

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 120076-SU

INVESTIGATION OF RATES OF  
MID-COUNTY SERVICES, INC.  
IN PINELLAS COUNTY FOR  
POSSIBLE OVERTURNINGS.

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PROCEEDINGS: COMMISSION CONFERENCE AGENDA  
ITEM NO. 14

COMMISSIONERS  
PARTICIPATING: CHAIRMAN RONALD A. BRISÉ  
COMMISSIONER LISA POLAK EDGAR  
COMMISSIONER ART GRAHAM  
COMMISSIONER EDUARDO E. BALBIS  
COMMISSIONER JULIE I. BROWN

DATE: Tuesday, June 19, 2012

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

REPORTED BY: LINDA BOLES, RPR, CRR  
Official FPSC Reporter  
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FLORIDA PUBLIC SERVICE COMMISSION

FPSC-COMMISSION CLERK

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

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3           **CHAIRMAN BRISÉ:** Moving on to Item Number 14,  
4 which is Docket No. 120076-SU, Mid-County overearnings  
5 investigation.

6           Mr. Wright.

7           **MR. WRIGHT:** Rick Wright with Commission  
8 staff. Item 14 addresses the investigation of rates for  
9 Mid-County for possible overearnings for 2010. The  
10 company agreed to hold \$272,737 annually subject to  
11 refund on August 16th, 2011. Staff is recommending that  
12 refund in monthly revenues to 13.63% be made from  
13 August 16th, 2011, until new rates are in effect. And  
14 on a going-forward basis staff is also recommending that  
15 a rate reduction of 14.35% be implemented. And I think  
16 parties are here to address the Commission.

17           **CHAIRMAN BRISÉ:** Okay. Mr. Friedman.

18           **MR. FRIEDMAN:** Thank you. My name is Martin  
19 Friedman, law firm of Sundstrom, Friedman & Fumero. We  
20 represent Mid-County Services.

21           The only, the only comment that we have to the  
22 staff recommendation is that one of the issues that the  
23 staff determined in reaching the amount of the refund  
24 and reduction was the Project Phoenix matter, which I  
25 have addressed many, many times.

1           In the Eagle Ridge case that the panel adopted  
2 the staff recommendation on today, one of the issues  
3 that the Public Counsel and the, and the utility agreed  
4 to was that we would open a generic docket, which we  
5 have filed with the Clerk, to address the Project  
6 Phoenix because it does apply to all of the Utilities,  
7 Inc. subsidiaries and we thought that was the most  
8 efficient way to handle it. In fact, in one of the  
9 Prehearing Orders in the Eagle Ridge case that was  
10 suggested as maybe a way to handle the, the Project  
11 Phoenix issue where the expense of it is not borne by  
12 one small body of ratepayers but would be borne by  
13 everybody who it really applies to in the State of  
14 Florida. So that issue was is in here.

15           The only -- my only issue with the staff  
16 recommendation would be to request that you address the  
17 Project Phoenix issue the same as you did in the Eagle  
18 Ridge, and that is that you hold that in this generic  
19 docket the determination that is made would be treated  
20 as either a -- as either a regulatory asset, if the  
21 Commission agrees with our position, or a regulatory  
22 liability, if the Commission ultimately in the generic  
23 docket agrees to the Public Counsel's position.

24           And so that's, that's the only modification  
25 that I would request that you make would be to treat the

1 Project Phoenix issues the same as we are doing in the  
2 Eagle Ridge.

3 Otherwise, we're okay with the, with the staff  
4 recommendation. Thank you.

5 **CHAIRMAN BRISÉ:** Thank you.

6 Mr. Reilly.

7 **MR. REILLY:** We stand to comment in favor of  
8 staff, but we'd like to hear first staff's reaction to  
9 this. This is the first I've heard of this.

10 **MR. FLETCHER:** Bart Fletcher with Commission  
11 staff. Chairman, if I may, staff agrees that a  
12 consistent application as what was voted on in Item 22  
13 would be okay. It would be appropriate for Mid-County  
14 as well, which is the creation of a regulatory asset or  
15 a liability based on the Commission's decision in that  
16 generic docket related to the Phoenix Project.

17 **CHAIRMAN BRISÉ:** Mr. Reilly.

18 **MR. REILLY:** Okay. So long as then all the  
19 rest of the staff's recommendation would be, would be  
20 kept.

21 **MR. FLETCHER:** It would be the same, with that  
22 modification to the Commission's decision, if that's  
23 your desire.

24 **MR. REILLY:** Okay. We would concur in that.

25 **CHAIRMAN BRISÉ:** Thank you.

1 Commissioner Balbis.

2 **COMMISSIONER BALBIS:** Thank you, Mr. Chairman.  
3 I just have one question for staff, and then I'd like to  
4 address the discussion about the Phoenix Project.

5 **CHAIRMAN BRISÉ:** Sure.

6 **COMMISSIONER BALBIS:** Which appears to  
7 continue to rise from the ashes.

8 (Laughter.)

9 But, and this is something that I discussed  
10 with staff during my briefing, but the, a portion of the  
11 cause of the rate reduction has to do with the reduction  
12 in the utility's expenses for operating; is that  
13 correct?

14 **MR. FLETCHER:** That's correct. It's  
15 specifically isolated mainly to the sludge removal, the  
16 new treatment process or method for treating, dewatering  
17 the sludge. There's been significant calls for  
18 reductions beginning in 2009.

19 **COMMISSIONER BALBIS:** Okay. Thank you. And I  
20 just wanted to point out, I mean, I think that's a good  
21 example of Utilities, Inc. looking to implement  
22 cost-saving measures that are, you know, passed along to  
23 the customers. And I think we're often pointing out  
24 maybe not bad things but not positive things utilities  
25 do, and I just want to applaud Utilities, Inc. for

1 doing, doing that in order to save costs for the  
2 customers.

3 And I agree with the alternative of handling  
4 the Phoenix Project in a separate issue. I think that  
5 will, that will help us to address that once and for all  
6 and apply it to the other utilities. So with that, I  
7 move staff's recommendation on all issues.

8 CHAIRMAN BRISÉ: All right. Is there a  
9 second?

10 COMMISSIONER BROWN: Second.

11 CHAIRMAN BRISÉ: It's been moved and seconded.  
12 All in favor, say aye.

13 (Vote taken.)

14 All right. Item 14 has been voted in the  
15 affirmative.

16 (Agenda item concluded.)

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