, and I would think it behooves that  
10 company to make sure that those people's issues get resolved or  
11 at least get a phone call back, and that's something I think  
12 I'm going to look for in the, when the final rates come around.

13 But, again, I just want to say that I want this  
14 company to fix those facilities. And I think that they've put  
15 some money into those facilities and I think at this point with  
16 their prima facie case being made that they probably deserve  
17 that money back for the, for the upgrading of those facilities.  
18 And I hope that people can actually drink the water that  
19 they're paying for in the future.

20 And with that, Mr. Chairman, I appreciate you letting  
21 me say what I needed to say. But I do agree with staff on the  
22 prima facie case.

23 CHAIRMAN CARTER: Thank you, Commissioner. I also  
24 wanted to say that based upon what staff has found and what's,  
25 based upon the statute that there was a prima facie showing,

1 additionally is that notwithstanding the fact that there was a  
2 prima facie showing, staff still reduced the amount that was  
3 requested by the company. So that's significant.

4 COMMISSIONER ARGENZIANO: Right.

5 CHAIRMAN CARTER: And, and I think that gives a  
6 signal to the company that we're still looking at customer  
7 service issues, we're still looking at significant billing  
8 errors, we're still looking at the eventual rate of, in terms  
9 of the, the permanent rates when we get there. So I think  
10 that, you know, I think that the company is listening loud and  
11 clear. And I think that as we go further, that we want to make  
12 sure that we continue to protect the interests of the consumers  
13 as well as making sure that the company is viable enough to pay  
14 for the necessary corrections and changes and revisions to make  
15 sure that the people have clean water to drink.

16 And with that, Commissioners, I think we're ready to  
17 move forward. Commissioner Edgar, you're recognized.

18 COMMISSIONER EDGAR: Just to reiterate a couple of  
19 the points that have been made. You know, I recognize that it  
20 is not a perfect solution, but that the statute does afford  
21 protection to the customers by virtue of refunds should an  
22 interim rate be granted, that it is not ultimately granted in  
23 that same full amount as the final action on that item. Again,  
24 probably not a perfect solution, but certainly a very important  
25 protection that is built into the statute.

1           Also the recognition that, that, you know, many water  
2 systems in Florida and certainly some of these do need to have  
3 an infusion of capital and investment into those systems to  
4 continue to be able to meet the needs of the customers and  
5 consumers. And unfortunately I think we will probably be  
6 seeing other, you know, water rate cases come before us for  
7 that very reason because some of these systems are old and do  
8 need some improvements.

9           I also recognize that by virtue of this case having  
10 so many systems in, you know, in such a large, spread across  
11 such a large geographic area or scattered across such a large  
12 geographic area that it's a little unusual that we had the  
13 customer meetings across a period of time so that we have had  
14 some of that discussion before and some after. And, again, I  
15 just think that that's by virtue of the fact that this system  
16 is, systems are spread across such a large area and that's  
17 something that makes it a little bit unusual.

18           So I think once again that it is, it is incredibly  
19 complicated and always difficult to apply, but that from the  
20 discussion that we've had I agree with what I think I'm hearing  
21 from my colleagues that the requirement by the statute for the  
22 prima facie case to be met at this juncture in a long process  
23 is met. Thank you.

24           CHAIRMAN CARTER: Thank you. Commissioners, anything  
25 further?

1           Let me say, Commissioners, before we, before we  
2 entertain a motion, I want to take a moment to personally  
3 express our appreciation to our staff. Staff has gone above  
4 and beyond the call of duty on this. I think there's like  
5 83 systems in 16 counties or 82 systems in 16 counties or  
6 whatever, but it's a lot to look at. And I think that staff  
7 has spent a lot of time and effort to look at each individual  
8 system, and I appreciate that. And I wanted to say publicly,  
9 you know, before we take this vote how much I sincerely  
10 appreciate our staff's hard work on this very complicated  
11 issue.

12           With that, Commissioners, the Chair is open for a  
13 motion. Commissioner McMurrian.

14           COMMISSIONER McMURRIAN: I will move the staff  
15 recommendation on Issues 2 through -- I can't remember the --  
16 as modified earlier by staff, 2 through 6. We've already  
17 covered 1.

18           COMMISSIONER ARGENZIANO: Second.

19           CHAIRMAN CARTER: Been moved and properly seconded.  
20 Commissioners, now is there any further debate or discussion on  
21 the issue?

22           Commissioner Skop, you're recognized in debate.

23           COMMISSIONER SKOP: Thank you, Mr. Chairman. I'll be  
24 voting with probably the majority in favor of this. But,  
25 again, I do, I do have concerns. You know, I think that the



1 Attorney General's Office as well as Public Counsel did raise  
2 some good issues in terms of the Commission being able to use  
3 its discretion. However, I just, the discrepancy in question,  
4 I just don't know if it arises to the level that would not  
5 compromise the prima facie showing. So I do tend to agree with  
6 staff that in the totality of what's been presented that the  
7 prima facie has been, has been at least demonstrated at least  
8 for interim rate relief, so.

9 CHAIRMAN CARTER: Thank you. Thank you,  
10 Commissioners. Any further in debate?

11 Hearing none, all those in favor of the motion, let  
12 it be known by the sign of aye.

13 (Unanimous affirmative vote.)

14 All those opposed, like sign. Show it done.

15 Again, staff, thank you very much. With that  
16 Commissioners, we are adjourned.

17 (Agenda Conference adjourned.)

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STATE OF FLORIDA        )  
                              :     CERTIFICATE OF REPORTER  
COUNTY OF LEON        )

I, LINDA BOLES, RPR, CRR, Official Commission Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorneys or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 13<sup>th</sup> day of August, 2008.

  
LINDA BOLES, RPR, CRR  
FPSC Official Commission Reporter  
(850) 413-6734

Bart Fletcher

Parties Staff Handout  
Internal Affairs/Agenda

From: Mary Bane  
 Sent: Monday, July 28, 2008 5:57 PM  
 To: Marshall Willis  
 Cc: William C. Garner; Roberta Bass; Lorena Holley; Larry Harris; Bridget Grimsley; Betty Ashby; Tim Devlin; Bart Fletcher; Cheryl Bulecza-Banks; Ralph Jaeger; Katherine Fleming; Caroline Klancke; Jennifer Brubaker; Mary Bane; Ann Cole; Hong Wang  
 Subject: FW: Request for Oral Modification on Item 20 on July 29, 2008 agenda  
 Attachments: Palm Port Wastewater Rate Schedule.xls; Revised Interim Attachments A B & D.xls; Venetian Village Rate Schedules.xls

on 7/29/08  
 Item No. 20  
 080121-WS

Approved.

From: Marshall Willis  
 Sent: Monday, July 28, 2008 5:38 PM  
 To: Mary Bane  
 Cc: William C. Garner; Roberta Bass; Lorena Holley; Larry Harris; Bridget Grimsley; Betty Ashby; Tim Devlin; Bart Fletcher; Cheryl Bulecza-Banks; Ralph Jaeger; Katherine Fleming; Caroline Klancke; Jennifer Brubaker  
 Subject: Request for Oral Modification on Item 20 on July 29, 2008 agenda

Staff requests approval to make the following 10 oral modifications to its recommendation on Item 20 scheduled for Tuesday's agenda. Item 20 relates to an interim increase request by Aqua Utilities Florida, Inc. (AUF). The modifications are necessary to correct errors discovered after the recommendation was filed. The statutory 60-day deadline has been waived by AUF through the July 29, 2008, Agenda Conference.

Revisions to the recommendation are necessary to correct input errors contained in staff's excel spreadsheets. As result, the recommended revenue requirements changed for 23 water systems and 11 wastewater systems. The impact of these errors on staff's recommendation are as follows:

- 1) Issue 2 on Page 8, last paragraph, last sentence - Attachment A reflects staffs calculation of the total regulatory asset on an annual basis of \$242,701 ~~\$293,858~~ for water and \$708,480 ~~\$674,428~~ for wastewater.
- 2) Issue 3 on Page 9, second paragraph of staff analysis, third sentence - There are six ten systems that reflect revenue decreases.
- 3) Issue 3 on Page 9, second paragraph of staff analysis, <sup>last</sup> third sentence - Thus, the consolidated capital structure under the maximum ROE limit should be applied to the six eight systems with a revenue decrease, and the consolidated capital structure under the minimum ROE limit should be applied to the remaining systems.
- 4) Issue 3 on Page 12, last paragraph, second to the last sentence - Based upon recovery of actual operating expenses for the year ended December 31, 2007, and the consolidated cost of capital on an average rate base, staff recommends that the appropriate combined interim revenue requirements are \$7,681,952 ~~\$7,548,448~~ and \$5,464,764 ~~\$5,452,463~~, respectively for the Utility's water and wastewater systems.
- 5) Issue 4 on Page 14, first paragraph, second to last sentence - Using this methodology, staff calculated the across-the-board rate increase for the former FWSC systems to be 33.98 ~~33.49~~ percent for water and 92.38 ~~89.72~~ percent for wastewater.
- 6) Issue 5 on Page 15, second sentence in recommendation section - Aqua should be required to file a corporate undertaking on behalf of its subsidiaries to guarantee any potential refunds of revenues collected under interim conditions. Aqua's total guarantee should be an amount of \$3,222,973 ~~\$2,488,622~~.
- 7) Issue 5 on Page 15, first paragraph in staff analysis section, Second sentence - As reflected in Attachment A recommended-in-Issue-2, the total annual interim revenue increase is \$3,825,305 ~~\$2,946,645~~. In addition, the

7/29/2008

**combined interim revenue decrease for Jasmine Lakes and Lake Suzy water systems are \$349,821.**

**8) Issue 5 on Page 15, first paragraph in staff analysis section, third sentence - In accordance with Rule 25-30.360, F.A.C., staff has calculated the potential refund of revenues and interest collected under interim conditions to be \$3,222,973 ~~\$2,486,622~~.**

**9) Issue 5 on Page 15, second paragraph in staff analysis section, seventh sentence - Finally, net income has steadily increased over the period and has been on average twenty-nine ~~nineteen~~ times greater than the requested cumulative corporate undertaking amount.**

**10) Issue 5 on Page 15, second paragraph in staff analysis section, last sentence - Based on this analysis, staff recommends that a cumulative corporate undertaking of \$3,222,973 ~~\$2,486,622~~ is acceptable contingent upon receipt of the written guarantee of AAI and written confirmation that Aqua will not assume outstanding guarantees on behalf of AAI-owned utilities in other states in excess of \$55 million (inclusive of AUF).**

**Staff has attached revised Attachments A, C, and D which incorporate and correct the input errors, which are reflected in the above 10 oral modifications. Staff has highlighted in yellow all numbers that have changed.**

**In addition, the calculation of rates for Palm Port Wastewater contained a material error. Staff has attached an excel spreadsheet which contains the corrected rate schedule 4-B for Palm Port. Also, staff has attached an excel spreadsheet containing the rate calculations, Schedules 4-A and 4-B, for Venetian Village that were not included in staff's July 18, 2008 recommendation.**

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ARREDONDO ESTATES/FARMS	\$175,956	\$60,644	34.47%	\$236,599	\$0	\$236,599	\$60,644	34.47%	\$0
BEECHER'S POINT	25,956	43,977	169.43%	69,933	58,156	58,156	\$32,200	124.06%	11,777
CARLTON VILLAGE	123,055	(25,478)	-20.70%	97,579	78,586	78,586	(44,469)	-36.14%	18,993
CHULUOTA	799,123	78,629	9.84%	877,751	0	877,751	78,629	9.84%	0
EAST LAKE HARRIS ESTATES	43,158	63,564	147.28%	106,722	99,283	99,283	56,126	130.05%	7,438
FERN TERRACE	49,791	2,051	4.12%	51,841	0	51,841	2,051	4.12%	0
FLORIDA CENTRAL COMMERCE PARK	0	0	0.00%	0	0	0	0	0.00%	0
FRIENDLY CENTER	12,268	14,311	116.65%	26,579	22,372	22,372	10,104	82.38%	4,207
GIBSONIA ESTATES	26,086	62,959	241.35%	89,045	0	89,045	62,959	241.35%	0
GRAND TERRACE	33,515	18,437	55.01%	51,952	0	51,952	18,437	55.01%	0
HAINES CREEK	22,489	15,095	67.12%	37,584	0	37,584	15,095	67.12%	0
HARMONY HOMES	30,936	13,942	45.07%	44,878	35,223	35,223	4,287	13.66%	9,656
HERMITS COVE	44,358	81,528	183.79%	125,887	115,891	115,891	71,532	161.26%	9,996
HOBBY HILLS	26,854	16,380	61.00%	43,234	0	43,234	16,380	61.00%	0
HOLIDAY HAVEN	38,487	32,522	84.50%	71,009	64,806	64,806	26,319	66.38%	6,203
IMPERIAL MOBILE TERRACE	53,763	36,453	67.80%	90,215	0	90,215	36,453	67.80%	0
INTERLACHEN LAKES ESTATES	78,727	3,077	3.91%	81,803	0	81,803	3,077	3.91%	0
J. SWIDERSKI - 48 ESTATES	30,731	17,462	56.82%	48,192	48,127	48,127	17,396	56.61%	66
J. SWIDERSKI - KINGS COVE	62,896	7,571	12.04%	70,467	0	70,467	7,571	12.04%	0
J. SWIDERSKI - SUMMIT CHASE	44,389	36,798	82.90%	81,187	80,536	80,536	36,147	81.43%	651
JASMINE LAKES	492,355	(115,721)	-23.50%	376,634	0	376,634	(115,721)	-23.50%	0
JUNGLE DEN	17,366	28,376	163.40%	45,742	44,213	44,213	26,847	154.60%	1,529
KINGSWOOD	16,642	30,383	182.56%	47,025	0	47,025	30,383	182.56%	0
LAKE GIBSON ESTATES	147,613	128,616	87.13%	276,229	0	276,229	128,616	87.13%	0
LAKE JOSEPHINE	132,112	83,059	62.87%	215,171	0	215,171	83,059	62.87%	0
LAKE OSBORNE ESTATES	117,303	175,134	149.30%	292,437	0	292,437	175,134	149.30%	0
LAKE SUZY	649,736	(234,100)	-36.03%	415,636	0	415,636	(234,100)	-36.03%	0
LEISURE LAKES	60,028	46,272	77.08%	106,300	99,782	99,782	39,754	86.23%	6,518
MORNINGVIEW	17,444	17,927	102.77%	35,371	28,855	28,855	11,211	64.27%	6,716
OAKWOOD	58,170	80,317	138.07%	138,487	0	138,487	80,317	138.07%	0
OCALA OAKS	558,523	154,779	27.81%	711,302	0	711,302	154,779	27.81%	0
ORANGE HILL / SUGAR CREEK	52,905	49,553	93.67%	102,458	0	102,458	49,553	93.67%	0
PALM PORT	36,458	14,456	39.85%	50,913	44,780	44,780	8,323	22.83%	6,133
PALM TERRACE	345,118	141,277	40.94%	486,394	0	486,394	141,277	40.94%	0
PALMS MOBILE HOME PARK	11,335	24,931	219.98%	36,266	34,236	34,236	22,901	202.04%	2,031
PARK MANOR	0	0	0.00%	0	0	0	0	0.00%	0
PICCIOLA ISLAND	54,191	(6,929)	-12.79%	47,262	0	47,262	(6,929)	-12.79%	0
PINEY WOODS	79,720	18,569	23.29%	98,288	0	98,288	18,569	23.29%	0
POMONA PARK	61,021	37,040	60.70%	98,061	0	98,061	37,040	60.70%	0
QUAIL RIDGE	46,278	(12,939)	-27.96%	33,338	25,801	25,801	(20,477)	-44.25%	7,537
RAVENSWOOD	13,226	6,102	46.14%	19,328	0	19,328	6,102	46.14%	0
RIVER GROVE	37,129	10,404	28.02%	47,533	0	47,533	10,404	28.02%	0
ROSALIE OAKS	14,860	22,925	154.27%	37,785	36,995	36,995	22,135	148.95%	790
SEBRING LAKES	17,693	68,057	384.66%	85,750	34,793	34,793	17,100	96.65%	50,957
SILVER LAKE ESTATE / WESTERN SHORES	542,668	(21,236)	-3.91%	521,432	0	521,432	(21,236)	-3.91%	0
SILVER LAKE OAKS	14,601	26,065	178.51%	40,666	34,178	34,178	19,576	134.07%	6,468
SKYCREST	54,525	(2,208)	-4.05%	52,319	44,887	44,887	(9,638)	-17.66%	7,432
SOUTH SEAS	0	0	0.00%	0	0	0	0	0.00%	0
ST. JOHN'S HIGHLANDS	19,820	2,952	14.89%	22,772	21,166	21,166	1,346	6.79%	1,606
STONE MOUNTAIN	4,998	7,039	140.84%	12,037	8,984	8,984	3,986	79.76%	3,053
SUNNY HILLS	292,730	(54,248)	-18.53%	238,482	212,686	212,686	(60,046)	-27.34%	25,786
TANGERINE	76,776	29,967	39.03%	106,744	0	106,744	29,967	39.03%	0
THE WOODS	26,219	37,588	143.36%	63,806	33,017	33,017	6,798	25.93%	30,789
TOMOKA	47,800	100,755	210.78%	148,556	0	148,556	100,755	210.78%	0
VALENCIA TERRACE	96,957	16,657	17.18%	113,614	0	113,614	16,657	17.18%	0
VENETIAN VILLAGE	59,772	7,031	11.76%	66,803	0	66,803	7,031	11.76%	0
VILLAGE WATER	109,973	72,362	65.80%	182,335	175,064	175,064	65,091	59.19%	7,271
WELAKA / SARATOGA HARBOUR	47,878	30,174	63.29%	77,852	70,976	70,976	23,296	48.69%	6,876
WOOTENS	6,908	21,258	307.70%	28,166	25,962	25,962	19,054	275.81%	2,204
ZEPHYR SHORES	84,014	58,886	70.09%	142,899	0	142,899	58,886	70.09%	0
<b>TOTAL</b>	<b>\$6,243,202</b>	<b>\$1,681,451</b>	<b>26.93%</b>	<b>\$7,924,654</b>	<b>\$1,579,155</b>	<b>\$7,681,942</b>	<b>\$1,438,740</b>	<b>23.04%</b>	<b>\$242,712</b>

ARREDONDO ESTATES/FARMS	\$119,457	\$56,327	47.15%	\$175,785	\$0	\$175,785	\$56,327	47.15%	\$0
BEECHER'S POINT	17,067	94,303	552.54%	111,370	90,900	90,900	\$73,833	432.61%	20,469
CARLTON VILLAGE	0	0	0.00%	0	0	0	\$0	0.00%	0
CHULUOTA	438,709	680,120	155.03%	1,118,829	833,112	833,112	394,403	86.90%	285,717
EAST LAKE HARRIS ESTATES	0	0	0.00%	0	0	0	\$0	0.00%	0
FERN TERRACE	0	0	0.00%	0	0	0	\$0	0.00%	0
FLORIDA CENTRAL COMMERCE PARK	152,413	228,438	149.88%	380,851	298,278	298,278	145,865	96.70%	82,573
FRIENDLY CENTER	0	0	0.00%	0	0	0	\$0	0.00%	0
GIBSONIA ESTATES	0	0	0.00%	0	0	0	\$0	0.00%	0
GRAND TERRACE	0	0	0.00%	0	0	0	\$0	0.00%	0
HAINES CREEK	0	0	0.00%	0	0	0	\$0	0.00%	0
HARMONY HOMES	0	0	0.00%	0	0	0	\$0	0.00%	0
HERMITS COVE	0	0	0.00%	0	0	0	\$0	0.00%	0
HOBBY HILLS	0	0	0.00%	0	0	0	\$0	0.00%	0
HOLIDAY HAVEN	54,913	92,173	167.85%	147,086	112,566	112,566	57,653	104.99%	34,521
IMPERIAL MOBILE TERRACE	0	0	0.00%	0	0	0	\$0	0.00%	0
INTERLACHEN LAKES ESTATES	0	0	0.00%	0	0	0	\$0	0.00%	0
J. SWIDERSKI - 48 ESTATES	0	0	0.00%	0	0	0	\$0	0.00%	0
J. SWIDERSKI - KINGS COVE	74,620	12,136	16.26%	86,756	0	86,756	\$12,136	16.26%	0
J. SWIDERSKI - SUMMIT CHASE	43,340	83,317	192.24%	126,657	59,713	59,713	\$16,373	37.78%	66,944
JASMINE LAKES	404,773	334,067	82.53%	738,840	0	738,840	\$334,067	82.53%	0
JUNGLE DEN	39,023	72,425	185.60%	111,448	85,559	85,559	46,836	119.28%	25,889
KINGSWOOD	0	0	0.00%	0	0	0	\$0	0.00%	0
LAKE GIBSON ESTATES	112,401	458,940	408.30%	571,341	0	571,341	\$458,940	408.30%	0
LAKE JOSEPHINE	0	0	0.00%	0	0	0	\$0	0.00%	0
LAKE OSBORNE ESTATES	0	0	0.00%	0	0	0	\$0	0.00%	0
LAKE SUZY	270,835	35,405	13.07%	306,240	270,835	270,835	\$0	0.00%	35,405
LEISURE LAKES	72,709	16,625	22.87%	89,334	0	89,334	\$16,625	22.87%	0
MORNINGVIEW	21,561	20,424	94.73%	41,985	31,170	31,170	9,809	44.57%	10,815
OAKWOOD	0	0	0.00%	0	0	0	\$0	0.00%	0
OCALE OAKS	0	0	0.00%	0	0	0	\$0	0.00%	0
ORANGE HILL / SUGAR CREEK	0	0	0.00%	0	0	0	\$0	0.00%	0
PALM PORT	59,098	20,609	34.87%	79,707	59,818	59,818	720	1.22%	19,888
PALM TERRACE	417,096	(14,656)	-3.51%	402,439	0	402,439	(\$14,656)	-3.51%	0
PALMS MOBILE HOME PARK	0	0	0.00%	0	0	0	\$0	0.00%	0
PARK MANOR	56,433	(21,317)	-37.77%	35,116	0	35,116	(\$21,317)	-37.77%	0
PICCIOLA ISLAND	0	0	0.00%	0	0	0	\$0	0.00%	0
PINEY WOODS	0	0	0.00%	0	0	0	\$0	0.00%	0
POMONA PARK	0	0	0.00%	0	0	0	\$0	0.00%	0
QUAIL RIDGE	0	0	0.00%	0	0	0	\$0	0.00%	0
RAVENSWOOD	0	0	0.00%	0	0	0	\$0	0.00%	0
RIVER GROVE	0	0	0.00%	0	0	0	\$0	0.00%	0
ROSALIE OAKS	28,563	63,674	222.93%	92,237	51,433	51,433	\$22,870	80.07%	40,804
SEBRING LAKES	0	0	0.00%	0	0	0	\$0	0.00%	0
SILVER LAKE ESTATE / WESTERN SHORES	0	0	0.00%	0	0	0	\$0	0.00%	0
SILVER LAKE OAKS	20,153	28,138	139.62%	48,291	35,022	35,022	14,868	73.78%	13,269
SKYCREST	0	0	0.00%	0	0	0	\$0	0.00%	0
SOUTH SEAS	488,067	224,592	46.02%	712,659	0	712,659	\$224,592	46.02%	0
ST. JOHNS HIGHLANDS	0	0	0.00%	0	0	0	\$0	0.00%	0
STONE MOUNTAIN	0	0	0.00%	0	0	0	\$0	0.00%	0
SUNNY HILLS	90,477	31,181	34.46%	121,658	91,749	91,749	1,272	1.41%	29,909
TANGERINE	0	0	0.00%	0	0	0	\$0	0.00%	0
THE WOODS	22,477	38,998	173.50%	61,475	54,317	54,317	\$31,841	141.66%	7,158
TOMOKA	0	0	0.00%	0	0	0	\$0	0.00%	0
VALENCIA TERRACE	132,211	23,874	18.08%	156,085	0	156,085	\$23,874	18.08%	0
VENETIAN VILLAGE	50,105	20,874	41.66%	70,979	65,220	65,220	\$15,115	30.17%	5,759
VILLAGE WATER	93,479	157,790	168.80%	251,269	0	251,269	\$157,790	168.80%	0
WELAKA / SARATOGA HARBOUR	0	0	0.00%	0	0	0	\$0	0.00%	0
WOOTENS	0	0	0.00%	0	0	0	\$0	0.00%	0
ZEPHYR SHORES	148,031	(13,225)	-8.93%	134,805	105,446	105,446	(42,565)	-28.77%	29,356
<b>TOTAL</b>	<b>\$3,428,011</b>	<b>\$2,745,233</b>	<b>80.08%</b>	<b>\$6,173,243</b>	<b>\$2,245,138</b>	<b>\$5,464,764</b>	<b>\$2,036,753</b>	<b>59.42%</b>	<b>\$708,480</b>

System		Uncapped Staff Adjusted Test Year	Less Miscellaneous Service Revs	Uncapped Test Year Rev From Service Rates	Uncapped Revenue Increase	Uncapped Across-the-Board Rate Increase
ARREDONDO ESTATES/FARMS	Water	\$175,956	\$2,602	\$173,354	\$60,644	34.98%
ARREDONDO ESTATES/FARMS	Wastewater	\$119,457	\$10	\$119,447	\$56,327	47.16%
HAINES CREEK	Water	\$22,489	\$1,365	\$21,124	\$15,095	71.46%
J. SWIDERSKI - 48 ESTATES	Water	\$30,731	\$150	\$30,581	\$17,462	57.10%
J. SWIDERSKI - KINGS COVE	Water	\$62,896	\$250	\$62,646	\$7,571	12.08%
J. SWIDERSKI - KINGS COVE	Wastewater	\$74,820	\$0	\$74,820	\$12,136	16.28%
J. SWIDERSKI - SUMMIT CHASE	Water	\$44,389	\$495	\$43,894	\$36,798	83.83%
J. SWIDERSKI - SUMMIT CHASE	Wastewater	\$43,340	\$0	\$43,340	\$83,317	192.24%
JASMINE LAKES	Water	\$492,355	\$5,046	\$487,309	(\$115,721)	-23.75%
JASMINE LAKES	Wastewater	\$404,773	\$0	\$404,773	\$334,067	82.53%
LAKE JOSEPHINE	Water	\$132,112	\$614	\$131,498	\$83,059	63.16%
LAKE OSBORNE ESTATES	Water	\$117,303	\$4,990	\$112,313	\$175,134	155.93%
LAKE SUZY	Water	\$649,736	\$810	\$648,926	(\$234,100)	-36.07%
LAKE SUZY	Wastewater	\$270,835	\$0	\$270,835	\$35,405	13.07%
OCALA OAKS	Water	\$556,523	\$3,215	\$553,308	\$154,779	27.97%
RAVENSWOOD	Water	\$13,226	\$555	\$12,671	\$6,102	48.18%
ROSALIE OAKS	Water	\$14,860	\$452	\$14,408	\$22,925	159.11%
ROSALIE OAKS	Wastewater	\$28,563	\$425	\$28,138	\$63,674	226.30%
SEBRING LAKES	Water	\$17,893	\$190	\$17,503	\$68,057	388.84%
SOUTH SEAS	Wastewater	\$488,067	\$0	\$488,067	\$224,592	46.02%
THE WOODS	Water	\$26,219	\$870	\$25,349	\$37,588	148.28%
THE WOODS	Wastewater	\$22,477	\$530	\$21,947	\$38,996	177.69%
VILLAGE WATER	Water	\$109,973	\$1,812	\$108,161	\$72,362	66.90%
VILLAGE WATER	Wastewater	\$93,479	\$150	\$93,329	\$157,790	169.07%

Aqua Utilities Florida, Inc. - Former Florida Water Services Systems  
 Schedule of Water Revenue Requirements & Revenue Increases  
 Interim Test Year Ended 12/31/07

ATTACHMENT D  
 Page 1 of 2  
 Docket No. 080121-WS

1	BEECHER'S POINT	\$25,956	\$43,977	169.43%	\$69,933
2	CARLTON VILLAGE	123,055	(25,470)	-20.70%	97,579
3	CHULUOTA	799,123	78,629	9.84%	877,751
4	EAST LAKE HARRIS ESTATES	43,158	63,564	147.28%	106,722
5	FERN TERRACE	49,791	2,051	4.12%	51,841
6	FLORIDA CENTRAL COMMERCE PARK	0	0	0.00%	0
7	FRIENDLY CENTER	12,268	14,311	116.65%	26,579
8	GIBSONIA ESTATES	26,086	62,959	241.35%	89,045
9	GRAND TERRACE	33,515	18,437	55.01%	51,952
10	HARMONY HOMES	30,936	13,942	45.07%	44,878
11	HERMITS COVE	44,358	81,528	183.79%	125,887
12	HOBBY HILLS	26,854	18,380	68.00%	43,234
13	HOLIDAY HAVEN	38,487	32,522	84.50%	71,009
14	IMPERIAL MOBILE TERRACE	53,763	36,453	67.80%	90,215
15	INTERLACHEN LAKES ESTATES	78,727	3,077	3.91%	81,803
16	JUNGLE DEN	17,366	28,376	163.40%	45,742
17	KINGSWOOD	16,642	30,383	182.56%	47,025
18	LAKE GIBSON ESTATES	147,613	128,616	87.13%	276,229
19	LEISURE LAKES	60,028	46,272	77.08%	106,300
20	MORNINGVIEW	17,444	17,927	102.77%	35,371
21	OAKWOOD	58,170	80,317	138.07%	138,487
22	ORANGE HILL/SUGAR CREEK	52,905	49,553	93.67%	102,458
23	PARK MANOR	0	0	0.00%	0
24	PALM PORT	36,458	14,456	39.65%	50,913
25	PALMS MOBILE HOME PARK	11,335	24,931	219.96%	36,266
26	PALM TERRACE	345,118	141,277	40.94%	486,394
27	PICCIOLA ISLAND	54,191	(6,929)	-12.79%	47,262
28	PINEY WOODS	79,720	18,569	23.29%	98,288
29	POMONA PARK	61,021	37,040	60.70%	98,061
30	QUAIL RIDGE	46,278	(12,930)	-27.96%	33,338
31	RIVER GROVE	37,129	10,404	28.02%	47,533
32	SILVER LAKE ESTATE/WESTERN SHORES	542,688	(21,236)	-3.91%	521,432
33	SILVER LAKE OAKS	14,601	26,065	178.51%	40,666
34	SKYCREST	54,525	(2,208)	-4.05%	52,319
35	ST. JOHNS HIGHLANDS	19,820	2,952	14.89%	22,772
36	STONE MOUNTAIN	4,998	7,039	140.84%	12,037
37	SUNNY HILLS	292,730	(54,248)	-18.53%	238,482
38	TANGERINE	76,776	29,967	39.03%	106,744
39	TOMOKA	47,800	100,755	210.78%	148,556
40	VALENCIA TERRACE	96,957	16,857	17.18%	113,614
41	VENETIAN VILLAGE	59,772	7,031	11.76%	66,803
42	WELAKA / SARATOGA HARBOUR	47,678	30,174	63.28%	77,852
43	WOOTENS	6,908	21,258	307.70%	28,166
44	ZEPHYR SHORES	84,014	58,886	70.09%	142,899
Total Water Uniform Plants of Docket No. 950495-WS		<u>\$3,776,742</u>	<u>\$1,273,698</u>	<u>33.72%</u>	<u>\$5,050,440</u>
Total Misc. Ser. & Other Revenues for Water		\$28,308			
Total Adjusted TY Revs (Less Misc. Ser. & Other Revs)		<u>3,748,434</u>			
Across-the-Board Water Rate Increase			<u>33.98%</u>		



Aqua Utilities Florida, Inc. - Former Florida Water Services Systems  
 Schedule of Wastewater Revenue Requirements & Revenue Increases  
 Interim Test Year Ended 12/31/07

1	BEECHER'S POINT	\$17,067	\$94,303	552.54%	\$111,370
2	CARLTON VILLAGE	0	0	0.00%	0
3	CHULUOTA	438,709	680,120	155.03%	1,118,829
4	EAST LAKE HARRIS ESTATES	0	0	0.00%	0
5	FERN TERRACE	0	0	0.00%	0
6	FLORIDA CENTRAL COMMERCE PARK	152,413	228,438	149.88%	380,851
7	FRIENDLY CENTER	0	0	0.00%	0
8	GIBSONIA ESTATES	0	0	0.00%	0
9	GRAND TERRACE	0	0	0.00%	0
10	HARMONY HOMES	0	0	0.00%	0
11	HERMITS COVE	0	0	0.00%	0
12	HOBBY HILLS	0	0	0.00%	0
13	HOLIDAY HAVEN	54,913	92,173	167.85%	147,086
14	IMPERIAL MOBILE TERRACE	0	0	0.00%	0
15	INTERLACHEN LAKES ESTATES	0	0	0.00%	0
16	JUNGLE DEN	38,023	72,425	188.60%	111,448
17	KINGSWOOD	0	0	0.00%	0
18	LAKE GIBSON ESTATES	112,401	458,940	408.30%	571,341
19	LEISURE LAKES	72,709	16,625	22.87%	89,334
20	MORNINGVIEW	21,561	20,424	94.73%	41,985
21	OAKWOOD	0	0	0.00%	0
22	ORANGE HILL/SUGAR CREEK	0	0	0.00%	0
23	PARK MANOR	56,433	(21,317)	-37.77%	35,116
24	PALM PORT	59,098	20,609	34.87%	79,707
25	PALMS MOBILE HOME PARK	0	0	0.00%	0
26	PALM TERRACE	417,086	(14,656)	-3.51%	402,439
27	PICCIOLA ISLAND	0	0	0.00%	0
28	PINEY WOODS	0	0	0.00%	0
29	POMONA PARK	0	0	0.00%	0
30	QUAIL RIDGE	0	0	0.00%	0
31	RIVER GROVE	0	0	0.00%	0
32	SILVER LAKE ESTATE/WESTERN SHORES	0	0	0.00%	0
33	SILVER LAKE OAKS	20,153	28,138	139.62%	48,291
34	SKYCREST	0	0	0.00%	0
35	ST. JOHNS HIGHLANDS	0	0	0.00%	0
36	STONE MOUNTAIN	0	0	0.00%	0
37	SUNNY HILLS	90,477	31,181	34.46%	121,658
38	TANGERINE	0	0	0.00%	0
39	TOMOKA	0	0	0.00%	0
40	VALENCIA TERRACE	132,211	23,874	18.06%	156,085
41	VENETIAN VILLAGE	50,105	20,874	41.66%	70,979
42	WELAKA / SARATOGA HARBOUR	0	0	0.00%	0
43	WOOTENS	0	0	0.00%	0
44	ZEPHYR SHORES	148,031	(13,225)	-8.93%	134,805
Total Wastewater Uniform Plants of Docket No. 950495-WS		<u>\$1,882,401</u>	<u>\$1,738,924</u>	<u>92.38%</u>	<u>\$3,621,325</u>
Total Misc. Ser. & Other Revenues for Wastewater		\$80			
Total Adjusted TY Revs (Less Misc. Ser. & Other Revs)		<u>1,882,321</u>			
Across-the-Board Wastewater Rate Increase				<u>92.38%</u>	

**Palm Port  
Wastewater Monthly Service Rates  
Interim Test Year Ended 12/31/07**

**Schedule No. 4-B  
Docket No. 080121-WS**

	<b>Rates Effective 12/31/2007</b>	<b>Utility Requested Uncapped Interim</b>	<b>Utility Requested Capped Interim</b>	<b>Utility Requested Final</b>	<b>Staff Calculated Uncapped Interim</b>	<b>Staff Recomm. Interim</b>
<b>Residential</b>						
Base Facility Charge:						
All Meter Sizes	\$20.28	\$41.39	\$29.28	\$45.26	\$39.02	\$29.28
Gallage Charge - Per 1,000 gallons (6,000 gallon cap)	\$8.26	\$16.86	\$11.93	\$8.73	\$15.89	\$11.93
<b>Residential Flat Rate</b>	<b>\$50.79</b>	<b>\$103.65</b>	<b>\$73.33</b>	<b>\$112.65</b>	<b>\$68.05</b>	<b>\$73.33</b>
<b>General Service Flat Rate</b>	<b>\$50.79</b>	<b>\$103.65</b>	<b>\$73.33</b>	<b>\$701.21</b>	<b>\$68.05</b>	<b>\$73.33</b>
<b>General Service and Multi-Family</b>						
5/8" x 3/4"	\$20.28	\$41.39	\$29.28	\$45.26	\$39.02	\$29.28
3/4"	\$30.45	\$62.14	\$43.96	\$67.89	\$58.58	\$43.96
1"	\$50.76	\$103.59	\$73.29	\$113.14	\$97.65	\$73.29
1-1/2"	\$101.50	\$207.13	\$146.55	\$226.29	\$195.27	\$146.55
2"	\$162.39	\$331.39	\$234.46	\$362.06	\$312.41	\$234.46
3"	\$324.79	\$662.79	\$468.94	\$724.12	\$624.84	\$468.94
4"	\$507.47	\$1,035.59	\$732.69	\$1,131.44	\$976.28	\$732.69
6"	\$1,014.96	\$2,071.21	\$1,465.41	\$2,262.89	\$1,952.60	\$1,465.41
8"	\$1,623.94	\$3,313.95	\$2,344.67	\$3,620.62	\$3,124.17	\$2,344.67
10"	\$2,334.41	\$4,763.80	\$3,370.45	\$5,204.65	\$4,490.98	\$3,370.45
Gallage Charge	\$9.94	\$20.28	\$14.35	\$10.48	\$19.12	\$14.35
<b>Typical Residential Bills 5/8" x 3/4" Meter</b>						
3,000 Gallons	\$45.06	\$91.97	\$65.07	\$71.45	\$66.69	\$65.07
5,000 Gallons	\$61.58	\$125.69	\$88.93	\$88.91	\$118.48	\$88.94
6,000 Gallons (Wastewater Gallage Cap - 6,000 Gallons)	\$69.84	\$142.55	\$100.86	\$97.64	\$134.36	\$100.86

**AUF/Venetian Village  
Water Monthly Service Rates  
Interim Test Year Ended 12/31/07**

**Schedule No. 4-A  
Docket No. 080121-WS**

	<b>Rates Effective 12/31/2007</b>	<b>Utility Requested Uncapped Interim</b>	<b>Utility Requested Capped Interim</b>	<b>Utility Requested Final</b>	<b>Staff Calculated Uncapped Interim</b>	<b>Staff Recomm. Interim</b>
<b><u>Residential, General Service and Multi-Family</u></b>						
<b>Base Facility Charge by Meter Size:</b>						
5/8" x 3/4"	\$10.28	\$15.41	\$14.15	\$21.92	\$13.77	\$13.77
3/4"	\$15.44	\$23.14	\$21.25	\$32.89	\$20.69	\$20.69
1"	\$25.71	\$38.54	\$35.39	\$54.81	\$34.45	\$34.45
1-1/2"	\$51.43	\$77.09	\$70.79	\$109.62	\$68.91	\$68.91
2"	\$82.28	\$123.33	\$113.25	\$175.39	\$110.24	\$110.24
3"	\$164.57	\$246.67	\$226.51	\$350.79	\$220.49	\$220.49
4"	\$257.13	\$385.41	\$353.91	\$548.10	\$344.50	\$344.50
6"	\$514.27	\$770.83	\$707.83	\$1,096.21	\$689.02	\$689.02
8"	\$822.82	\$1,233.31	\$1,132.52	\$1,753.93	\$1,102.41	\$1,102.41
10"	\$1,182.82	\$1,772.91	\$1,628.02	\$2,521.28	\$1,584.74	\$1,584.74
<b>Gallonage Charge, per 1,000 Gallons</b>						
<b>Residential</b>						
Block 1, 0-5,000	\$3.89	\$5.83	\$5.35	\$3.80	\$5.21	\$5.21
Block 2, 5,001-10,000	\$3.89	\$5.83	\$5.35	\$4.76	\$5.21	\$5.21
Block 3, over 10,000	\$3.89	\$5.83	\$5.35	\$4.76	\$5.21	\$5.21
General Service and Multi-Family	\$3.89	\$5.83	\$5.35	\$3.80	\$5.21	\$5.21
<b><u>Private Fire Protection</u></b>						
<b>Base Facility Charge by Meter Size:</b>						
2"	\$6.87	\$10.30	\$9.46	\$14.62	\$9.20	\$9.20
3"	\$13.71	\$20.55	\$18.87	\$29.23	\$18.37	\$18.37
4"	\$21.42	\$32.11	\$29.48	\$45.68	\$28.70	\$28.70
6"	\$42.85	\$64.23	\$58.98	\$91.35	\$57.41	\$57.41
8"	\$68.57	\$102.78	\$94.38	\$146.16	\$91.87	\$91.87
10"	\$98.57	\$147.75	\$135.67	\$210.11	\$132.06	\$132.06
<b><u>Typical Residential Bills 5/8" x 3/4" Meter</u></b>						
3,000 Gallons	\$21.95	\$32.90	\$30.20	\$33.32	\$29.41	\$29.41
5,000 Gallons	\$29.73	\$44.56	\$40.90	\$40.92	\$39.83	\$39.83
10,000 Gallons	\$49.18	\$73.71	\$67.65	\$64.72	\$65.89	\$65.89

**AUF/Venetian Village  
Wastewater Monthly Service Rates  
Interim Test Year Ended 12/31/07**

**Schedule No. 4-B  
Docket No. 080121-WS**

	<b>Rates Effective 12/31/2007</b>	<b>Utility Requested Uncapped Interim</b>	<b>Utility Requested Capped Interim</b>	<b>Utility Requested Final</b>	<b>Staff Calculated Uncapped Interim</b>	<b>Staff Recomm. Interim</b>
<b><u>Residential</u></b>						
Base Facility Charge: All Meter Sizes	\$20.45	\$41.73	\$36.15	\$45.26	\$39.34	\$36.15
Gallonge Charge - Per 1,000 gallons (6,000 gallon cap)	\$5.97	\$12.18	\$10.55	\$8.73	\$11.49	\$10.55
<b>Residential Flat Rate</b>	<b>\$45.25</b>	<b>\$92.34</b>	<b>\$79.98</b>	<b>\$112.65</b>	<b>\$87.05</b>	<b>\$79.98</b>
<b><u>General Service and Mutli-Family</u></b>						
Base Facility Charge by Meter Size:						
5/8" x 3/4"	\$20.45	\$41.73	\$36.15	\$45.26	\$39.34	\$36.15
3/4"	\$30.67	\$62.59	\$54.21	\$67.89	\$59.00	\$54.21
1"	\$51.12	\$104.32	\$90.36	\$113.14	\$98.35	\$90.36
1-1/2"	\$102.24	\$208.64	\$180.72	\$226.29	\$196.69	\$180.72
2"	\$163.55	\$333.75	\$289.09	\$362.06	\$314.64	\$289.09
3"	\$327.15	\$667.61	\$578.27	\$724.12	\$629.38	\$578.27
4"	\$511.16	\$1,043.12	\$903.52	\$1,131.44	\$983.38	\$903.52
6"	\$1,022.32	\$2,086.23	\$1,807.05	\$2,262.89	\$1,966.76	\$1,807.05
8"	\$1,635.69	\$3,337.93	\$2,891.24	\$3,620.62	\$3,146.77	\$2,891.24
10"	\$2,351.31	\$4,798.28	\$4,156.16	\$5,204.65	\$4,523.50	\$4,156.16
Gallonge Charge, per 1,000 Gallons	\$7.16	\$14.61	\$12.66	\$10.48	\$13.77	\$12.66
<b>General Service Flat Rate</b>	<b>\$45.25</b>	<b>\$92.34</b>	<b>\$79.98</b>	<b>\$701.21</b>	<b>\$87.05</b>	<b>\$79.98</b>
<b><u>Typical Residential Bills 5/8" x 3/4" Meter</u></b>						
3,000 Gallons	\$38.36	\$78.27	\$67.80	\$71.45	\$73.80	\$67.80
5,000 Gallons	\$50.30	\$102.63	\$88.90	\$88.91	\$96.77	\$88.90
10,000 Gallons (Wastewater Gallonge Cap - 6,000 Gallons)	\$56.27	\$114.81	\$99.45	\$97.64	\$108.25	\$99.45