

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

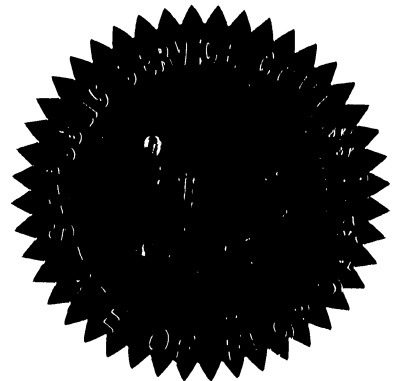
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In the Matter of:

APPLICATION FOR STAFF-ASSISTED RATE
CASE IN PALM BEACH COUNTY BY W.P.
UTILITIES, INC.

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PROCEEDINGS: AGENDA CONFERENCE
ITEM NO. 14

BEFORE: CHAIRMAN MATTHEW M. CARTER, II
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER KATRINA J. McMURRIAN
COMMISSIONER NANCY ARGENZIANO
COMMISSIONER NATHAN A. SKOP

DATE: Tuesday, September 16, 2008

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR
Official FPSC Reporter
(850) 413-6732

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1 PARTICIPATING:

2 LISA BENNETT, ESQUIRE, SHANNON HUDSON, BART FLETCHER,
3 and SONICA BRUCE, representing the Florida Public Service
4 Commission Staff.

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P R O C E E D I N G S

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2 **CHAIRMAN CARTER:** Let's give staff an opportunity to
3 get ready for Item 14.

4 Item 14.

5 **MS. HUDSON:** Commissioners, Shannon Hudson on behalf
6 of staff. Item 14 is an application for a staff-assisted rate
7 case by W.P. Utilities. Staff is prepared to answer any
8 questions you may have at this time.

9 **CHAIRMAN CARTER:** You know we always haze the
10 newbies. Just kidding. Just kidding. Just kidding.

11 Commissioner Argenziano, you're recognized.

12 **COMMISSIONER ARGENZIANO:** The question pertains to
13 customer hearings, or town meetings with the customers. Can
14 you tell me how many customers attended the meeting and how
15 many have either written in to oppose or to agree, just the
16 scenario of the outcome of that meeting.

17 **MR. FLETCHER:** Commissioners, yes, we had a meeting
18 held on June 11th, 2008, and there were 45 customers who
19 attended that meeting. Four spoke at that meeting, and then
20 subsequently we had -- this was W.P., we had a teleconference
21 meeting set up. There were those who said that they didn't
22 receive notice, but we renoticed it and had a teleconference
23 customer meeting, and only two participated at that
24 teleconference.

25 Since then maybe Ms. Hudson can address those

1 who have written in.

2 **MS. HUDSON:** We had one other customer to actually
3 write in. He was supposed to participate in the
4 teleconference, having never called in, but he did provide a
5 letter with some concerns he had, and I tried to contact Mr.
6 Zittman (phonetic) on Friday to go over some of those concerns,
7 and he has not called me back to discuss any of it to this
8 date.

9 **COMMISSIONER ARGENZIANO:** Can you tell me how many
10 people live in the community?

11 **MS. HUDSON:** I believe 189 customers.

12 **COMMISSIONER ARGENZIANO:** 189. So out of 189, four
13 spoke. Were they opposed, the four?

14 **MR. FLETCHER:** Yes, they opposed the rate increase.

15 **COMMISSIONER ARGENZIANO:** And then two who wrote in
16 were opposed, and then one you haven't gotten back to. So
17 seven people were opposed. And I am not diminishing their
18 opposition, I am just trying to figure out how many people out
19 of the whole community wrote in or had anything to say pro or
20 con. So am I correct, seven people then actually participated
21 and in opposition?

22 **MR. McNULTY:** Correct.

23 **COMMISSIONER ARGENZIANO:** And one other question.
24 When was the last time this company asked for a rate increase?
25 I know when it was, and when they did actually get one?

1 **MR. FLETCHER:** Their last rate case was in 1995. It
2 was actually a '94 docket, but it became effective in '95.

3 **COMMISSIONER ARGENZIANO:** Thank you.

4 **CHAIRMAN CARTER:** Commissioners, anything further?
5 Hearing none -- Commissioner Argenziano, you're recognized.

6 **COMMISSIONER ARGENZIANO:** Yes. May I suggest, and I
7 know it is a small reduction, but can I suggest Alternative 3?
8 I mean, the people in this community seem to be using,
9 Commissioners, very little water. Most of them seem to be
10 using like 3,000 or 3,500 gallons a day, which we would like
11 to -- is the peace or victory, Larry? Alternative 2. I want
12 the best alternative. I thought it was 3. Okay. The one that
13 reduces, and it's only like a dollar or so, to the small users,
14 the lower end users of water, and yet sets in a conservation
15 rate to those above -- is it 7? I'm sorry.

16 **CHAIRMAN CARTER:** Alternative 2, you said? On Page
17 23?

18 **COMMISSIONER ARGENZIANO:** Page 23. Okay. That's why
19 I'm on the wrong -- hang on a second.

20 **CHAIRMAN CARTER:** Let's take a moment here.

21 **COMMISSIONER ARGENZIANO:** Yes, I'm sorry, Alternative
22 2, which while it is not a major reduction, it reduces some.
23 Because I have the firm belief that people who are using less
24 we have to admire that, and they are using a low amount, and I
25 would hate to see them be punished for using a lot less water

1 than others. And those who are using, I think, in Alternative
2 2 who are using more than 5,000 gallons, it starts to notch up,
3 am I correct?

4 **MS. HUDSON:** Yes.

5 **COMMISSIONER ARGENZIANO:** And then, of course, those
6 people above 15,000 gallons it goes the highest. And it goes
7 from, I guess, currently 8.47 for those low-end users -- no,
8 I'm sorry, 15.13 to 28.12 in Alternative 2, rather than 29.51.
9 And I know it's not a great deal in reduction, but it is at
10 least saying to those who are using less that we -- or I think
11 have more of a conservation mind.

12 **CHAIRMAN CARTER:** That makes sense, Commissioner,
13 because we have been trying to encourage people to voluntarily
14 use less, and that makes sense.

15 Commissioners, anything further on that?

16 Commissioner Edgar, you're recognized.

17 **COMMISSIONER EDGAR:** I will just ask staff to -- if
18 they could briefly describe why they initially recommended the
19 recommendation that they did over Option 2. And I agree with
20 your comments about encouraging conservation, and the
21 differences are relative small, I guess, but if you could just
22 speak to the differences between the two options.

23 **MS. BRUCE:** Commissioner, my name is Sonica Bruce,
24 and I'm the lead rate analyst on this case. We typically -- we
25 did recognize that the rates were lower for 3K gallon below,

1 this inclining block rate structure. However, we typically
2 don't set rates, or set an inclining block rate structure for a
3 customer base such as this with average consumption so low. At
4 2.5, you know, it is pretty low. But I was kind of torn with
5 the fact that the rates were lower at 3K gallon and below, but
6 typically we just don't set an inclining block rate structure
7 for average consumption at 2.5. So I guess I wanted to be
8 consistent with what we have done in the past in recommending a
9 base facility charge.

10 **COMMISSIONER EDGAR:** Thank you.

11 **CHAIRMAN CARTER:** It is still a good idea, though. A
12 gallon saved is a gallon saved. Wouldn't you agree?

13 **MS. BRUCE:** Yes, I do agree.

14 **CHAIRMAN CARTER:** All right. Commissioners, anything
15 further?

16 Hearing none, we are open for disposition on
17 Item 14.

18 **COMMISSIONER ARGENZIANO:** Mr. Chairman.

19 **CHAIRMAN CARTER:** Commissioner Argenziano.

20 **COMMISSIONER ARGENZIANO:** I move Alternative 2 on
21 Item 14.

22 **CHAIRMAN CARTER:** Commissioners, I need a second on
23 that.

24 **COMMISSIONER EDGAR:** I will second. And just for
25 clarification, is that with the understanding that the staff

1 recommendation would carry on all of the other items and
2 whatever fallout adjustments need to be made?

3 **COMMISSIONER ARGENZIANO:** Yes, absolutely.

4 **CHAIRMAN CARTER:** To be consistent with Alternative
5 2. Anything further?

6 Hearing none, all those in favor with the motion
7 let it be known by the sign of aye.

8 (Simultaneous affirmative vote.)

9 **CHAIRMAN CARTER:** All those opposed, like sign. Show
10 it done.

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STATE OF FLORIDA)

: CERTIFICATE OF REPORTER

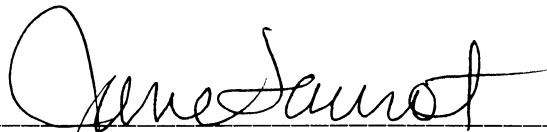
COUNTY OF LEON)

I, JANE FAUROT, RPR, Chief, Hearing Reporter Services Section, FPSC Division of Commission Clerk, 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' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 25th day of September, 2008.



JANE FAUROT, RPR
Official FPSC Hearings Reporter
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