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October 12, 2012

VIA FEDERAL EXPRESS

RECEIVED-FPSC  
12 OCT 15 AM 9:39  
COMMISSION  
CLERK

Ms. Ann Cole  
Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

RE: Docket No. 110200-WU; In re: Application for increase in water rates in Franklin County by Water Management Services, Inc.  
Our File No. 46023.01

Dear Ms. Cole

Enclosed for filing in the above-referenced docket are the original and fifteen (15) copies of the following Prefiled Testimony filed on behalf of Water Management Services, Inc.:

1. Direct Testimony of Jeanne Clark Allen, CPA
2. Direct Testimony of John F. Guastella

Should you have any questions concerning this filing, please do not hesitate to give me a call.

COM	5
AFD	5
APA	1
ECO	1
ENG	1
GCL	1
IDM	1
TEL	1
CLK	1

Very truly yours,

MARTIN S. FRIEDMAN  
For the Firm

MSF/mp  
Enclosures

- cc: Mr. Gene Brown (w/enclosures) (via e-mail)  
 Ms. Sandy Chase (w/enclosures) (via e-mail)  
 Martha Barrera, Esquire, Office of General Counsel (w/enclosures) (via hand delivery)  
 Lisa Bennett, Esquire, Office of General Counsel (w/enclosures) (via hand delivery)  
 Erik Sayler, Esquire, Office of Public Counsel (w/enclosures) (via U.S. Mail)

DOCUMENT NUMBER-DATE

06976 OCT 15 12

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Docket No.: 110200-WU

In re: Application for increase in water rates )  
in Franklin County by Water Management )  
Services, Inc. )  
\_\_\_\_\_ )

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DIRECT TESTIMONY

OF

JEANNE CLARK ALLEN, CPA

on behalf of

Water Management Services, Inc.

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DOCUMENT NUMBER-DATE  
06976 OCT 15 2009  
FPSC-COMMISSION CLERK

1 Q. **Please state your, name profession and address.**

2 A. My name is Jeanne Allen. I am an Audit Partner with the accounting firm, Law, Redd, Crona  
3 and Munroe, P.A. My address is 2075 Centre Pointe Blvd., Tallahassee, FL 32308.

4 Q. **State briefly your educational background and experience.**

5 A. I am a Certified Public Accountant, licensed in the state of Florida. I have a Bachelor of Science  
6 degree, in Accounting and Finance, from The Florida State University. I have over 18 years  
7 experience providing auditing, accounting, consulting and analysis services to various entities,  
8 including governmental, not-for-profit and for-profit companies in a variety of industries. My  
9 experience includes 3 years working as a Regulatory Analyst with the Florida Public Service  
10 Commission, where I participated directly in water and wastewater rate case proceedings for  
11 Class A and B utilities.

12 Q. **On whose behalf are you presenting this testimony?**

13 A. I am presenting this testimony and appearing on behalf of Water Management Services, Inc.  
14 (WMS), the applicant for rate increase in the present docket.

15 Q. **What is the purpose of your direct testimony?**

16 A. The purpose of my direct testimony is to present information supporting the factual basis for  
17 WMS' request to increase its rates and charges as originally presented in the MFRs in the PAA  
18 filing, to provide supporting schedules to show the basis for the requested service availability  
19 charges and to provide information supporting the utility's cross petition filed in response to  
20 OPC.

21 Q. **Are you sponsoring any exhibits?**

22 A. Yes, I am sponsoring eight exhibits. Exhibit JA-1 is a summary of my education, experience and  
23 professional affiliations. Exhibit JA-2 contains select pages from MFR Volume I – Financial,  
24 Rate and Engineering as originally filed in the PAA case, with certain schedules labeled as  
25 revised 1/7/2012 and 2/14/2012, as applicable. Exhibit JA-3 contains the schedules supporting

1 the basis for the originally requested revisions to the service availability charges. Exhibit JA-4  
2 is a schedule supporting the utility's requested adjustment to working capital allowance.  
3 Exhibit JA-5 is a schedule supporting the utility's requested adjustment to contractual services  
4 – accounting. Exhibit JA-6 is a schedule supporting the Utility's requested adjustment to  
5 transportation expenses. Exhibit JA-7 is supporting documentation for the utility's requested  
6 adjustment to miscellaneous expenses. Finally, Exhibit JA-8 is a schedule and documentation  
7 supporting the appropriate amount of rate case expense for the Formal Administrative  
8 Proceeding.

9 **Q. Did the utility propose any changes in its Service Availability Charges?**

10 A. Yes. Analysis of WMS's ratio of net Contributions in Aid of Construction (CIAC) to net plant  
11 indicated that with present CIAC charges and no additions to plant, the ratio is currently only  
12 35%. After the proposed additions to plant, that ratio will drop to 24.9% at design capacity.  
13 The current charges are \$1,620 composed of a Plant Capacity Charge of \$845, a Main  
14 Extension Charge of \$525 and a Meter Installation Fee of \$250. In the PAA filing, the utility  
15 proposed that the charge be increased to \$10,004.47, with the Plant Capacity Charge  
16 increasing to \$9,079.47, the Meter Installation Fee to increase to \$400 and the Main Extension  
17 Charge to remain unchanged. This would result in the net CIAC to net Plant ratio reaching 75%  
18 at design capacity. The increased level of CIAC will have a mitigating effect on monthly service  
19 rates to existing and future customers. The development of the proposed Service Availability  
20 Charges and other supporting documentation required by Rule 25-30.565, Florida  
21 Administrative Code, are found in Exhibit JA-3.

22 **Q. Do you agree with the adjustments made by the PSC in Order No. PSC-12-0435-PAA-WU?**

23 A. No, I do not agree with all of the adjustments made by the PSC.

24 **Q. Which of the PSC adjustments are you taking issue with?**

25 A. As raised in the Utility's Cross Petition filed on September 19, 2012, the working capital

1 allowance is understated, the weighted cost of capital is understated, certain expenses are  
2 understated, including accounting services, transportation, miscellaneous and salaries  
3 expenses, and service availability charges are understated.

4 **Q. What is the appropriate working capital allowance?**

5 A. The Utility's working capital allowance should be \$129,873, as show in Exhibit JA-4. In the  
6 original MFR filing on Schedule A-17, the Utility reflected a working capital allowance of  
7 \$39,885 using the balance sheet approach. After applying adjustments to the components of  
8 working capital, the PSC calculated a negative working capital allowance. On page 16 of the  
9 PAA Order, the PSC acknowledges that "a negative working capital balance is not typical of a  
10 'normal' utility or the expected future condition of a utility," and then set working capital  
11 allowance at zero, citing prior cases as Commission practice. Any normal, viable company  
12 needs to have adequate working capital to be able to pay its current liabilities as they come  
13 due. Given that the Utility is in loss position and is not earning a fair rate of return on its  
14 investment, it seems that the PSC's practice to adjust from a negative to a zero working capital  
15 allowance perpetuates the problem for this and other utilities in a similar negative working  
16 capital position. If there is no component for working capital factored into rate base, how is  
17 the Utility ever supposed to recover this element from rates and turn the situation around?  
18 The Utility is proposing the application of the methodology afforded to Class B & C utilities by  
19 calculating the working capital allowance at 1/8 of Operation and Maintenance Expenses.  
20 Exhibit JA-4 supports the calculation for a working capital allowance of \$129,873.

21 **Q. What is the appropriate weighted average cost of capital?**

22 A. The appropriate weighted average cost of capital is 5.96% as shown on Schedule D-1 of the  
23 MFRs. On page 17 of the PAA Order, the PSC reduced the weighted average cost of capital  
24 from 5.96% to 4.44%. The PSC's calculation of the interest rate on the Centennial Bank loan  
25 that was refinanced on June 14, 2012 is reflecting an interest rate of 6.5% per the newly

1 refinanced agreement. The PAA Order states that the previous interest rate on the loan was  
2 8.46%. However, this is incorrect. The interest rate prior to the June 2012 refinancing was  
3 prime plus 1%, or 4.25%. The refinanced rate of 6.5%, which was anticipated at the time the  
4 MFRs were filed, is accurately reflected in the interest cost on Schedule D-5 of the MFRs,  
5 whereas the 8.46% rate actually represents the effective cost rate when applying the 6.5%  
6 refinanced rate, including the cost of life insurance that is required collateral on this loan. The  
7 annual premium cost of \$39,258 for the life insurance is factored into the cost of capital on  
8 Schedule D-1. There were also closing costs and points of \$6,893 that were not included in the  
9 MFR filing, increase the cost. Accordingly, the correct weighted average cost of capital should  
10 be 5.96% as shown in the Utility's original filing, trued up for the additional closing costs.

11 **Q. Should any adjustments be made to contractual services – accounting expense?**

12 A. Yes. Contractual Services – Accounting should be increased by \$1,585 for total expenses of  
13 \$5,252, as shown in Exhibit JA-5. In the previous rate case, the PSC approved amount for  
14 normal recurring accounting expense was calculated by applying the 5-year average of actual  
15 expenses from 2005 through the 2009 test year in that case, which resulted in expenses of  
16 \$3,667. Test year accounting expenses in the current docket were \$9,550. Rather than  
17 applying the same methodology used in the previous rate case, the PSC approved the same  
18 dollar amount (Page 21 of the PAA Order) as was calculated in the 2009 case, without even an  
19 inflationary increase. Using an average hourly rate of \$100, the PSC approved expense does  
20 not even cover 40 hours of work for an entire year. For annual tax services and periodic  
21 oversight, even on a quarterly basis, to ensure that the in-house accountants are keeping up  
22 with the books and records as needed for regulatory and tax presentation purposes, even if  
23 these services were primarily performed by a lower level staff accountant, the PSC approved  
24 level of accounting service expense is inadequate. The Utility is requesting that the PSC, at a  
25 minimum, use the same methodology applied in the previous rate case by approving

1 accounting expenses calculated based on the 5-year average of actual expenses from 2006  
2 through the 2010 test year. The appropriate amount of accounting expense based on the 5-  
3 year average is \$5,252, and the required increase is \$1,585 as shown in Exhibit JA-5.

4 **Q. Should any adjustments be made to transportation expense?**

5 A. Yes, transportation expense should be increased by \$8,916. On page 19 of the PAA Order, the  
6 PSC made several adjustments to transportation expense, including the reversal of the  
7 adjustment for test year expenses of \$3,177 and a further reduction of \$5,739 for expenses  
8 deemed non-utility related. On Schedule B-3, page 3 of 4 of the MFRs, revision date  
9 1/7/2012, the Utility reflected a net adjustment for transportation expense of \$3,177. This net  
10 adjustment was comprised of reductions for certain gas purchases and repairs and  
11 maintenance costs totaling \$5,739 that the Utility recognized should have been removed from  
12 test year expenses. So the PSC's adjustment double counted the gas and auto repairs and  
13 maintenance expense that had already been removed from the test year as an adjustment in  
14 the MFRs.

15 The net adjustment of \$3,177 in the MFRs also included an estimate for mileage  
16 reimbursement for Gene Brown (\$6,096) and Sandy Chase (\$2,820), totaling \$8,916, for  
17 normal routine Utility related travel, both in-town and to St. George Island. The overall  
18 adjustment by the PSC appears to have removed the estimate for mileage reimbursement as  
19 described above.

20 In the previous rate case, the PSC approved a portion of Gene Brown's vehicle and related  
21 expenses in the 2009 test year as reasonable and necessary Utility costs. In the current  
22 docket, Gene Brown's vehicle has been removed from the 2010 test year and is no longer on  
23 the books of the Utility. While the vehicles and related expenses have been removed, it is  
24 reasonable to expect that the office employees incurred mileage on their personal vehicles  
25 during 2010 for normal recurring Utility business, including trips to the Island, to the bank and

1 other businesses, which is the basis for the Utility's proposed adjustment for proforma  
2 expenses based on known recurring mileage expense reimbursements. In accordance with the  
3 Final Order in the previous case issued January 3, 2011, the Utility began maintaining mileage  
4 logs for all the office staff. Exhibit JA-6 shows the mileage documented and reimbursed based  
5 on the actual mileage logs maintained totaled \$9,323 for 2011, the first year that all the office  
6 staff were required to maintain logs, as the Order dated June 13, 2011 in the show cause  
7 proceeding clarified that the 1994 Order only applied to "field employees." As there were no  
8 mileage logs required to be maintained for Gene Brown and Sandy Chase in 2010, the Utility  
9 adjusted the test year expenses as stated above based on an estimate of the actual  
10 reimbursements that were incurred at the time of the 2010 test year filing. Exhibit JA-6 shows  
11 that the net adjustment of \$3,177 was comprised of a reduction of \$5,739 for gas and repairs  
12 and maintenance and an increase of \$8,916 representing the mileage estimate. Exhibit JA-6  
13 also shows the actual mileage for 2011 was \$9,323 based on documented travel/mileage logs.  
14 The amount of \$8,916 included in the test year is reasonable in relation to the actual amounts  
15 for 2011. Therefore, transportation expense should be increased by \$8,916. Exhibit JA-6.

16 **Q. Should any adjustments be made to miscellaneous expense?**

17 **A.** Yes, miscellaneous expense should be increased by \$8,754. On page 7 of the PAA Order, the  
18 PSC decreased miscellaneous expense by \$9,320 and capitalized plant in the same amount,  
19 which was comprised of an adjustment of \$6,735 related to repairs for damage to a drive well  
20 and the remainder related to meters. The Order further discusses that the Utility has  
21 represented that repairs were emergency repairs for damage to Drive Well No. 4 sustained in a  
22 lightning strike. The Order goes on to state that the PSC finds "that the repairs made to the  
23 drive plant extended the useful life of the asset" and therefore found it appropriate to  
24 capitalize those costs. While I disagree with the contention that emergency repairs should be  
25 characterized as extending the useful life of the asset, the Utility is requesting adjustment due



1 to a "double reduction" to expenses. The Utility received insurance proceeds in the amount of  
2 \$8,754 to defray the cost of the repairs for the damage sustained in the lightning strike, which  
3 included the amount of \$6,735 included in the PSC's adjustment, as well as some additional  
4 expenses. The Utility recorded a reduction to expenses (a credit entry in their general ledger)  
5 by the amount of the insurance proceeds received. The PSC's adjustment to reduce the  
6 expenses further is then duplicative of the reduction already reflected in expenses by the  
7 Utility. Exhibit JA-7 shows the insurance proceeds received and an excerpt of the Utility's  
8 general ledger showing the reduction to expenses of the same amount as the proceeds.  
9 Accordingly, miscellaneous expenses should be increased by \$8,754.

10 **Q. Should any adjustments be made to the president's salary and benefits?**

11 A. Yes, expenses should be increased by \$19,046. On page 27 of the PAA Order, the PSC reduced  
12 the president's salary and benefits by 15% based on the PSC's analysis that, by the Utility  
13 extending the term of the DEP loan, this would result in additional costs to be borne by the  
14 ratepayers. However, this direct reduction to expenses by the PSC does not equate to the rate  
15 recovery afforded the utility in the rate-making process, through the calculation of the  
16 revenue requirement or in the ultimate rates charged to the customers. The revenue  
17 requirement does not factor in the actual annual interest expense that is required to be paid  
18 on the Utility's loans. There is no line item in the revenue requirement calculation for interest  
19 expense. The Utility can only recover a percentage of these costs, by way of the weighted cost  
20 of capital, applied to the Utility's rate base, rather than the actual interest cost. The 15%  
21 reduction in expenses is arbitrary and should be reversed. Accordingly, the president's salary  
22 and benefits should be increased by \$19,046.

23 **Q. Should there be any adjustments to the service availability charges?**

24 A. Yes, as previously discussed in my testimony and shown in Exhibit JA-3, the total service  
25 availability charges should be increased to \$10,004, (adjusted as applicable for any

1 unprotested PSC adjustments from the PAA Order) in order to achieve a net CIAC to net Plant  
2 ratio reaching 75% at design capacity, with the plant improvements needed.

3 **Q. What is the appropriate rate case expense for the Formal Administrative Proceeding?**

4 A. The appropriate amount of rate case expense for the Formal Administrative Proceeding is  
5 \$105,362, representing the expenses that have and will be incurred due to the protest filed by  
6 OPC as shown on Exhibit JA-8. The rate case expense for legal expenses, consulting expenses  
7 and related filing and notice expenses are reasonable and necessary.

8 **Q. Does that conclude your direct testimony?**

9 A. Yes, it does.

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**JEANNE CLARK ALLEN, CPA**

**SUMMARY OF PROFESSIONAL EXPERIENCE,  
EDUCATION AND AFFILIATIONS**

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**PROFESSIONAL EXPERIENCE**

**LAW, REDD, CRONA & MUNROE, P.A., Tallahassee, FL**

**Audit Partner**

**October 1998 - Present**

- ◆ Plan, perform and supervise financial statement, compliance and performance audits.
- ◆ Prepare financial statements, supplemental schedules and related reports.
- ◆ Provide recommendations to clients regarding internal controls and processes.
- ◆ Perform and report on consulting, forensic accounting analysis and other special projects.
- ◆ Supervise, schedule and provide assistance to audit managers, seniors and staff.
- ◆ Present financial statements and special reports to management and audit committees.

**FLORIDA DEPARTMENT OF LOTTERY, Tallahassee, FL**

**Office of Inspector General Analyst**

**August 1997 – October 1998**

- ◆ Performed financial, compliance, operational, and performance audits.
- ◆ Conducted administrative investigations and management studies.
- ◆ Assisted in planning audits, investigations and evaluations.
- ◆ Developed assignment programs and obtained and analyzed evidentiary data.
- ◆ Prepared work papers and reports documenting program steps and findings.
- ◆ Provided opinions on adequacy and effectiveness of management controls.
- ◆ Presented on the benefits of utilizing automated resources for data analysis and work paper presentation for the Association of Inspectors General and the Florida Audit Forum.

**FLORIDA PUBLIC SERVICE COMMISSION, Tallahassee, FL**

**Regulatory Accounting Analyst**

**August 1994 – August 1997**

- ◆ Reviewed and analyzed financial information to identify issues in utility rate cases.
- ◆ Reviewed, analyzed and critiqued audit work papers and findings.
- ◆ Corresponded with interested parties to relate findings and obtain additional information.
- ◆ Developed and analyzed issues and drafted cross-examination questions.
- ◆ Prepared schedules and reports to reflect results and findings of analysis.
- ◆ Performed desk audit reviews of utility annual reports.

## **RELATED EXPERIENCE**

**GARY G. ALLEN, REGISTERED LAND SURVEYOR, Tallahassee, FL**

**Bookkeeper**

**May 1999 – April 2011**

- ◆ Performed monthly general ledger closings and prepared financial reports.
- ◆ Reconciled account balances and reviewed account activity.
- ◆ Prepared weekly payroll disbursements.
- ◆ Prepared, monitored and maintained accounts payable.
- ◆ Monitored billing and accounts receivable activity.
- ◆ Prepared quarterly payroll tax returns.

## **EDUCATION**

B.S., Accounting and Finance, 1994

The Florida State University, Tallahassee, FL

## **PROFESSIONAL AFFILIATIONS**

**Member, American Institute of Certified Public Accountants**

**Member, Florida Institute of Certified Public Accountants**

**Board Member, The Tallahassee Museum**

**Committee Member, FICPA - FSU Accounting Conference**

Schedule of Water Rate Base

Florida Public Service Commission

Company: Water Management Services, Inc.  
 Docket No.: 110200-WU  
 Schedule Year Ended: December 31, 2010  
 Interim  Final   
 Historic  Projected

Schedule: A-1  
 Page 1 of 1  
 Preparer: J. Allen

Explanation: Provide the calculation of average rate base for the test year, showing all adjustments. All non-used and useful items should be reported as Plant Held For Future Use. If method other than formula approach (1/8 O&M) is used to determine working capital, provide additional schedule showing detail calculation.

Line No.	(1) Description	(2) 13 Mo Avg Per Books	(3) A-3 Utility Adjustments	(4) Adjusted Utility Balance	(5) Supporting Schedule(s)
1	Utility Plant in Service	\$ 8,840,469	\$ 3,353,442 (A)	\$ 12,193,911	A-3, A-5
2	Utility Land & Land Rights	87,856	501,238 (B)	589,094	A-3, A-5
3	Less: Non-Used & Useful Plant	-	-	-	
4	Construction Work in Progress	48,946	(48,946) (C)	-	A-3, A-18
5	Less: Accumulated Depreciation	(3,345,867)	\$ 182,184 (D)	(3,163,683)	A-3, A-9
6	Less: CIAC	(3,322,830)	-	(3,322,830)	A-12
7	Accumulated Amortization of CIAC	1,420,734	-	1,420,734	A-14
8	Acquisition Adjustments	-	-	-	-
9	Accum. Amort. of Acq. Adjustments	-	-	-	-
10	Advances For Construction	(12,019)	712 (E)	(11,307)	A-3, A-16
11	Working Capital Allowance	39,885	- (F)	39,885	A-3, A-17
12	Total Rate Base	\$ 3,757,174	\$ 3,988,630	\$ 7,745,805	

Schedule of Adjustments to Rate Base

Florida Public Service Commission

Company: Water Management Services, Inc.  
 Schedule Year Ended: December 31, 2010  
 Interim [ ] Final [X]  
 Historic [X] Projected [ ]

Schedule: A-3  
 Page 1 of 2  
 Docket No.: 110200-WU  
 Preparer: J. Allen

Explanation: Provide a detailed description of all adjustments to rate base per books, with a total for each rate base line item.

Line No.	Description	Water	Wastewater
1	<u>(A) Utility Plant in Service - Increase (Decrease)</u>		
2	Proforma Plant Additions - Schedule A-3, pg 2 of 2	\$ 3,565,436	\$ -
3	Proforma Plant Retirements - Schedule A-3, pg 2 of 2	(147,379)	
4	To adjust 13 month average for stipulated issue #2 per Order # PSC-11-0010-SC-WU	(7,692)	
5	To adjust 13 month average for removal of 2008 Tahoe sold	(29,478)	
6	To adjust 13 month average for removal of 2008 Sierra sold	(9,970)	
7	To adjust 13 month average for removal of 2007 Tahoe sold	(30,413)	
8	To reflect 13 month average for capitalized R&M per Order # PSC-11-0010-SC-WU	51,751	
9	To reflect 13 month average for retirements per Order # PSC-11-0010-SC-WU	(38,813)	
10	Total Utility Plant in Service	\$ 3,353,442	\$ -
11	<u>(B) Utility Land and Land Rights - Increase (Decrease)</u>		
12	Land required for proforma plant and Well #5 - Schedule A-3, pg 2 of 2	\$ 501,500	\$ -
13	To adjust 13 month average for stipulated issue #3 per Order # PSC-11-0010-SC-WU	(262)	
14	Total Utility Land and Land Rights	\$ 501,238	\$ -
15	<u>(C) Construction Work in Progress - Included with Proforma Plant above - (Decrease)</u>	\$ (48,946)	\$ -
16	<u>(D) Accumulated Depreciation - (Increase) Decrease</u>		
17	Proforma Plant Additions - Schedule A-3, pg 2 of 2	\$ (60,808)	\$ -
18	Proforma Plant Retirements - Schedule A-3, pg 2 of 2	116,912	
19	To adjust 13 month average for stipulated issue #2 per Order # PSC-11-0010-SC-WU	537	
20	To adjust 13 month average for removal of 2008 Tahoe sold	2,047	
21	To adjust 13 month average for removal of 2008 Sierra sold	4,405	
22	To adjust 13 month average for removal of 2007 Tahoe sold	10,137	
23	To reflect 13 month average for capitalized R&M per Order # PSC-11-0010-SC-WU	(2,588)	
24	To reflect 13 month average for retirements per Order # PSC-11-0010-SC-WU	38,813	
25	To correct accumulated depreciation for adjustment to UPIS in 1992 rate case	72,730	
26	Total Accumulated Depreciation	\$ 182,184	\$ -
27	<u>(E) Advances for Construction - To correct 13 month average for PSC adj - Decrease</u>	\$ 712	\$ -
28	<u>(F) Working Capital, Balance Sheet Method, see Sch. A-17 - Increase</u>	\$ 39,885	\$ -
29	Note - All proforma additions proposed are needed to increase reliability of the system and meet compliance requirements of the Water Management District and Florida Department of Environmental Regulation		

Schedule of Working Capital Allowance Calculation

Florida Public Service Commission

Company: Water Management Services, Inc.  
 Docket No.: 110200-WU  
 Test Year Ended: December 31, 2010

Schedule: A-17  
 Page 1 of 1  
 Preparer: J. Allen  
 Recap Schedule: A-1

Explanation: Provide the calculation of working capital using the Balance Sheet method.

Line No		Water	Wastewater
1	<u>Final Rates - 12/31/10</u>		
2	Current And Accrued Assets (13 month average):		
3	Cash	\$ (8,769)	
4	Accounts Rec'b - Cust., net of Uncoll.	111,302	
5	Accts. Rec'b - Other	-	
6	Prepayments/Deposits	33,786	
7	Unamortized Debt Discount & Exp.	99,030	
8	Remove Unamortized Debt Discount & Expense - stipulated issue in 09 case	(99,030)	
9	Deferred Prior Rate Case Expense, per books	85,399	
10	Correcting entry to reflect PSC approved rate case expense (\$229,180 PSC approved)	143,781	
11	Deferred Current Rate Case Expense @ 50% (B-10)	110,000	
12	Deferred Loss on Bridge	46,138	
13	Current and Accrued Liabilities (13 month average):		
14	Accounts Payable	(343,627)	
15	Accrued Taxes	(80,390)	
16	Accrued Interest	(45,777)	
17	Misc. Current and Accrued Liabilities	(4,273)	
18	Correcting entry to reclassify 09 interim rates out of Customer Deposits	(7,685)	
19	Operating Reserves	(6,154)	
20	Remove 13 month avg of deferred comp plan in operating reserves at 12/31/09	6,154	
21	Equals working capital (Balance Sheet Approach)	\$ 39,885	
22	<u>Interim Rates - 12/31/10</u>		
23	Current And Accrued Assets (13 month average):		
24	Cash	\$ (8,769)	
25	Accounts Rec'b - Cust., net of Uncoll.	111,302	
26	Accts. Rec'b - Other	-	
27	Prepayments/Deposits	33,786	
28	Unamortized Debt Discount & Exp.	99,030	
29	Remove Unamortized Debt Discount & Expense - stipulated issue in 09 case	(99,030)	
30	Deferred Prior Rate Case Expense, per books	85,399	
31	Correcting entry to reflect PSC approved rate case expense (\$229,180 PSC approved)	143,781	
32	Deferred Loss on Bridge	46,138	
33	Current and Accrued Liabilities (13 month average):		
34	Accounts Payable	(343,627)	
35	Accrued Taxes	(80,390)	
36	Accrued Interest	(45,777)	
37	Misc. Current and Accrued Liabilities	(4,273)	
38	Correcting entry to reclassify 09 Interim rates out of Customer Deposits	(7,685)	
39	Operating Reserves	(6,154)	
40	Remove 13 month avg of deferred comp plan in operating reserves at 12/31/09	6,154	
41	Equals working capital (Balance Sheet Approach *)	\$ (70,115)	
42	* Used 1/8 O&M method for interim rate calculation due to negative working capital as shown above.	\$ 133,869	

Schedule of Water Net Operating Income

2/14/2012 REVISION

Florida Public Service Commission

Company: Water Management Services, Inc.  
 Docket No.: 110200-WU  
 Test Year Ended: December 31, 2010  
 Interim [ ] Final [X]  
 Historic [X] or Projected [ ]

Schedule: B-1  
 Page 1 of 1  
 Preparer: J. Allen

Explanation: Provide the calculation of net operating income for the test year. If amortization (Line 4) is related to any amount other than an acquisition adjustment, submit an additional schedule showing a description and calculation of charge.

Line No.	(1) Description	(2) Balance Per Books	(3) Utility Test Year Adjustments	(4) Utility Adjusted Test Year	(5) Requested Revenue Adjustment	(6) Requested Annual Revenues	(7) Supporting Schedule(s)
1	OPERATING REVENUES	\$ 1,291,712	\$ 13,875 (A)	\$ 1,305,587	\$ 714,035 (F)	\$ 2,019,622	B-4, E-2
2	Operation & Maintenance	1,115,100	(40,548) (B)	1,074,552	55,000 (G)	1,129,552	B-5, B-3
3	Depreciation, net of CIAC Amort.	199,395	52,841 (C)	252,236	-	252,236	B-13, B-3
4	Amortization	14,616	9,784 (D)	24,400	-	24,400	B-3
5	Taxes Other Than Income	107,672	11,981 (E)	119,652	32,132 (H)	151,784	B-15, B-3
6	Provision for Income Taxes	-	-	-	- (I)	-	C-1, B-3
7	OPERATING EXPENSES	1,436,783	34,057	1,470,840	87,132	1,557,972	
8	NET OPERATING INCOME	\$ (145,071)	\$ (20,182)	\$ (165,254)	\$ 626,904	\$ 461,650	
9	RATE BASE	\$ 3,757,174		\$ 7,745,805		\$ 7,745,805	
10	RATE OF RETURN	(3.86) %		(2.13) %		5.96 %	



2/14/2012 REVISION

Schedule of Adjustments to Operating Income  
 Company: Water Management Services, Inc.  
 Schedule Year Ended: December 31, 2010  
 Interim | Final [X]  
 Historic [X] or Projected | ]

Florida Public Service Commission  
 Schedule: B-3  
 Page 1 of 4  
 Docket No.: 110200-WU  
 Preparer: J. Allen

Explanation: Provide a detailed description of all adjustments to operating income per books, with a total for each line item shown on the net operating income statement.

Line No.	Description	Water	Wastewater
1	(A) <u>Operating Revenues</u>		
2	(A1) Adjust for annualized revenue at current rates	\$ 12,675	\$ -
3	(A2) Increase in Misc. Service Charges (Sch. E-2 & E-4)	1,200	-
4	Total adjustment to TY Revenue	\$ 13,875	\$ -
5	(B) <u>Operation &amp; Maintenance (O &amp; M) Expenses</u>		
6	Adjustments to Normalize Expenses - Detail on Schedule B-3, pg 2 of 4 and 3 of 4	\$ (40,548)	-
7	Total Adjustment to O&M Expenses	\$ (40,548)	\$ -
8	(C) <u>Depreciation Expense</u>		
9	(C1) Adjustment to include expense on Pro Forma Plant additions - Schedule A-3, pg 2 of 2	60,808	-
10	(C2) Adjustment to remove expense on Pro Forma Plant retirements - Schedule A-3, pg 2 of 2	(7,968)	-
11	Total adjustment to Depreciation Expense	\$ 52,841	\$ -
12	(D) <u>Amortization - Pro Forma see Detail @ p.5</u>		
13	Amortize Prudently Retired Plant	\$ 9,784	\$ -
16	(E) <u>Taxes Other Than Income (see Sch. B-15)</u>		
17	(E1) Payroll Taxes - Adjust payroll tax for salary normalization per adjustments on pg 2 of 4	(1,605)	-
18	(E2) Property Taxes - Adjust for proforma additions to plant	12,972	-
19	(E3) Regulatory Assessment Fees - Adjust for annualized revenues per Adjust (A) above	613	-
20	Total adjustment to Taxes Other	\$ 11,981	\$ -
21	(F) <u>Revenue Increase</u>		
22	Increase in revenue required by the Utility to realize a rate of return of:		
23	5.96 %		
24	(F1) Increase in Water Sales Revenue (Sch. E-2)	712,835	-
25	(F2) Increase in Misc. Service Charges (Sch. E-2 & E-4)	1,200	-
26	Total Revenue Increase	\$ 714,035	\$ -
27	(G) <u>Rate Case Expenses</u>		
28	1/4 of Rate Case Expense (Sch. B-10 - current docket)	\$ 55,000	\$ -
29	(H) <u>Taxes Other Than Income</u>		
30	Regulatory Assessment Fees (RAPs) - Adjust for requested revenue increase (Sch B-15)	\$ 32,132	\$ -
31	(I) <u>Provision for Income Taxes</u>		
32	Income Taxes (Sch C-1)	\$ -	\$ -

Schedule of Adjustments to Rate Base - Detail

1/7/2012 REVISION

Florida Public Service Commission

Company: Water Management Services, Inc.  
 Schedule Year Ended: December 31, 2010  
 Interim  Final   
 Historic  Projected

Schedule: B-3  
 Page 3 of 4  
 Docket No.: 110200-WU  
 Preparer: J. Allen

ADJUSTMENTS TO NORMALIZE TY EXPENSES <small>These adjustments are necessary to reflect 12 months of            expense for commitments already occurring in the TY</small>	NARUC	
	Account No.	Adjustment
11 To reflect the cost of increased testing expense <small>Reflects the 3 yr amortization of cost of lead and copper and organic testing</small>	635	668
12 To reflect actual cost of 2010 annual report preparation	636	526
13 Adjust office rent and exp. to reflect 5% allocation to affiliates	641	(900)
14 Remove Tallahassee mail machine lease costs	642	(721)
15 To annualize the cost of mileage reimbursements for usage of employees' personal vehicles for utility business	650	3,177
16 To remove vehicle insurance for vehicles sold	656	(3,351)
17 To reflect increased workers comp insurance per audit	658	2,312
18 To remove expense for key man life insurance policy	659	(12,015)
19 To adjust to Commission approved rate case expense from 09 rate case	666	(6,126)
20 To reclassify cost of supplies coded to chemicals in error:		
Increase supplies expense	620	26
Decrease chemical expense	618	(26)
Total Adjustments - O&M Expense		<u>(40,548)</u>

Schedule of Requested Cost of Capital (Final Rates)  
 13 Month Average

Florida Public Service Commission

Company: Water Management Services, Inc.  
 Docket No.: 110200-WU  
 Test Year Ended: December 31, 2010  
 Schedule Year Ended: December 31, 2010  
 Historic  or Projected

Schedule: D-1  
 Page 1 of 1  
 Preparer: J. Allen  
 Subsidiary  or Consolidated

Explanation: Provide a schedule which calculates the requested Cost of Capital on a beginning and end of year average basis. If a year-end basis is used, submit an additional schedule reflecting year-end calculations.

Line No.	(1) Reconciled To Requested Rate Base	(2) Ratio	(3) Cost Rate	(4) Weighted Cost	
1	Long-Term Debt	7,641,281	98.65 %	5.96 %	5.88 %
2	Short-Term Debt		%	0.00 %	%
3	Preferred Stock	-			
4	Customer Deposits	104,524	1.35 %	6.00 %	0.08 %
5	Common Equity	-	%	11.16 %	0.00 %
6	Tax Credits - Zero Cost	-			
7	Accumulated Deferred Income Tax	- \$	%	0.00 %	%
8	Other (Explain)	-			
9	<b>Total</b>	<u>7,745,806</u>	<u>100.00 %</u>		<u>5.96 %</u>

Note: Cost of Equity based on Order No. PSC-11-0287-PAA-WS: 7.13% + 1.610/Equity Ratio, where  
 Equity ratio = Common Equity/(Common Equity + Preferred + Long & Short Term Debt) = 0.00 %

Cost of Long-Term Debt - Premiums  
13 Month Average

Company: Water Management Services, Inc.  
Docket No.: 110200-WU  
Test Year Ended: December 31, 2010  
Utility [X] or Parent [ ]  
Historic Premiums [X] or Projected [ ]

Explanation: Provide the specified data on long-term debt issues on a 13 month average basis for the test year. Arrange by type of issue (i.e. first mortgage bonds). If the utility is an operating division or subsidiary, submit an additional schedule which reflects the same information on the parent level.

Florida Public Service Commission

Schedule D-5 Final  
Page 1 of 1  
Prepared: J. Allen

Line No.	(1) Description, Coupon Rate, Years of Life	(2) Issue Date-Maturity Date	(3) Principal Sold Amount (Face Value)	(4) 13 Month Principal Amount Outstanding	(5) 13 Month Principal Outstanding One Year	(6) Unamortized Discount (Premiums) Associated With Col(4)	(7) Unamortized Expense Associated With Col(6)	(8) Annual Amortization of Discount (Premiums) on Principal Outstanding	(9) Annual Amount of Expense on Principal Outstanding	(10) Interest Cost (Coupon Rate) x Col (4)	(11) Total Interest Cost (8)+(9)+(10)	(12) Effective Cost Rate (11)/(4)-(5)-(7)					
													13 Month Principal Amount Outstanding	13 Month Principal Outstanding One Year	Unamortized Discount (Premiums) Associated With Col(4)	Unamortized Expense Associated With Col(6)	Annual Amortization of Discount (Premiums) on Principal Outstanding
1	Dept. of Envir. Protection	11/15/04 - 05/15/33	\$	4,872,549	\$	109,748	\$	84,394	\$	-	\$	145,689	\$	152,911	3.19 %		
2	Centennial Bank	06/16/06 - 06/16/11		2,796,847		1,524,399		5,871		39,258		11,740		39,258	181,795	8.46	
3	Florida Commerce C U	01/29/09 - 02/01/14		16,262		3,976		64				20		976	596	6.15	
4	Farmers & Merchants Bank (Backhoe)	02/27/09 - 03/05/12		26,179		13,019		129				111		1,795	1,904	7.31	
5	Centennial Bank (conditional for proforma)	est 5 yr balloon		4,966,936		-		-		166,138		-		32,028	264,351	296,378	7.52
6	<b>Total</b>		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	5.56 %	

7 Source of discount expense: 2010 Annual Report, Sch. F-13.

8 Line 2 is carried over from Schedule D-6 at the fixed rate refinanced at 6.5%

9 Line 4, Col. 7 includes the annual cost of life insurance required by the debt covenants

10 Line 5 is a conditional loan to finance the construction of the proforma plant additions, from Schedule D-6

Supporting Schedules: D-6

Recap Schedules: A-19, D-2

**Water Management Services, Inc.**

Docket No.: 110200-WU

**APPLICATION FOR REVISED SERVICE AVAILABILITY CHARGES**



Test Year Ended: December 31, 2010

Application for Revised Service Availability Charges

Florida Public Service Commission  
 Schedule SAC 1  
 Page 1 of 2  
 Preparer: J. Allen

Company: Water Management Services, Inc.  
 Docket No.: 110200-WU  
 Test Year Ended: December 31, 2010

Information Required by 25-30.565(4)

- 1 25-30.565(4)c - Commission Order in which SACs were last Considered  
 The PSC considered the level of Service Availability Charges in WMSI's last full rate case filed in 2009, however, per Order No. PSC-11-0010-SC-WU, issued 1/3/2011, the PSC left the existing charges in effect. Accordingly, existing SACs represent the charges previously set by Order No. PSC-94-1383-FOF-WU, issued 11/14/1994.
- 2 25-30.565(4)d - Basis for Requested Changes  
 Since the SACs were last set in 1994, Plant in Service has increased from approximately \$2.5 million to approximately \$9 million in 2010, and will increase to approximately \$12.8 million with pro forma additions. The net CIAC balance has not kept up with the net Plant balance and the overall CIAC level is approaching PSC guideline minimum. The Charges, present and proposed are:

	<u>Present</u>	<u>Proposed</u>
Plant Capacity Charge:	\$ 845.00	\$ 9,079.47
Main Extension Charge:	525.00	525.00
Meter Installation Charge:	250.00	400.00
Total	\$ 1,620.00	\$ 10,004.47

- 3 25-30.565(4)e - Original Cost and Capacities  
 See SAC Schedule 2 for Original Cost  
  
 Capacity of Treatment Plant  
 714,000 gpd permitted @ 350 gpd/ERC = 2,040 ERCs  
  
 Capacity of Transmission & Distribution Plant  
  
 Indeterminate. No change is being requested in the main extension charge.
- 4 25-30.565(4)f - Accumulated Depreciation  
 See SAC Schedule 3
- 5 25-30.565(4)g - Active Customers and ERCs  
 See SAC Schedule 4
- 6 25-30.565(4)h - Treatment Plant Capacity Used in Developing SAC  
 See SAC Schedule 4
- 7 25-30.565(4)i - Transmission & Distribution Capacity Used in Developing SAC  
 See SAC Schedule 4
- 8 25-30.565(4)j& k - List of Outstanding Developer Agreements and CIAC Terms  
  
 None

Application for Revised Service Availability Charges

Company: Water Management Services, Inc.  
Docket No.: 110200-WU  
Test Year Ended: December 31, 2010

Florida Public Service Commission  
Schedule SAC 1  
Page 2 of 2  
Preparer: J. Allen

Information Required by 25-30.565(4)

- 9 25-30.565(4)l & m - CIAC and Accumulated Amortization of CIAC  
See SAC Schedule 5
- 10 25-30.565(4)n - Construction & Operating Permits  
See SAC Schedule 6
- 11 25-30.565(4)o & p - Statement by Registered Professional Engineer re Proposed Plant Expansion  
See SAC Schedule 7
- 12 25-30.565(4)q - Orders by Regulatory Authorities Mandating Construction  
  
Not Applicable
- 13 25-30.565(4)r - Projected Growth Rate of Existing & Future Plant Capacities  
See SAC Schedule 4
- 14 25-30.565(4)s - Calculation of Proposed Service Availability Charges  
See SAC Schedule 8
- 15 25-30.565(4)t - Data Regarding the Cost of Meters & Meter Installations  
  
See SAC Schedule 9
- 16 25-30.565(4)u - Existing & Proposed on-site and off-site main installation charges & policy.  
  
Existing & Proposed: \$525.00 per Residential ERC; all others \$1.50 per front foot.
- 17 25-30.565(4)v - Existing & Proposed Capital Rate Structure  
See SAC Schedule 10
- 18 25-30.565(4)v - Proposed Tariff Sheets  
See SAC Schedule 11

Application for Revised Service Availability Charges

Florida Public Service Commission  
 Schedule SAC 2  
 Page 1 of 7  
 Preparer: J. Allen

Company: Water Management Services, Inc.  
 Docket No.: 110200-WU  
 Test Year Ended: December 31, 2010

25-30.565(4)e - Original Cost of Plant

No.	(1) Line Account No. and Name	(2) Test Year 12/31/10	(3) ProForma Adjustments	(4) Adjusted Year End TY
1	<u>INTANGIBLE PLANT</u>			
2	301.1 Organization	-	-	-
3	302.1 Franchises	-	-	-
4	399.1 Other Plant & Misc. Equipment	-	-	-
5	<u>SOURCE OF SUPPLY AND PUMPING PLANT</u>			
6	303.2 Land & Land Rights	67,443	52,789	120,232
7	304.2 Structures & Improvements	75,471	-	75,471
8	305.2 Collect. & Impound. Reservoirs	-	-	-
9	306.2 Lake, River & Other Intakes	-	-	-
10	307.2 Wells & Springs	405,021	302,292	707,313
11	308.2 Infiltration Galleries & Tunnels	-	-	-
12	309.2 Supply Mains	3,984,508	304,982	4,289,490
13	310.2 Power Generation Equipment	113,061	208,751	321,812
14	311.2 Pumping Equipment	224,689	554,854	779,543
15	339.2 Other Plant & Misc. Equipment	-	-	-
16	<u>WATER TREATMENT PLANT</u>			
17	303.3 Land & Land Rights	-	448,711	448,711
18	304.3 Structures & Improvements	134,122	336,085	470,207
19	320.3 Water Treatment Equipment	78,043	29,116	107,159
20	339.3 Other Plant & Misc. Equipment	-	-	-
21	<u>TRANSMISSION &amp; DISTRIBUTION PLANT</u>			
22	303.4 Land & Land Rights	20,151	-	20,151
23	304.4 Structures & Improvements	-	-	-
24	330.4 Dist. Reservoirs & Standpipes	362,072	831,246	1,193,319
25	331.4 Trans. & Distribution Mains	2,425,852	811,282	3,237,134
26	333.4 Services	239,451	-	239,451
27	334.4 Meters & Meter Installations	213,366	-	213,366
28	335.4 Hydrants	169,516	-	169,516
29	339.4 Other Plant & Misc. Equipment	-	-	-
30	<u>GENERAL PLANT</u>			
31	303.5 Land & Land Rights	-	-	-
32	304.5 Structures & Improvements	148,735	-	148,735
33	340.5 Office Furniture & Equipment	81,550	-	81,550
34	341.5 Transportation Equipment	60,725	-	60,725
35	342.5 Stores Equipment	-	-	-
36	343.5 Tools, Shop & Garage Equipment	36,743	-	36,743
37	344.5 Laboratory Equipment	-	-	-
38	345.5 Power Operated Equipment	64,551	-	64,551
39	346.5 Communication Equipment	-	52,387	52,387
40	347.5 Miscellaneous Equipment	-	-	-
41	348.5 Other Tangible Plant	-	-	-
42	TOTAL	\$ 8,903,072	\$ 3,932,495	\$ 12,835,567
	Land Only			589,094



Application for Revised Service Availability Charges

Florida Public Service Commission

Company: Water Management Services, Inc.

Schedule SAC 3

Docket No.: 110200-WU

Page 1 of 1

Test Year Ended: December 31, 2010

Preparer: J. Allen

25-30.565(4)f - Accumulated Depreciation of Plant

Line No.	(1) Account No. and Name	(2) Test Year 12/31/10	(3) ProForma Adjustments	(4) Adjusted Year End TY
1	<u>INTANGIBLE PLANT</u>			
2	301.1 Organization	-	-	-
3	302.1 Franchises	-	-	-
4	399.1 Other Plant & Misc. Equipment	-	-	-
5	<u>SOURCE OF SUPPLY AND PUMPING PLANT</u>			
6	303.2 Land & Land Rights	-	-	-
7	304.2 Structures & Improvements	24,021	-	24,021
8	305.2 Collect. & Impound. Reservoirs	-	-	-
9	306.2 Lake, River & Other Intakes	-	-	-
10	307.2 Wells & Springs	203,005	5,038	208,043
11	308.2 Infiltration Galleries & Tunnels	-	-	-
12	309.2 Supply Mains	991,588	4,357	995,945
13	310.2 Power Generation Equipment	84,873	5,219	90,092
14	311.2 Pumping Equipment	167,127	(124,612)	42,515
15	339.2 Other Plant & Misc. Equipment	-	-	-
16	<u>WATER TREATMENT PLANT</u>			
17	303.3 Land & Land Rights	-	-	-
18	304.3 Structures & Improvements	43,851	5,092	48,943
19	320.3 Water Treatment Equipment	42,709	(10,708)	32,001
20	339.3 Other Plant & Misc. Equipment	-	-	-
21	<u>TRANSMISSION &amp; DISTRIBUTION PLANT</u>			
22	303.4 Land & Land Rights	-	-	-
23	304.4 Structures & Improvements	-	-	-
24	330.4 Dist. Reservoirs & Standpipes	251,569	11,233	262,802
25	331.4 Trans. & Distribution Mains	1,043,581	(63,296)	980,284
26	333.4 Services	151,302	-	151,302
27	334.4 Meters & Meter Installations	159,005	-	159,005
28	335.4 Hydrants	74,543	-	74,543
29	339.4 Other Plant & Misc. Equipment	-	-	-
30	<u>GENERAL PLANT</u>			
31	303.5 Land & Land Rights	-	-	-
32	304.5 Structures & Improvements	48,628	-	48,628
33	340.5 Office Furniture & Equipment	45,685	-	45,685
34	341.5 Transportation Equipment	25,285	-	25,285
35	342.5 Stores Equipment	-	-	-
36	343.5 Tools, Shop & Garage Equipment	19,199	-	19,199
37	344.5 Laboratory Equipment	-	-	-
38	345.5 Power Operated Equipment	37,377	-	37,377
39	346.5 Communication Equipment	-	2,619	2,619
40	347.5 Miscellaneous Equipment	-	-	-
41	348.5 Other Tangible Plant	-	-	-
42	<b>TOTAL</b>	<b>\$ 3,413,348</b>	<b>\$ (165,058)</b>	<b>\$ 3,248,290</b>

Application for Revised Service Availability Charges

Florida Public Service Commission

Company: Water Management Services, Inc.

Schedule SAC 4

Docket No.: 110200-WU

Page 1 of 1

Test Year Ended: December 31, 2010

Preparer: J. Allen

25-30.565(4)g - Active Customers as of 12/31/2010 by Meter Size, Customer Class & ERCs

CUSTOMER & ERCs BASED ON METER EQUIVALENCY

	Customers	Meter Equiv.	Meter Equiv. ERCs
Res 5/8"	1,486	1.0	1,486
Res 3/4"	171	1.5	257
Res 1"	25	2.5	63
Res 1.5"	5	5.0	25
	1,687		1,830
GS 5/8"	49	1.0	49
GS 3/4"	2	1.5	3
GS 1"	20	2.5	50
GS 1.5"	8	5.0	40
GS 2"	5	8.0	40
GS 3"	2	16.0	32
	86		214
Public 1"	1	2.5	3
Public 6"	1	62.5	63
	2		65
Multi 5/8"	22	1.0	22
Multi 3/4"	1	1.5	2
Multi 1"	7	2.5	18
Multi 1.5"	2	5.0	10
Multi 4"	1	25.0	25
	33		76
Total	1,808		2,185

25-30.565(4)h - ERC CAPACITY OF TREATMENT PLANT For DEVELOPING SAC

For developing SAC, ERCs are based on demand of 350 gal/ERC, and includes active and inactive existing connections. The Utility has to be ready to serve all existing connections and provide service to inactive customers upon request to activate the meter.

	ERCs
Connections at Design Capacity	2,388
Active and Inactive Connections	1,980
Remaining ERC Capacity	408

It is projected that it will take 11 years from the 2010 test year to reach design capacity in 2021. This is an average of 37 ERCs per year. This is below average annual growth prior to the recent economic slowdown and new shallow well policy. It is anticipated that annual growth over the next seven years will be below the 37 ERC/yr average (estimated at 15 ERCs for 2011, increasing by 5 per year until 2018 when the growth rate is expected to be 56 ERCs per year); then it will increase annually, getting back to an average of 56+ /yr, which is near the historical average near the end of the 11 year period.

25-30.565(4)i - ERC CAPACITY OF TRANSMISSION & DISTRIBUTION PLANT For DEVELOPING SAC

WMSI is not requesting a change in the existing \$525.00 main extension fee. The area served and the related investment have not substantially changed since the main extension charge was set.

Application for Revised Service Availability Charges

Florida Public Service Commission  
 Schedule SAC 5  
 Page 1 of 1  
 Preparer: J. Allen

Company: Water Management Services, Inc.  
 Docket No.: 110200-WU  
 Test Year Ended: December 31, 2010

25-30.565(4) & m - CIAC and Accumulated Amortization of CIAC

Line No.	Description	CIAC 12/31/10	Accum. Amort CIAC 12/31/10
WATER			
1	Plant Capacity Fees	\$ 1,302,998	\$ 564,632
2	Line/Main Extension Fees	991,891	429,819
3	Meter Installation Fees	557,471	241,570
4	Contributed Property	375,659	162,785
5	Contributed Services	9,497	4,116
6	Contributed Fire Hydrants	145,856	63,204
7	Contributed Fire Sprinkler Systems	<u>5,250</u>	<u>2,275</u>
8	Total	<u>\$ 2,388,622</u>	<u>\$ 1,468,402</u>

There is no prepaid CIAC

Application for Revised Service Availability Charges

Florida Public Service Commission

Schedule SAC 6

Company: Water Management Services, Inc.

Page 1 of 16

Docket No.: 110200-WU

Preparer: J. Allen

Test Year Ended: December 31, 2010

25-30.565(4)n - Construction & Operating Permits

Northwest Florida Water Management District Individual Water Use Permit

Note: The NFWFMD permit is in the renewal process. The existing permit expired on July 1, 2011. A copy of the expired permit, as well as the renewal application are included herein.

June 22, 2011  
NorthWest Florida Water Management District  
152 Water Management Drive  
Havana, Florida 32333-4712

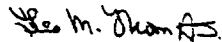
RE: Application for Consumptive Use Permit renewal 2004 0013  
St. George Island Water System  
Water Management Services, Inc.

Please find enclosed the Application for Consumptive Use Permit #2004 0013 renewal for the St. George Island Water System, owned and operated by Water Management Services, Inc.

We are respectfully requesting a renewal of our permit at our present permit quantities for the next seven years. It is important to note that even though our water consumption is down in recent years (since 2007), our request for new service has consistently increased even during these time. We believe that our consumption could easily double at anytime as the existing residential and commercial facilities are adequate to handle the doubling of the number of occupants without any new construction. With the oil spill fears gone, and if our country bounces back, folks will be ready for a long deserved vacation and the usage will return to the previous levels.

We thank you for your consideration of this renewal application. It is our desire and pledge to operate the well field to best utilize our precious resource such that it is there for all of us for a long, long time.

Sincerely,



Les M. Thomas, PE (FL 24705)  
Utility Consulting Engineer  
3460 Point View Circle  
Gainesville, GA 30506



# CONSUMPTIVE USE PERMIT

## Application for Public Supply Uses

*District Use Only*

CLPA #: \_\_\_\_\_  
Color: Blue

Northwest Florida Water Management District  
152 Water Management, Havana, FL 32333 (850) 539-5999 (Suncom) 771-2080

### SECTION I - INSTRUCTIONS TO THE APPLICANT

1. Type or print in INK.
2. Please submit TWO (2) COPIES of this application and all other submitted materials (letters, etc.).
3. A checklist is provided on page 9.

### SECTION II - GENERAL INFORMATION

1. TYPE OF APPLICATION:  
 New (Proposed)  Unpermitted (Existing)  Modification  Renewal
2. WATER USE PERMIT NUMBER (if application is for renewal or modification): 20040013
3. Department of Environmental Protection Public Water Supply System I.D. Number 1190789
4. APPLICANT (Complete legal name in which permit should be issued)  
NAME: Water Management Services, Inc.  
ADDRESS: 250 John Knox Road, Suite 4  
CITY, STATE, ZIP: Tallahassee, FL 32303  
DAY PHONE: 850-668-0440 NIGHT PHONE: 850-524-6200  
Applicant is:  Owner  Lessee  Other (explain) \_\_\_\_\_
5. AGENT OR CONSULTANT Address all correspondence to the person below?  Yes  No  
NAME: Les M. Thomas, P.E.  
ADDRESS: 3460 Pointview Circle  
CITY, STATE, ZIP: Gainesville, GA 30506  
DAY PHONE: 678-677-6420 NIGHT PHONE: 678-677-6420
6. OWNER (IF OTHER THAN APPLICANT) N/A  
NAME: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_  
CITY, STATE, ZIP: \_\_\_\_\_  
DAY PHONE: \_\_\_\_\_ NIGHT PHONE: \_\_\_\_\_

### SECTION III - PROPERTY CONTROL

Is the PROPERTY AT THE WITHDRAWAL POINT(S) owned or leased?  
 Owned  Leased

If leased, specify expiration date and whether it is renewable.

Lease Expiration Date: \_\_\_\_\_ Renewable?  Yes  No

If requested, a copy of the current lease (signed by the property owner) detailing the lease arrangement and the duration of the lease must be submitted.

**SECTION IV - CLASSIFICATION**

Check applicable classification:

Non-Utility Public Supply (See Tables A and B of Section V)  
 Chapter 10D-6, F. A. C., may be used to calculate the average daily rate (ADR) and maximum daily rate (MDR) of withdrawals (see page 10).

Utility Public Supply (See Tables B and C of Section V)

**SECTION V - CONSUMPTIVE WATER USE INFORMATION**

1. TABLE A N.A.

Water Use Public Supply (Non-Utility)

WATER USAGE	PRESENT (GPD)	PROJECTED 5 YEARS (GPD)	PROJECTED 7 YEARS (GPD)	PROJECTED 10 YEARS (GPD)
AVERAGE DAILY RATE (ADR)				
MAXIMUM DAILY RATE (MDR)				
MAXIMUM MONTHLY RATE (MMR)				

2. TABLE B

Population Data (Utility and Non-Utility)

POPULATION	PRESENT	PROJECTED 5 YEARS	PROJECTED 7 YEARS	PROJECTED 10 YEARS
AVERAGE POPULATION	3520	4475	5550	6570
PEAK POPULATION <u>175%</u>	6160	7831	9712	11,497

3. TABLE C

Annual Water Use Public Supply (Utility)

USE TYPE (PROVIDE IF AVAILABLE)	PRESENT (GPD) 2010	PROJECTED 5 YEARS (GPD)	PROJECTED 7 YEARS (GPD)	PROJECTED 10 YEARS (GPD)
A. RESIDENTIAL SINGLE-FAMILY	352,000	447,500	555,000	657,000
B. RESIDENTIAL MULTI-FAMILY	17,000	27,500	32,000	37,000
C. COMMERCIAL/INDUSTRIAL	42,000	53,000	65,000	75,000
D. RECREATION IRRIGATION	0	0	0	0
E. FIRE FIGHTING/TESTING	0	0	0	0
F. TREATMENT LOSSES	0	0	0	0
G. OTHER METERED USES <u>SPORTS PARK</u>	18,000	18,000	18,000	18,000
H. OTHER (SPECIFY ALL OTHER UNACCOUNTED FOR WATER USES) <u>FLUSHING</u>	44,000	44,000	44,000	44,000
TOTAL AVERAGE DAILY WATER USE (GPD)	472,000	590,000	714,000	814,000
TOTAL MAXIMUM DAILY WATER USE (GPD) <u>175%</u>	835,000	1,032,000	1,240,000	1,424,000
TOTAL MAXIMUM MONTHLY WATER USE (GAL) <u>150%</u>	20,140,000	26,550,000	32,700,000	36,600,000

**SECTION VI - SERVICE AREA**

**1. SERVICE AREA**

- A. Average historic per capita use: 100 GPCD (Normally 100 GPCD or less)  
 B. Maximum historic per capita use: 125 GPCD (Normally less than 150 GPCD)  
 C. Projected AVERAGE per capita use: 100 GPCD for calendar year ALL  
 D. Projected MAXIMUM per capita use: 125 GPCD for calendar year ALL

E. Explain the method of projecting population and estimating per capita usage. Include the calculations used in determining the historic and projected per capita use amounts:

The population projection is based on the historic growth rate of 56 customers per year with 3.5 persons per customer.

**SECTION VII - REQUESTED WITHDRAWAL AMOUNTS**

**1. APPLYING FOR GROUND WATER?**  Yes  No

A. Total GROUND WATER amount requested (APPLY FOR TOTAL SYSTEM USAGE):

- (1) Average Daily Rate of Withdrawal (ADR) 714,000 Gallons Per Day\*  
 (2) Maximum Daily Rate of Withdrawal (MDR) 1,240,000 Gallons Per Day\*\*  
 (3) Maximum Monthly Rate of Withdrawal (MMR) 32,700,000 Gallons Per Month  
 (4) Number of Consecutive Days MDR is to be pumped. 3 Days (Typically 3 days)

\* Total yearly water use divided by 365 days.  
 \*\* Maximum amount of water requested per 24 hours - cannot exceed system pump capacity.

B. WITHDRAWAL FACILITY

TOTAL NUMBER OF WELLS	IN USE	NOT IN USE	PROPOSED
	<u>4</u>	<u>0</u>	<u>1</u>

**2. APPLYING FOR SURFACE WATER?**  Yes  No

A. Total SURFACE WATER amount requested (APPLY FOR TOTAL SYSTEM USAGE):

- (1) Average Daily Rate of Withdrawal (ADR) \_\_\_\_\_ Gallons Per Day\*  
 (2) Maximum Daily Rate of Withdrawal (MDR) \_\_\_\_\_ Gallons Per Day\*\*  
 (3) Maximum Monthly Rate of Withdrawal (MMR) \_\_\_\_\_ Gallons Per Month  
 (4) Number of Consecutive Days MDR is to be pumped. \_\_\_\_\_ Days (Typically 3 days)

\* Total yearly water use divided by 365 days.  
 \*\* Maximum amount of water requested per 24 hours - cannot exceed system pump capacity.

B. WITHDRAWAL FACILITY

Name of Creek, Stream, River, Lake, or Impoundment: \_\_\_\_\_

TOTAL NUMBER OF WELLS	IN USE	NOT IN USE	PROPOSED

3. Provide calculations that support the requested average daily rate (ADR), maximum daily rate (MDR), and maximum monthly rate (MMR) of withdrawals (site references, metered reports). An example for calculating water use amounts is provided on page 10.

(ADR): Population x 100 gpcd  
 (MDR): 175% of annual average day  
 (MMR): 150% of AADR



**SECTION VIII - FACILITY INFORMATION**

**1. GROUND WATER WITHDRAWAL TABLE (Please complete each item)**

L.D. NUMBER	FLORIDA UNLICENSED NUMBER	DIAMETER (INCHES)	TOTAL DEPTH	CASED DEPTH	PUMP GPM	PUMP H.P.	PROPOSED DISTRICT	AQUIFER SYSTEM	FLOW METER YES/NO?	SECTION AND 1/4 SECTION	TOWNSHIP	RANGE
1	AAA 5300	8	263'	170'	250	30	E	FLORIDIAN	Y	31	85	6W
2	AAA 5199	8	300'	190'	250	30	E	"	Y	31	85	6W
3	AAA 5297	12	311'	185'	500	50	E	"	Y	31	85	6W
4	AAD 9754	12	329'	180'	750	50	E	"	Y	30	85	6W

**2. SURFACE WATER WITHDRAWAL TABLE (Please complete each item)**

L.D. NUMBER	PIPE DIAMETER	PUMP GPM	PUMP H.P.	PROPOSED DISTRICT	WATER SOURCE	VOLUME (ACFT) OF POND/LAKE	FLOW METER YES/NO?	SECTION AND 1/4 SECTION	TOWNSHIP	RANGE	LATITUDE	LONGITUDE

SECTION IX - REUSE OF RECLAIMED WATER						
1. Does the Applicant operate a domestic wastewater treatment plant? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, complete items 2 - 4 below and provide a map showing the location of the plant(s) and major effluent and reclaimed water transmission lines.						
2. Wastewater Treatment Plant Capacity and Flows						
WASTEWATER TREATMENT PLANTS						
WASTEWATER AVAILABILITY	PLANT NAME: 1.		PLANT NAME: 2.		PLANT NAME: 3.	
	CAPACITY (MGD)	FLOW (MGD)	CAPACITY (MGD)	FLOW (MGD)	CAPACITY (MGD)	FLOW (MGD)
PRESENT	AVERAGE					
5 YEAR	AVERAGE					
7 YEAR	AVERAGE					
10 YEAR	AVERAGE					
LEVEL OF TREATMENT						
3. Reclaimed Water Availability						
WASTEWATER TREATMENT PLANTS						
RECLAIMED WATER AVAILABILITY	PLANT NAME: 1.		PLANT NAME: 2.		PLANT NAME: 3.	
	REUSE CAPACITY (MGD)	REUSE FLOW (MGD)	REUSE CAPACITY (MGD)	REUSE FLOW (MGD)	REUSE CAPACITY (MGD)	REUSE FLOW (MGD)
PRESENT	AVERAGE					
5 YEAR	AVERAGE					
7 YEAR	AVERAGE					
10 YEAR	AVERAGE					
4. Reuse customers and volumes of reclaimed water provided (attach additional sheets if necessary).						
REUSE CUSTOMERS						
VOLUME OF RECLAIMED WATER PROVIDED (MGD)	CUSTOMER NAME: 1.		CUSTOMER NAME: 2.		CUSTOMER NAME: 3.	
PRESENT	AVERAGE					
5 YEAR	AVERAGE					
7 YEAR	AVERAGE					
10 YEAR	AVERAGE					

**SECTION X - FIRE FLOW AND WELLFIELD CHARACTERISTICS**

1. FIRE FLOW - Describe fire flow and standby capacity. THE SYSTEM CAN DELIVER A MINIMUM OF 500 GPM ANYWHERE IN THE SYSTEM. ALL PUMPING UNITS AND ALL WELLS ARE ON AUTOMATIC STANDBY (EMERGENCY) GENERATORS. A 290,000 GALLON GROUND STORAGE AND A 150,000 GALLON ELEVATED STORAGE TANK ARE ALSO AVAILABLE.
2. WELLFIELD OPERATION SCHEDULE - Describe the typical wellfield operation schedule. Include in the description those wells that are primary, secondary (peaking), stand-by, and the well rotation schedule - if any. Identify well numbers with those referenced in the ground water withdrawal table.  
WE OPERATE A "LEAD" - "LAG" AUTOMATIC CYCLE. WELL #4 IS ALWAYS "LEAD" AND #1, #2, AND #3 ROTATE AS "LAG" PUMPS.
3. WELLFIELD PROTECTION ORDINANCE? (Check applicable):  Yes  No  Pending  N/A  
If "yes," provide a copy of the ordinance and discuss whether the proposed water use will affect existing land uses as a consequence of the ordinance.

**SECTION XI - SITE WITHDRAWAL INFORMATION**

1. Describe the facility(ies) to which water is supplied. ALL RESIDENTS, BUSINESSES AND THE STATE PARK ON ST. GEORGE ISLAND
2. COUNTY: FRANKLIN
3. Submit a United States Geological Survey 7 - 1/2 minute topographic quad map (or copy) that delineates the following items:
  - A. Name of the quad map (Example: Quincy Quad).
  - B. Property AND service boundaries.
  - C. Approximate location of all existing AND proposed wells and/or surface water withdrawal pumps - with identification numbers (e.g. Well #1, Well #2, etc.).
  - D. Potential impacts to wetlands MAY require the submittal of a recent aerial map having a minimum scale of 1" = 2,000 feet.

**SECTION XII - MODIFICATION AND PERMIT COMPLIANCE**

If this application is for a modification, please describe the modification requested and the reason the modification is necessary. For modification and renewal requests, describe the applicant's compliance with EACH of the conditions of the existing permit:

MODIFICATION DESCRIPTION: N/A

**SECTION XII - MODIFICATION AND PERMIT COMPLIANCE (CONTINUED)**

PERMIT CONDITION COMPLIANCE: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**SECTION XIII - IMPACTS**

Please attach a detailed description of the anticipated impacts on the resource and on existing legal users which could be impacted by the proposed use. The District shall require any other necessary information in accordance with the provisions of Section 40A-2.101(3), Florida Administrative Code and Chapter 373.223, Florida Statutes.

*See attached statement*

**SECTION XIV - CONSERVATION**

Provide a description of any water conservation measures currently implemented and those measures to be implemented in the future. If applicant is a utility, please provide a copy of the present and any proposed potable water rate structures.

CURRENT: THE UTILITY MAINTAINS AN ONGOING LEAK DETECTION PROGRAM. THE UTILITY ALSO ENCOURAGES THE USE OF XERISCAPE.

FUTURE: CONTINUE PRESENT PROGRAMS INCLUDING MAILOUT PROGRAM TO CUSTOMERS STRESSING IMPORTANCE OF CONSERVING WATER.

**SECTION XV - INTERCONNECTIONS**

1. Explain in detail any interconnection(s) with other suppliers. Indicate the average day and maximum day amounts of water that can be supplied via the interconnection(s). NONE

Name of Utility	Diameter of Interconnected Pipelines	Average Daily Supply (GPD)	Maximum Daily Supply (GPD)	Maximum Monthly Supply (GAL)

2. Would the applicant consider becoming a part of a regional public water supply system that would ensure additional water supplies?  
 Yes    No    Pending    Unsure   If "yes," when? NOV

**SECTION XVI - DESALINATION AQUIFER STORAGE OR RECOVERY**

1. If your system includes desalination, provide the following information:  N/A

A. Withdrawal capacity \_\_\_\_\_ GPD

B. Potable water supply capacity \_\_\_\_\_ GPD

C. Reject water discharge capacity \_\_\_\_\_ GPD

D. Treatment efficiency ratio (treated water to reject) \_\_\_\_\_

E. Amount of raw water that can be blended with the R. O. permeate \_\_\_\_\_ GPD

F. Highest level of dissolved solids (TDS) or chlorides that can be efficiently and economically treated using the installed membranes \_\_\_\_\_ MG/L

G. Chloride ion concentration in rejected water \_\_\_\_\_ MG/L  
 and receiving water body \_\_\_\_\_ MG/L

H. Location of effluent discharge on a U. S. G. S. 7 - 1/2 minute topographic map

**SECTION XVII - APPLICANT CERTIFICATION**

I hereby certify that the information contained herein is true and accurate and that I have legal authority to undertake the activities described herein and execute this application.

Further, I authorize Les M. Thomas, PE. to act as my agent for permit application coordination.

*[Signature]* 6-27-11  
 APPLICANT SIGNATURE DATE

I hereby certify that I am the authorized agent of the applicant.

*[Signature]* 6/22/2011  
 AGENT SIGNATURE DATE

I hereby certify that the applicant has sufficient legal control of the property described in this application.

*[Signature]* 6-27-11  
 PROPERTY OWNER SIGNATURE DATE

NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT  
INDIVIDUAL WATER USE PERMIT

(NWFWMMD Form No. A2-E)

Permit granted to: Water Management Services, Inc. Permit No.: 20040013 Renewal/Modification  
3200 Commonwealth Blvd. Date Permit Granted: June 22, 2006  
Tallahassee, Florida 32303 Permit Expires On: July 1, 2011  
(Legal Name and Address) Source Classification: Floridan Aquifer  
Use Classification: Public Supply  
County: Franklin Area: B Location: Section 30, 31 1/4 Section \_\_\_\_\_  
Application No.: I06687 Township 8 South Range 6 West

**Terms and standard conditions of this Permit are as follows:**

1. That all statements in the application and in supporting data are true and accurate and based upon the best information available, and that all conditions set forth herein will be complied with. If any of the statements in the application and in the supporting data are found to be untrue and inaccurate, or if the Permittee fails to comply with all of the conditions set forth herein, then this Permit shall be revoked as provided by Chapter 373.243, Florida Statutes.
2. This Permit is predicated upon the assertion by the Permittee that the use of water applied for and granted is and continues to be a reasonable and beneficial use as defined in Section 373.019(4), Florida Statutes, is and continues to be consistent with the public interest, and will not interfere with any legal use of water existing on the date this Permit is granted.
3. This Permit is conditioned on the Permittee having obtained or obtaining all other necessary permit(s) to construct, operate and certify withdrawal facilities and the operation of water system.
4. This Permit is issued to the Permittee contingent upon continued ownership, lease or other present control of property rights in underlying, overlying, or adjacent lands. This Permit may be assigned to a subsequent owner as provided by Chapter 40A-2.351, Florida Administrative Code, and the acceptance by the transferee of all terms and conditions of the Permit.

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5. This Permit authorizes the Permittee to make a combined average annual withdrawal of 714,000 gallons of water per day, a maximum combined withdrawal of 1,240,000 gallons during a single day, and a combined monthly withdrawal of 32,700,000 gallons. Withdrawals for the individual facilities are authorized as shown in the table below in paragraph six. However, the total combined amount of water withdrawn by all facilities listed in paragraph six shall not exceed the amounts identified above.
6. Individual Withdrawal Facility Authorization

WITHDRAWAL POINT ID NO.	LOCATION SEC.TWN.RNG	GALLONS/DAY AVERAGE	GALLONS/DAY MAXIMUM
WMS #1/AAA5300	Sec. 31, T8S, R6W		360,000
WMS #2/AAA5299	Sec. 31, T8S, R6W		360,000
WMS #3/AAA5297	Sec. 31, T8S, R6W		720,000
WMS #4/AAD9754	Sec. 30, T8S, R6W		720,000
WMS-MO #1/AAB0501	Sec. 31, T8S, R6W		-0-
WMS-MO #2/To Be Assigned	Sec. 30, T8S, R6W		-0-

7. The use of the permitted water withdrawal is restricted to the use classification set forth by the Permit. Any change in the use of said water shall require a modification of this Permit.
8. The District's staff, upon proper identification, will have permission to enter, inspect and observe permitted and related facilities in order to determine compliance with the approved plans, specifications and conditions of this Permit.
9. The District's staff, upon providing prior notice and proper identification, may request permission to collect water samples for analysis, measure static and/or pumping water levels and collect any other information deemed necessary to protect the water resources of the area.
10. The District reserves the right, at a future date, to require the Permittee to submit pumpage records for any or all withdrawal points(s) covered by this Permit.
11. Permittee shall mitigate any significant adverse impact caused by withdrawals permitted herein on the resource and legal water withdrawals and uses, and on adjacent land use, which existed at the time of permit application. The District reserves the right to curtail permitted withdrawal rates if the withdrawal causes significant adverse impact on the resource and legal uses of water, or adjacent land use, which existed at the time of permit application.
12. Permittee shall not cause significant saline water intrusion or increased chloride levels. The District reserves the right to curtail permitted withdrawal rates if withdrawals cause significant saline water intrusion or increased chloride levels.

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13. The District, pursuant to Section 373.042, Florida Statutes, at a future date, may establish minimum and/or management water levels in the aquifer, aquifers, or surface water hydrologically associated with the permitted withdrawals; these water levels may require the Permittee to limit withdrawal from these water sources at times when water levels are below established levels.
14. Nothing in this Permit should be construed to limit the authority of the Northwest Florida Water Management District to declare water shortages and issue orders pursuant to Section 373.175, Florida Statutes, or to formulate and implement a plan during periods of water shortage pursuant to Section 373.246, Florida Statutes, or to declare Water Resource Caution Areas pursuant to Chapters 40A-2.801, and 62-40.41, Florida Administrative Code
  - (a) In the event of a declared water shortage, water withdrawal reductions shall be made as ordered by the District.
  - (b) In the event of a declared water shortage or an area as a Water Resource Caution Area, the District may alter, modify or inactivate all or parts of this permit.
15. The Permittee shall properly plug and abandon any well determined unsuitable for its intended use, not properly operated and maintained, or removed from service. The well(s) shall be plugged and abandoned to District Standards in accordance with Section 40A-3.531, Florida Administrative Code.
16. Any Specific Permit Condition(s) enumerated in Attachment A are herein made a part of this Permit.

  
\_\_\_\_\_  
Authorized Signature  
Northwest Florida Water Management District



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**ATTACHMENT A**  
**Water Management Services, Inc.**

Individual Water Use Permit No. 20040013  
Individual Water Use Application No. I06318

1. The Permittee shall reference the utility's production and monitoring wells by their Florida Unique Well Identification Number (FLUWID AAA####) when corresponding with the District. All water quality and water level data submitted shall clearly identify, by FLUWID #, the well associated with the data.
  2. The Permittee shall maintain, in working order, in-line totaling flow meters on all production wells.
  3. The Permittee shall limit the combined withdrawal amounts from wells WMS #1 (AAA5300), WMS #2 (AAA5299), and WMS #3 (AAA5297) to no more than 50 percent of its total annual withdrawal. The Permittee shall not withdraw at a rate of more than 250 gpm from either well WMS #1 (AAA5300) or WMS #2 (AAA5299), nor withdraw at a rate of more than 500 gpm from either well WMS #3 (AAA5297) or WMS #4 (AAD9754). The Permittee, by January 31 of each year, shall submit certification and documentation to the District that the utility has complied with this condition.
  4. The Permittee, by January 31, April 30, July 31, and October 31 of each year, shall report the following information.
    - a. The data required on Water Use Summary Reporting Form NFWFMD A2-I for each production well for the preceding three months even if no water is used.
    - b. Static water level data for all all production and monitor wells during the first two weeks of each month. The Permittee shall use a District-approved method and shall not withdraw water from the wells for as long as possible (preferably 24 hours but at least four hours) prior to measuring the water level. All measurements shall be taken from the same measuring point. If the measuring point elevation is different from land surface, the Permittee shall provide the difference between these two elevations. All measurements shall reflect the depth to water from land surface elevation.
- The Permittee, if preferred, may submit the report electronically by e-mailing it to [compliance@nwfwmnd.state.fl.us](mailto:compliance@nwfwmnd.state.fl.us).
5. The Permittee, during the first two weeks of January, April, July and October, shall conduct water quality sampling from all production and monitor wells. The water-quality analyses shall test for the following parameters: chloride, sodium and total-dissolved solids. Prior to sampling, the Permittee shall purge a minimum of three to five well volumes from the wells, and shall report with each set of test results, the duration of

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purging, purge volume, and purge rates used. The Permittee shall submit the results by the last day of the following month (e.g., data for samples collected in January are due by February 28). The Permittee, if preferred, may submit the report electronically by e-mailing it to [compliance@nwfwmnd.state.fl.us](mailto:compliance@nwfwmnd.state.fl.us).

6. The Permittee, by July 31 of each year, shall report on the progress of implementation of the following water conservation/efficiency measures. The Permittee shall:
  - a. Provide an account of the amount of water withdrawn, the actual amount of water accounted for through the billing system, and an estimate of unaccounted for water by suspected cause (e.g., leaks, line breaks, inaccurate meters, unmetered users, line flushing, etc.). The Permittee shall also submit a progress report, including documentation, to the District of the unaccounted for totals and the actions taken to account for and reduce system water losses to less than ten percent of the water withdrawn during the previous year (amount withdrawn verses amount delivered).
  - b. Submit a copy of the present rate structure and tap fees.
  - c. Consider revising existing membership and/or tap fees (non-rate) fees to promote the installation of minimally sized connections/meters to meet non-discretionary water demand and discourage wasteful, discretionary use (e.g., irrigation, aesthetic use). The Permittee shall report to the District any recommended revisions and any actions undertaken as part of the required evaluation.
  - d. Provide documentation to the District that WMS have formally requested that Franklin County adopt a Florida Friendly Landscape Ordinance that, at a minimum, meets the provisions of Chapter 373.185, Florida Statutes, and an Irrigation Efficiency Ordinance that provides for year-round enhanced irrigation efficiency hours of before 10 a.m. and after 4 p.m. and irrigation for a maximum number of days each week (e.g. two days).
  - e. Provide updated status of its plumbing fixtures retrofit program designed to enhance water use efficiency. The Permittee, at a minimum, shall promote and make available to its customer's toilet tank displacement and faucet and showerhead aerators/flow-restrictors. The customers' kits shall provide sufficient units to retrofit all faucets and showerheads within a household or business establishment. The Permittee shall provide special assistance to hotels, motels and condominiums.
  - f. Provide updated status of a comprehensive public education and information campaign to promote water conservation and efficiency. The campaign shall consist of newspaper notices and articles, periodic radio and television announcements, periodic mail-outs to customers and the posting of signs and informational brochures in the rooms of hotels, motels and rental property. The campaign shall be oriented to emphasize the program being implemented and water conservation in general. The campaign shall be designed to regularly reach permanent and part-time residents and tourists.

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7. The Permittee, by April 30 of each year, shall submit the following information for the previous year:
  - a. The total amount of water being billed to each type of customer (e.g., residential, commercial) within its service area and each total divided by the number of meters of each customer type. This analysis will be used to identify trends in total water use and water conservation/efficiency within the service area. The Permittee may submit additional analytical information in support of its water conservation and efficiency initiatives.
  - b. A summary of per-capita demands within its service area for each year and how the demands were calculated. The method utilized to estimate per capita demands shall be sufficiently documented that the calculated demands can be used to measure water efficiency/conservation progress within the WMS service area. The method of estimating the population served shall also be provided.
  - c. The number of active service connections.
8. The Permittee shall mitigate any adverse impact caused by withdrawals permitted herein on the water resources of the area or on domestic or other legal water withdrawals and uses. The Permittee shall report the occurrence of any such impacts to the District and shall identify the mitigation action undertaken to address the impacts or provide for the user to be connected to a water-supply system.

Application for Revised Service Availability Charges

Florida Public Service Commission  
 Schedule SAC 7  
 Page 1 of 1  
 Preparer: J. Allan

Company: Wazer Management Services, Inc.  
 Docket No.: 110200-WU  
 Test Year Ended: December 31, 2010

25-30.565(4)(a) & p - Statement by Registered Professional Engineer re Proposed Plant Expansion

Line No.	Proposed Plant Improvements	Account No.	Installed Cost
1	Structure and Improvements Construct new mechanical, electrical, generator and chlorine storage building with HVAC system; mobilization, layout, testing and load	304	536,085
2	Wells and Springs Well #5 - permit and construct new 500 gpm ground water supply well	307	302,292
3	Supply Mains Construct water main and tie in from existing line on bridge to new water tank; Well #5 tie in to existing main	309	304,982
4	Power Generation Equipment Install new emergency generators with fuel tanks per FDEP requirements at new high service PS, Well #3 and Well #5	310	208,751
5	Pumping Equipment High service end pump packages with suction and discharge piping; control system for high service pumps, 5 wells, and all instrumentation; siterock and plant piping, valves and meters	311	655,150
6	Water Treatment Plant Flow proportional chlorination systems	320	53,261
7	Distribution Reservoirs and Standpipes 600,000 gallon pre-stressed concrete ground storage tank, including dedicated fire protection, 100,000 gallon inner tank, 2,600 gpm fixed tray, screened aerator; chlorine distribution system; inlet/outlet piping	330	831,246
8	Transmission and Distribution Mains Construct new distribution mains and tie new water plant to existing potable water distribution system	331	811,282
9	Communication Equipment SCADA system for wells, high service pumps, ground storage tank water level, distribution system pressure including high service pump discharge flow rate totalizer with digital display and recorder	346	52,387
10	Subtotal - Adjustments for Proposed Plant Additions - See Schedule A-5, pg 1 of 2		3,565,436
11	Land required for building plant and Well #5	303	501,500
12	Total - Adjustments for Proposed 2011 Plant Additions		\$ 4,066,936

The proposed improvements are necessary for the utility to maintain safe, efficient and sufficient service to existing customers. They do not add to the capacity of the system.

The projected construction time is 12 months after approval.

Registered Professional Engineer  
 P.E. No. 24705 State of Florida

*See M. Thomas*

Application for Revised Service Availability Charges

Company: Water Management Services, Inc.  
 Docket No: 110200-WU  
 Test Year Ended: December 31, 2010

Florida Public Service Commission  
 Schedule BAC 6  
 Page 1 of 1  
 Preparer: J. Allen

25-10.66(4) - Calculation of Proposed Service Availability Charges

**SERVICE AVAILABILITY CHARGE CALCULATION**  
 2010 TY

<u>WATER</u>	
1	YEAR END GROSS BOOK VALUE
2	LAND
3	YEAR END DEPRECIABLE ASSETS
4	YEAR END ACCUMULATED DEPRECIATION TO DATE
5	ACCUMULATED DEPRECIATION AT DESIGN CAPACITY
6	NET PLANT AT DESIGN CAPACITY
7	
8	YEAR END TRANSMISSION & DISTRIBUTION LINES
9	MINIMUM LEVEL OF C.I.A.C.
10	YEAR END C.I.A.C. TO DATE
11	YEAR END ACCUMULATED AMORTIZATION OF C.I.A.C. TO DATE
12	NET C.I.A.C. TO DATE
13	YEAR END LEVEL OF C.I.A.C. TO DATE
14	ACCUMULATED AMORTIZATION OF C.I.A.C. AT DESIGN CAPACITY
15	FUTURE CUSTOMERS (ERC) TO BE CONNECTED
16	COMPOSITE DEPRECIATION RATE
17	COMPOSITE C.I.A.C. AMORTIZATION RATE
18	NUMBER OF YEARS TO DESIGN CAPACITY
19	EXISTING SERVICE AVAILABILITY CHARGE PER ERC
20	LEVEL OF C.I.A.C. AT DESIGN CAPACITY
21	NET C.I.A.C. AT DESIGN CAPACITY
23	REQUESTED SERVICE AVAILABILITY CHARGE PER ERC
24	LEVEL OF C.I.A.C. AT DESIGN CAPACITY
25	NET C.I.A.C. AT DESIGN CAPACITY
26	MINIMUM SERVICE AVAILABILITY CHARGE PER ERC
27	LEVEL OF C.I.A.C. AT DESIGN CAPACITY
28	NET C.I.A.C. AT DESIGN CAPACITY
29	MAXIMUM SERVICE AVAILABILITY CHARGE PER ERC
30	LEVEL OF C.I.A.C. AT DESIGN CAPACITY
31	NET C.I.A.C. AT DESIGN CAPACITY

**SERVICE AVAILABILITY CHARGE CALCULATION**  
 2010 TY w/ProForma 2011

<u>WATER</u>	
1	YEAR END GROSS BOOK VALUE
2	LAND
3	YEAR END DEPRECIABLE ASSETS
4	YEAR END ACCUMULATED DEPRECIATION TO DATE
5	ACCUMULATED DEPRECIATION AT DESIGN CAPACITY
6	NET PLANT AT DESIGN CAPACITY
7	
8	YEAR END TRANSMISSION & DISTRIBUTION LINES
9	MINIMUM LEVEL OF C.I.A.C.
10	YEAR END C.I.A.C. TO DATE
11	YEAR END ACCUMULATED AMORTIZATION OF C.I.A.C. TO DATE
12	NET C.I.A.C. TO DATE
13	YEAR END LEVEL OF C.I.A.C. TO DATE
14	ACCUMULATED AMORTIZATION OF C.I.A.C. AT DESIGN CAPACITY
15	FUTURE CUSTOMERS (ERC) TO BE CONNECTED
16	COMPOSITE DEPRECIATION RATE
17	COMPOSITE C.I.A.C. AMORTIZATION RATE
18	NUMBER OF YEARS TO DESIGN CAPACITY
19	EXISTING SERVICE AVAILABILITY CHARGE PER ERC
20	LEVEL OF C.I.A.C. AT DESIGN CAPACITY
21	NET C.I.A.C. AT DESIGN CAPACITY
23	REQUESTED SERVICE AVAILABILITY CHARGE PER ERC
24	LEVEL OF C.I.A.C. AT DESIGN CAPACITY
25	NET C.I.A.C. AT DESIGN CAPACITY
26	MINIMUM SERVICE AVAILABILITY CHARGE PER ERC
27	LEVEL OF C.I.A.C. AT DESIGN CAPACITY
28	NET C.I.A.C. AT DESIGN CAPACITY
29	MAXIMUM SERVICE AVAILABILITY CHARGE PER ERC
30	LEVEL OF C.I.A.C. AT DESIGN CAPACITY
31	NET C.I.A.C. AT DESIGN CAPACITY

Application for Revised Service Availability Charges

Florida Public Service Commission

Company: Water Management Services, Inc.

Schedule SAC 9

Docket No.: 110200-WU

Page 1 of 1

Test Year Ended: December 31, 2010

Preparer: J. Allen

25-30.565(4) - Cost of Meters and Meter Installations

Line No.	Meter Installation Fee	Current	Proposed
1	5/8" x 3/4" meter	\$ 250.00	\$ 400.00
2	Calculation of Proposed Fee:		
3	Cost of Meter Installation		
4	Meter Cost	\$ 116.00	
5	Saddle	70.00	
6	Meter Riser	41.00	
7	Meter Box	22.00	
8	Meter Coupling	28.00	
9	Curb Stop	47.00	
10	B.M. Hose	9.00	
11	Miscellaneous Parts	10.00	
12	Labor & Backhoe/Truck	57.00	
13	Proposed Charge	\$ 400.00	

Application for Revised Service Availability Charges

Florida Public Service Commission

Company: Water Management Services, Inc.

Schedule SAC 10

Docket No.: 110200-WU

Page 1 of 1

Test Year Ended: December 31, 2010

Preparer: J. Allen

25-30.565(4)v - Existing & Proposed Capital Structure

EXISTING CAPITAL STRUCTURE

Line No.	Class of Capital	Prior Year 12/31/2009	Test Year 12/31/2010	Thirteen Month Average
1	Long-Term Debt	7,730,876	8,096,036	7,831,613
2	Short-Term Debt	-	-	-
3	Preferred Stock	-	-	-
4	Common Equity	(2,055,446)	(2,336,947)	(2,163,302)
5	Customer Deposits	103,669	136,174	112,209
6	Tax Credits - Zero Cost	-	-	-
7	Tax Credits - Wtd. Cost	-	-	-
8	Accum. Deferred Income Tax	-	-	-
9	Accum. Deferred Income Tax	-	-	-
10	Total	5,779,100	5,895,263	5,780,520

PROPOSED CAPITAL STRUCTURE

Line No.	Class of Capital	Prior Year 12/31/2009	Test Year 12/31/2010	2011 Proforma
11	Long-Term Debt	7,730,876	8,096,036	11,778,773
12	Short-Term Debt	-	-	-
13	Preferred Stock	-	-	-
14	Common Equity	(2,055,446)	(2,336,947)	(2,163,302)
15	Customer Deposits	103,669	136,174	112,209
16	Tax Credits - Zero Cost	-	-	-
17	Tax Credits - Wtd. Cost	-	-	-
18	Accum. Deferred Income Tax	-	-	-
19	Other (explain)	-	-	-
20	Total	5,779,100	5,895,263	9,727,680

Application for Revised Service Availability Charges

Company: Water Management Services, Inc.

Docket No.: 110200-WU

Test Year Ended: December 31, 2010

Florida Public Service Commission

Schedule SAC 11

Page 1 of 3

Preparer: J. Allen

25-30.565(4)w - Proposed Tariff Sheets



FIRST REVISED SHEET NO. 29.0  
REPLACES ORIGINAL SHEET NO. 29.0

WATER MANAGEMENT SERVICES, INC.  
WATER TARIFF

5.0 REQUIREMENT FOR PAYMENT OF C.I.A.C.

The Utility requires the payment of contributions in aid of construction either by cash payments or through transfer of water distribution facilities and appurtenances thereto which have been installed by the contributor or through a combination of both cash payments and a transfer of such facilities to the Utility.

For the purpose of this Policy, the term contributions in aid of construction shall include the on-site water distribution system contributed in cash, or in kind payments to defray, in part or in total, the cost of the off-site lines and related facilities; payments to defray the cost of the treatment facilities; and meter installation fees.

6.0 C.I.A.C. - TREATMENT FACILITIES

Utility requires that all contributors pay contributions based in part on a pro rata share of the cost of treatment plant facilities, whether or not the facilities have been constructed or may be constructed to continue to render service. Such payments are herein defined as contributions in aid of construction and shall be made by all contributors upon approval of the governmental agency having jurisdiction of this Policy, where water service is available or agreed to be made available, in the territory.

Utility further declares that these contributions shall be uniform among all contributors notwithstanding provisions of prior developer agreements or the practices and procedures pertaining to such charges as established prior to the adoption of Chapter 25-30.585, F.A.C.

6.1 SCHEDULE OF C.I.A.C. FOR TREATMENT FACILITIES

C.I.A.C. for treatment facilities to be paid prior to the commencement of water service as a prerequisite for such service is \$9,079.47 per ERC or \$25.94 per gallon.

EFFECTIVE DATE: \_\_\_\_\_  
TYPE OF FILING: Rate Increase

GENE D. BROWN  
Issuing Officer  
As its President

FIRST REVISED SHEET NO. 41.0  
REPLACES ORIGINAL SHEET NO. 41.0

WATER MANAGEMENT SERVICES, INC.  
WATER TARIFF

SCHEDULE OF FEES AND CHARGES

DESCRIPTION	AMOUNT	SHEET NO.
Plant Capacity Charge		
Residential-per ERC (350 gpd)	\$9,079.47	29.0
All Others-per gallon	\$25.94	29.0
Main Extension Charge		
Residential-per ERC (350 gpd)	\$525.00	30.0
All Others-per gallon	\$1.50	30.0
Meter Installation Fee		
5/8" x 3/4"	\$400.00	35.0
Over 5/8" x 3/4"	Actual Cost	
Plan Review Charge		
Refer to Rule 9.1	Actual Cost	32.0
Inspection Fee		
Refer to Rule 12.1	Actual Cost	35.0
Customer Connection (Tap-in) charge		
Refer to Rule 14.0	Actual Cost	36.0
Allowance for Funds Prudently Invested		
Refer to Rule 20.0	Per Schedule	39.0
CIAC Tax Impact Charge		
Refer to Rule 21.0	Not Applicable	39.0

EFFECTIVE DATE: \_\_\_\_\_  
TYPE OF FILING: Rate Increase

GENE D. BROWN  
Issuing Officer  
As its President

PSC approved O & M Expenses per Order No. PSC-12-0435-PAA-WU	\$ 1,000,679
Utility proposed adjustments raised under cross-petition:	
Increase to Transportation Expense	8,916
Increase to President's Salary Expense	19,046
Increase to Miscellaneous Expense	8,754
Increase to Contractual Expense - Accounting	<u>1,585</u>
Adjusted O & M Expenses	<u>\$ 1,038,980</u>
Proposed Working Capital Allowance at 1/8 O & M Expenses	<u>\$ 129,873</u>

Contractual Services - Accounting - Per Annual Reports

Fiscal Year		
2010	18,550	<u>5,251.60</u> 5 yr avg 2006-2010
2009	4,225	3,666.80 5 yr avg 2005-2009
2008	535	
2007	2,250	
2006	698	
2005	10,626	

Amount per PSC PAA order	\$ 3,667
Increase required	1,585
Amount proposed by WMS	<u>\$ 5,252</u>

Proforma Adjustments included in the MFRs for Transportation - G&A expenses:

Remove Gene D. Brown - Direct Gas Purchases	\$ (186.55)	
Remove Sandra Chase - Direct Gas Purchases	(3,026.18)	
Remove auto repairs and maintenance	(2,526.15)	
Total reduction	<u>(5,738.88)</u>	
Add Gene D. Brown - Mileage reimbursement estimate	6,096.00	
Add Sandra Chase - Mileage reimbursement estimate	2,820.00	
Total addition - estimate for 2010 based on actual in 2011	<u>8,916.00</u>	<b>8,916.00</b>
Net addition in the test year	<u>\$ 3,177.12</u>	

Mileage Reimbursement for 2011 by month per mileage logs:

	<u>Gene Brown</u>	<u>Sandy Chase</u>	
January	\$ 404.43	\$ 237.41	
February	801.60	197.63	
March	367.80	175.20	
April	522.00	172.50	
May	567.00	311.10	
June	506.70	213.90	
July	385.20	303.00	
August	328.80	334.74	
September	806.40	155.58	
October	467.40	383.22	
November	499.20	301.68	
December	402.00	478.02	
Total actual for 2011	<u>\$ 6,058.53</u>	<u>\$ 3,263.98</u>	<b>\$ 9,322.51</b>

GALLAGHER BASSETT-PLANO (LIAB)  
6404 INTERNATIONAL PKWY  
SUITE 2300  
PLANO TX 75093

002172 PAGE 1 OF 1 006386



MDG2009 00001833 1 MB 0382 1

WATER MANAGEMENT SERVICES  
250 JOHN KNOX RD #4  
TALLAHASSEE FL 32303



Visit [www.mygbclaim.com](http://www.mygbclaim.com) to obtain up to the minute Claim status and payment information 24 hours a day, 7 days a week.

GALLAGHER BASSETT SERVICES INC  
FOR ARCH INSURANCE COMPANY

DIRECT CHECK INQUIRIES TO:  
PHONE: 972-728-3600  
GALLAGHER BASSETT-PLANO (LIAB)  
6404 INTERNATIONAL PKWY  
SUITE 2300  
PLANO TX 75093

CLAIM NO.: 002172 002095 RC 01 (0054600009)  
CLAIMANT: WATER MANAGEMENT SERVICES  
DESCRIPTION: FOR LIGHTNING CLAIM OF 08/21/10

BRANCH NO.: 167  
ACC DATE: 21Aug10

NO.: 0080914987  
VN: 0000004662  
DATE: 16Sep10

DATES OF SERVICE: THRU  
BENEFIT PERIOD: THRU

AMOUNT: 8754.24

\*\*

DETACH AND RETAIN THIS STUB FOR YOUR REFERENCE

C 0001833 002039 001 001

THE FACE OF THIS DOCUMENT HAS A BLUE BACKGROUND - THE BACK HAS AN ARTIFICIAL WATERMARK

GALLAGHER BASSETT SERVICES INC  
FOR ARCH INSURANCE COMPANY

CHECK NO. 0080914987  
VN: 0000004662  
DATE: 16Sep10

CLAIM NO. 002172 002095 RC 01 (0054600009) BRANCH NO. 167  
PAY TO THE ORDER OF EIGHT THOUSAND SEVEN HUNDRED FIFTY-FOUR AND 24/100 DOLLARS

NEPA M.F. AFTER 30 DAYS  
PAY EXPIRES  
\$ 8754.24

TO THE ORDER OF WATER MANAGEMENT SERVICES  
250 JOHN KNOX RD #4  
TALLAHASSEE FL 32303

AUTHORIZED SIGNATURE

CITIBANK, N.A.  
ONE PENNS WAY  
NEW CASTLE, DE 19720



**WMSI-NARUC**  
**General Ledger**  
**For the Period From Jan 1, 2010 to Dec 31, 2010**

Filter Criteria Includes: Report order is by ID. Report is printed in Detail Format.

Account ID Account Descripti	Date	Reference	Jml	Trans Description	Debit Am	Credit Amt	Balance
	8/9/10	1187314-01-08	PJ	LEWIS-SMITH SUPPLY - LEWIS-SMITH SUPPLY CO.-(6) 3/4" WATER METERS	486.54		
	8/11/10	POS2-8/11/10	CDJ	NEW EGG COMPUTER - NEW EGG COMPUTER-ROSEWILL COMPUTER SWITCH	32.18		
	8/18/10	POS5-8/18/10	CDJ	BARNEY'S PUMP - BARNEY'S PUMP-REPAIR PART	600.49		
	8/23/10	CHGS-8/23/10	PJ	AMERICAN EXPRESS - AMERICAN EXPRESS-CHGS 8/23/10 (DEVAR REPAIR PART)	1,337.45		
	8/23/10	219037-08/23/1	PJ	U.S.A. BLUEBOOK - U.S.A BLUEBOOK-PRESSURE TRANSDUCER	363.23		
	8/24/10	15224-08/24/10	PJ	PRUETT AIR CONDITIONING - PRUETT AIR CONDITIONING-REPAIR A/C IN EQUIPMENT ROOM	1,250.00		
	8/30/10	4507759-0001-	PJ	LEWIS-SMITH SUPPLY - LEWIS-SMITH SUPPLY-RETURNED FITTINGS		207.30	
	8/31/10	6000S-08/31/1	PJ	OFFICE BUSINESS SYSTEMS - OFFICE BUSINESS SYSTEMS-6000S COPIER MAINT 8/31/10	89.04		
	8/31/10	1035-MAINT-0	PJ	OFFICE BUSINESS SYSTEMS - OFFICE BUSINESS SYSTEMS-1035 COPIER MAINT (YR) Current Period Change	1,055.44		
	9/1/10			Beginning Balance	6,200.44	207.30	5,993.14
	9/2/10	15249-09/02/10	PJ	PRUETT AIR CONDITIONING - PRUETT AIR CONDITIONING-REPAIR AIR CONDITIONING	1,159.50		33,489.22
	9/7/10	1327098-01-09	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-METER RISERS & BALL VALVES	531.60		
	9/8/10	4183822-01-09	PJ	LEWIS-SMITH SUPPLY - BELL SUPPLY CO.-REPAIR CLAMP	207.17		
	9/8/10	POS2-9/8/10	CDJ	NEW EGG COMPUTER - NEW EGG COMPUTER-UNINTERRUPTABLE POWER SUPPLY FOR ISLAND OFFICE	168.97		
	9/9/10	POS3-9/9/10	CDJ	NEW EGG COMPUTER - NEW EGG COMPUTER-REPLACE COMPUTER FAN	25.98		
	9/14/10	2698465-09/14/	PJ	MSC WATERWORKS PANAMA CITY - MSC WATERWORKS-(12) 5/8" WATER METERS	436.56		
	9/14/10	2699612-09/14/	PJ	MSC WATERWORKS PANAMA CITY - MSC WATERWORKS-(1) 1" WATER METER	123.05		
	9/14/10	POS5-9/14/10	CDJ	ATLANTA NETWORK TECH - ATLANTA NETWORK TECHNOLOGIES- (5) ISLAND SURGE PROTECTORS FOR PLANT & WELLS	229.23		
	9/15/10	POS7-9/15/10	CDJ	GRAYBAR ELECTRIC - GRAYBAR ELECTRIC-TRANSFORMER DAMAGED BY LIGHTNING (DEDUCTIBLE NOT COVERED)	535.52		
	9/21/10	1327898-01-09	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-FITTINGS	104.12		
	9/21/10	CLAIM-9/21/10	CRJ	REFUND FROM A/P VENDOR - DEP-INSURANCE CLAIM PROCEEDS (LIGHTNING DAMAGE)		8,754.24	
	9/22/10	CHGS-09/22/1	PJ	AMERICAN EXPRESS - AMERICAN EXPRESS-CHGS 9/22/10 (AUTOMATION DIRECT PART)	2,202.85		
	9/24/10	1327898-02-09	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-COUPLINGS	210.24		
	9/24/10	1327898-03-09	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-(12) METER RISERS	352.47		
	9/24/10	1327898-04-09	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-(24) ELBOWS	247.17		
	9/30/10	6000S-MAINT-	PJ	OFFICE BUSINESS SYSTEMS - OFFICE BUSINESS	189.42		

**WMSI-NARUC  
General Ledger**

**For the Period From Jan 1, 2010 to Dec 31, 2010**

Filter Criteria includes: Report order is by ID. Report is printed in Detail Format.

Account ID Account Descripti	Date	Reference	Jrnl	Trans Description	Debit Am	Credit Amt	Balance
				Current Period Change	25.00		25.00
	2/1/10			Beginning Balance			25.00
	3/1/10			Beginning Balance			25.00
	3/11/10	DUES-03/11/10	PJ	FLORIDA RURAL WATER ASSOCIATIO - FLORIDA RURAL WATER ASSOC.-MEMBERSHIP DUES (YR)	279.40		
				Current Period Change	279.40		279.40
	4/1/10			Beginning Balance			304.40
	4/8/10	2760	CDJ	SGI CIVIC CLUB - SGI CIVIC CLUB-2010 MEMBERSHIP DUES	20.00		
				Current Period Change	20.00		20.00
	5/1/10			Beginning Balance			324.40
	6/1/10			Beginning Balance			324.40
	6/1/10	RENEW-06/24/	PJ	SAM'S CLUB - SAM'S CLUB-MEMBERSHIP DUES (YR)	140.00		
	6/29/10	2834	CDJ	SGI BUSINESS ASSOC. - SGI BUSINESS ASSOC-MEMBERSHIP DUES	100.00		
				Current Period Change	240.00		240.00
	7/1/10			Beginning Balance			564.40
	8/1/10			Beginning Balance			564.40
	9/1/10			Beginning Balance			564.40
	9/22/10	73225894-09/2	PJ	ASPEN PUBLISHERS - ASPEN PUBLISHERS-2010 OSHA COMPLIANCE GUIDE	233.10		
				Current Period Change	233.10		233.10
	10/1/10			Beginning Balance			797.50
	10/11/10	DUES-11/01/10	PJ	AMERICAN WATER WORKS ASSOC. - AMERICAN WATER WORKS ASSOC-DUES 11/1/10	354.00		
				Current Period Change	354.00		354.00
	11/1/10			Beginning Balance			1,151.50
	12/1/10			Beginning Balance			1,151.50
	12/31/10			Ending Balance			1,151.50
675.13	1/1/10			Beginning Balance			
Repairs & Maintena	1/4/10	1311511-01-01	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY-(8) METER RISERS	615.31		
	1/5/10	1554183-01-01	PJ	LEWIS-SMITH SUPPLY - LEWIS-SMITH SUPPLY-RETURNED METER BOX LIDS		14.11	
	1/7/10	14681-01/07/10	PJ	PRUETT AIR CONDITIONING - PRUETT AIR CONDITIONING-REPLACE HEATING RELAY UNIT	260.50		
	1/14/10	237-01/14/10	PJ	TIM PHILLIPS - TIM PHILLIPS-REPLACE ISLAND HARD DRIVE	212.50		
	1/14/10	CHGS-2/14/10	PJ	CERTIFIED PLUMBING & ELECTRIC - CERTIFIED PLUMBING & ELECTRIC-THREADED PLUG	32.87		
	1/19/10	1312518-01-01	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-(100) METER WASHERS	35.20		
	1/19/10	1312518-02-01	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-COUPLINGS	201.12		
	1/21/10	1159973-01-01	PJ	LEWIS-SMITH SUPPLY - LEWIS-SMITH SUPPLY CO.-(6) 3/4" WATER METERS	486.54		
	1/25/10	GRAYBAR-01/	PJ	AMERICAN EXPRESS - AMERICAN EXPRESS-CHGS 2/22/10 (GRAYBAR ELECTRIC CIRCUIT BREAKER)	686.72		

*Included w/  
Misc. Exps.  
in the MFRs.*



**WMSI-NARUC  
General Ledger**

**For the Period From Jan 1, 2010 to Dec 31, 2010**

Filter Criteria includes: Report order is by ID. Report is printed in Detail Format.

Account ID Account Descripti	Date	Reference	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance
	1/28/10	CHGS-01/28/1	PJ	(GRAYBAR ELECTRIC CIRCUIT BREAKER) COASTAL BUILDING SUPPLY - COASTAL BUILDING SUPPLY-CHGS 1/28/10 (ROOF LEAK REPAIR)	25.36		
	1/31/10	6000S-01/31/1	PJ	OFFICE BUSINESS SYSTEMS - OFFICE BUSINESS SYSTEMS-6000S COPIER MAINT (JAN 10)	99.97		
	2/1/10			Current Period Change	2,656.09	14.11	2,641.98
	2/4/10	2682	CDJ	Beginning Balance CAREY ABBOTT - CARY ABBOTT-REIMBURSE WIRE FOR MONITORING WELL	21.71		2,641.98
	2/10/10	2693	CDJ	SELLERS TILE CO. - SELLERS TILE CO.-REPLACE FLOOR TILES	53.50		
	2/11/10	1162432-01-02	PJ	LEWIS-SMITH SUPPLY - LEWIS-SMITH SUPPLY CO.-(6) 3/4" WATER METERS	486.54		
	2/12/10	32064-02/12/10	PJ	ASI AUTOMATION SERVICES - ASI AUTOMATION SERVICES-REPLACE CIRCUIT BREAKER AT WELL # 1	292.50		
	2/15/10	1314333-01-02	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-TUBING	65.79		
	2/19/10	1166205-01-02	PJ	LEWIS-SMITH SUPPLY - LEWIS-SMITH SUPPLY CO.-PVC PIPE	29.97		
	2/22/10	1313820-02-02	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-ADAPTORS	43.25		
	2/26/10	32071-02/26/10	PJ	ASI AUTOMATION SERVICES - ASI AUTOMATION SERVICES-SERVICE CALL TO REPAIR HIGH-SERVICE PUMP # 3	520.00		
	2/28/10	6000S-02/28/1	PJ	OFFICE BUSINESS SYSTEMS - OFFICE BUSINESS SYSTEMS-6000S COPIER MAINT 2/28/10	84.80		
	3/1/10			Current Period Change	1,598.06		1,598.06
	3/1/10			Beginning Balance			4,240.04
	3/1/10	264-03/01/10	PJ	TIM PHILLIPS - TIM PHILLIPS-REBUILD WORKSTATION	212.50		
	3/1/10	1315332-01-03	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-FITTINGS	16.36		
	3/8/10	1315332-02-03	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-COUPLINGS	125.54		
	3/11/10	POS3-3/11/10	CDJ	AUTOMATION DIRECT - AUTOMATION DIRECT-REPAIR PARTS	555.19		
	3/15/10	BARNEYS-03/1	PJ	AMERICAN EXPRESS - AMERICAN EXPRESS-CHGS 3/23/10 (BARNEY'S PUMP, INC-AURORA SPLIT CASE PUMP FOR HIGH SERVICE PUMP # 3	8,404.92		
	3/15/10	POS6-3/15/10	CDJ	DEVAR, INC. - DEVAR, INC.-18-269A LOOP ISOLATOR	244.09		
	3/16/10	1316283-01-03	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-ADAPTORS	86.51		
	3/17/10	1168623-01-03	PJ	LEWIS-SMITH SUPPLY - LEWIS-SMITH SUPPLY CO.-6 3/4" WATER METERS	486.54		
	3/17/10	2738	CDJ	MALOY APPLIANCE REPAIR - MALOY APPLIANCE-REPAIR REFRIGERATOR	106.00		
	3/18/10	1168625-01-03	PJ	LEWIS-SMITH SUPPLY - LEWIS-SMITH SUPPLY CO.-6 3/4" WATER METERS	486.54		
	3/18/10	2739	CDJ	HANK GARRETT - HANK GARRETT-REIMBURSE REPAIR PART	58.63		
	3/19/10	2743	CDJ	HANK GARRETT - HANK GARRETT-REIMBURSE REPAIR PART	56.37		
	3/24/10	POS11-3/24/10	CDJ	AUTOMATION DIRECT - AUTOMATION DIRECT-ELECTRONIC PART	175.40		
	3/29/10	1317233-01-03	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-6" REPAIR CLAMP	126.97		
	3/30/10	POS12-3/30/10	CDJ	DEVAR, INC. - DEVAR, INC.-ELECTRONIC PART	216.02		
	3/31/10	6000S-03/31/1	PJ	OFFICE BUSINESS SYSTEMS - OFFICE BUSINESS SYSTEMS-6000S COPIER MAINT 3/31/10	91.30		

**WMSI-NARUC  
General Ledger  
For the Period From Jan 1, 2010 to Dec 31, 2010**

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Account ID Account Descripti	Date	Reference	Jrnl	Trans Description	Debit Am	Credit Amt	Balance
				Current Period Change	11,448.88		11,448.88
	4/1/10			Beginning Balance			15,688.92
	4/1/10	S1175296.001-	PJ	CERTIFIED PLUMBING & ELECTRIC - CERTIFIED PLUMBING & ELECTRIC-FITTINGS FOR HIGH SERVICE PUMP # 3	9.61		
	4/5/10	7036-04/05/10	PJ	SOUTHEAST WATER SYSTEMS - S.E. WATER SYSTEMS-SERVICE CALL TO REPAIR NOZZLES	520.00		
	4/8/10	9284602-04/08/	PJ	ROWE DRILLING COMPANY, INC. - ROWE DRILLING CO.-REPLACE 50HP MOTOR	2,100.00		
	4/8/10	9284603-04/08/	PJ	ROWE DRILLING COMPANY, INC. - ROWE DRILLING CO.-DIAGNOSE 50HP MOTOR PROBLEM	1,585.00		
	4/9/10	14803-04/09/10	PJ	PRUETT AIR CONDITIONING - PRUETT AIR CONDITIONING-REPLACE COMPRESSOR ON OFFICE A/C	236.50		
	4/12/10	POS2-4/12/10	CDJ	AUTOMATION DIRECT - AUTOMATION DIRECT-REPAIR PART FOR ELECTRICAL PANEL	100.25		
	4/19/10	S1178096.001-	PJ	CERTIFIED PLUMBING & ELECTRIC - CERTIFIED PLUMBING & ELECTRIC-FITTINGS	1.83		
	4/19/10	1317233-02-04	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-2" SADDLES	343.34		
	4/19/10	1318651-01-04	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-FITTINGS	546.63		
	4/20/10	2771	CDJ	HANK GARRETT - HANK GARRETT-REIMBURSE REPAIR PARTS	4.84		
	4/21/10	POS4-4/21/10	CDJ	DEVAR, INC. - DEVAR, INC.-REPAIR PART	851.96		
	4/29/10	1174682-01-04	PJ	LEWIS-SMITH SUPPLY - LEWIS-SMITH SUPPLY-(1) 3/4" WATER METER	81.09		
	4/30/10	6000S-04/30/1	PJ	OFFICE BUSINESS SYSTEMS - OFFICE BUSINESS SYSTEMS-6000S COPIER MAINT 4/30/10	89.04		
				Current Period Change	6,470.09		6,470.09
	5/1/10			Beginning Balance			22,159.01
	5/5/10	2782	CDJ	TAYLOR'S BUILDING SUPPLY - TAYLOR'S BUILDING SUPPLY-ICE MAKER LINE	12.29		
	5/6/10	1301361-05/06/	PJ	HD SUPPLY WATERWORKS , LTD. - HD SUPPLY WATERWORKS-REPAIR PART FOR WELL # 3	131.61		
	5/7/10	2785	CDJ	HANK GARRETT - HANK GARRETT-REIMBURSE FITTINGS	20.92		
	5/10/10	1318651-05-05	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-FITTINGS	43.34		
	5/12/10	POS3-5/12/10	CDJ	DEVAR, INC. - DEVAR, INC-SERVICE CALL TO REPAIR ALARM	167.62		
	5/17/10	1177309-01-05	PJ	LEWIS-SMITH SUPPLY - LEWIS-SMITH SUPPLY CO.-1" WATER METER	120.27		
	5/24/10	101410-05/24/1	PJ	THE AVANTI COMPANY - THE AVANTI COMPANY-REPAIR TO WELL METERS	182.79		
	5/24/10	1177283-01-05	PJ	LEWIS-SMITH SUPPLY - LEWIS-SMITH SUPPLY-(6) 3/4" WATER METERS	486.54		
	5/24/10	1318651-02-05	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-FITTINGS	43.34		
	5/27/10	1178823-01-05	PJ	LEWIS-SMITH SUPPLY - LEWIS-SMITH SUPPLY CO.-{(3) 5/8" WATER METERS	130.35		
	5/31/10	6000S-05/31/1	PJ	OFFICE BUSINESS SYSTEMS - OFFICE BUSINESS SYSTEMS-6000S COPIER MAINT 5/31/10	89.04		
				Current Period Change	1,428.11		1,428.11
	6/1/10			Beginning Balance			23,587.12

**WMSI-NARUC**  
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	6/3/10	1178211-01-06	PJ	LEWIS-SMITH SUPPLY - LEWIS-SMITH SUPPLY CO.- (6) 3/4" WATER METERS	486.54		
	6/7/10	1318651-04-06	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-COUPLINGS	76.13		
	6/7/10	1321352-01-06	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-FITTINGS	119.45		
	6/18/10	S1187662.001-	PJ	CERTIFIED PLUMBING & ELECTRIC - CERTIFIED PLUMBING-PHONE JACK	5.52		
	6/25/10	REIMB-06/25/1	PJ	HANK GARRETT - HANK GARRETT-REIMBURSE PHONE JACKS	12.82		
	6/28/10	2833	CDJ	NAPA AUTO PARTS - NAPA AUTO PARTS-BACKHOE REPAIR PARTS	224.02		
	6/28/10	1182835-01-06	PJ	LEWIS-SMITH SUPPLY - LEWIS-SMITH SUPPLY CO.-(6) 5/8" WATER METERS	279.84		
	6/28/10	1182849-01-06	PJ	LEWIS-SMITH SUPPLY - LEWIS-SMITH SUPPLY CO.-PIPE CLAMPS	11.41		
	6/28/10	1182861-01-06	PJ	LEWIS-SMITH SUPPLY - LEWIS-SMITH SUPPLY CO.-(1) 1-1/2" WATER METER	293.30		
	6/28/10	1321697-02-06	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-ADAPTORS	28.84		
	6/28/10	1323015-01-06	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-FITTINGS	7.48		
	6/28/10	1323015-02-06	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-FITTINGS	5.04		
	6/30/10	6000S-06/30/1	PJ	OFFICE BUSINESS SYSTEMS - OFFICE BUSINESS SYSTEMS-6000S COPIER MAINT 6/30/10	270.25		
				Current Period Change	1,820.64		1,820.64
	7/1/10			Beginning Balance			25,407.76
	7/1/10	1322961-01-07	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-(12) 3/4" METER VALVES	367.67		
	7/1/10	POS1	CDJ	AUTOMATION DIRECT - AUTOMATION DIRECT-ELECTRONIC PANEL PART	279.95		
	7/7/10	1323015-03-07	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-ADAPTORS	100.79		
	7/12/10	1323816-01-07	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-SEALS	81.36		
	7/19/10	1184362-01-07	PJ	LEWIS-SMITH SUPPLY - LEWIS-SMITH SUPPLY CO.- (6) 3/4" WATER METERS	486.54		
	7/22/10	2855	CDJ	MALOY APPLIANCE REPAIR - MALOY APPLIANCE-AIR CONDITIONER REPAIR	90.00		
	7/23/10	2857	CDJ	VARNER PLUMBING - VARNER PLUMBING-REPLACED LEAKING TOILET SEAL	79.50		
	7/27/10	POS6-7/27/10	CDJ	TAYLOR'S BUILDING SUPPLY - TAYLOR'S BUILDING SUPPLY-CEILING TILES FOR ISLAND OFFICE	186.15		
	7/29/10	POS9-7/29/10	CDJ	DIRECT LOGIC - DIRECT LOGIC-ELECTRONIC PANEL PARTS	162.30		
	7/31/10	6000S-07/31/1	PJ	OFFICE BUSINESS SYSTEMS - OFFICE BUSINESS SYSTEMS-6000S COPIER MAINT 7/31/10	254.06		
				Current Period Change	2,088.32		2,088.32
	8/1/10			Beginning Balance			27,496.08
	8/2/10	1187319-01-08	PJ	LEWIS-SMITH SUPPLY - LEWIS-SMITH SUPPLY CO.-(12) 3/4" WATER METERS	559.68		
	8/2/10	POS1-8/2/10	CDJ	DEVAR, INC. - DEVAR, INC.-REPAIR PART	245.67		
	8/9/10	1325358-01-08	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-METER WASHERS & SPIGOT ADAPTORS	180.72		

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				SYSTEMS-6000S COPIER MAINT 9/30/10			
				Current Period Change	6,723.85	8,754.24	-2,030.39
	10/1/10			Beginning Balance			31,456.83
	10/4/10	1194322-01-10	PJ	LEWIS-SMITH SUPPLY - LEWIS-SMITH SUPPLY CO.-(6) 3/4" WATER METERS	486.54		
	10/6/10	1328986-01-10	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-FITTINGS	1,420.94		
	10/11/10	1196174-01-10	PJ	LEWIS-SMITH SUPPLY - LEWIS-SMITH SUPPLY CO.-REPAIR CLAMPS	269.80		
	10/11/10	2711719-10/11/	PJ	MSC WATERWORKS PANAMA CITY - MSC WATERWORKS-(1) 1" WATER METER	123.05		
	10/12/10	1338986-02-10	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-REPAIR CLAMPS	264.07		
	10/13/10	1329391-01-10	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-PVC PIPE	374.93		
	10/15/10	1329612-01-10	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-REPAIR CLAMP & FITTINGS	454.39		
	10/20/10	3011	CDJ	PRUETT AIR CONDITIONING - PRUETT AIR CONDITIONING-A/C REPAIR	162.50		
	10/21/10	POS5-10/21/10	CDJ	UNITED LIGHTING & SUPPLY - UNITED LIGHTING & SUPPLY-SURGE PROTECTORS (2)	239.71		
	10/22/10	1329613-01-10	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-REPAIR CLAMP	245.73		
	10/31/10	CHGS-11/3/10	PJ	AMERICAN EXPRESS - AMERICAN EXPRESS-CHGS 11/3/10 (AUTOMATION DIRECT-REPAIR PART)	628.00		
	10/31/10	CHGS-11/3/10	PJ	AMERICAN EXPRESS - AMERICAN EXPRESS-CHGS 11/3/10 (DEVAR-PUMP CONTROLLER ELECTRONIC PART)	180.00		
	10/31/10	6000SMAINT-1	PJ	OFFICE BUSINESS SYSTEMS - OFFICE BUSINESS SYSTEMS-6000S COPIER MAINT 10/31/10	89.04		
				Current Period Change	4,938.70		4,938.70
	11/1/10			Beginning Balance			36,397.53
	11/1/10	1330457-01-11	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-COUPLERS & SPIGOTS	55.99		
	11/2/10	2719399-11/02/	PJ	MSC WATERWORKS PANAMA CITY - MSC WATERWORKS-REPAIR CLAMP	294.48		
	11/5/10	POS2-11/5/10	CDJ	AAG ELECTRIC MOTORS - AAG ELECTRIC MOTORS-REWIND MOTOR ON WELL # 3	1,782.29		
	11/8/10	1330457-02-11	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-COUPLINGS & SPIGOTS	208.83		
	11/8/10	1330745-01-11	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-ADAPTORS	120.12		
	11/8/10	1194324-01-11	PJ	LEWIS-SMITH SUPPLY - LEWIS-SMITH SUPPLY CO.-(6) 3/4" WATER METERS	486.54		
	11/9/10	2723495-11/09/	PJ	MSC WATERWORKS PANAMA CITY - MSC WATERWORKS-(12) 5/8" WATER METERS	539.28		
	11/16/10	1330745-02-11	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-ADAPTORS	72.08		
	11/16/10	1330457-03-11	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-COUPLERS	50.28		
	11/17/10	4187614-01-11	PJ	LEWIS-SMITH SUPPLY - LEWIS-SMITH SUPPLY-(3) 1" WATER METERS	393.53		
	11/19/10	POS6-11/19/10	CDJ	GRAYBAR ELECTRIC - GRAYBAR ELECTRIC-REPAIR ELECTRICAL PART	371.02		

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**WMSI-NARUC  
General Ledger  
For the Period From Jan 1, 2010 to Dec 31, 2010**

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	11/19/10	POS7-11/19/10	CDJ	GRAYBAR ELECTRIC - GRAYBAR ELECTRIC-REPAIR ELECTRICAL PART	371.02		
	11/29/10	1331964-01-11	PJ	BELL SUPPLY CO., INC. - BELL SUPPLY CO.-REPAIR CLAMP	310.70		
	11/30/10	6000SMAINT-1	PJ	OFFICE BUSINESS SYSTEMS - OFFICE BUSINESS SYSTEMS-6000S COPIER MAINT	89.04		
	11/30/10	S1210764-11/3	PJ	CERTIFIED PLUMBING & ELECTRIC - CERTIFIED PLUMBING-FLOURESENT LIGHT FIXTURE & BULBS FOR PUMP ROOM	69.31		
	11/30/10	S1210764-11/3	PJ	CERTIFIED PLUMBING & ELECTRIC - CERTIFIED PLUMBING & ELECTRIC-BALLAST TO REPAIR LIGHT FIXTURE IN CHLORINE ROOM	31.42		
				Current Period Change	5,243.93		5,243.93
	12/1/10			Beginning Balance			41,641.46
	12/1/10	4187750-01-12	PJ	LEWIS-SMITH SUPPLY - LEWIS-SMITH SUPPLY-(18) 3/4" WATER METERS	801.36		
	12/1/10	3043	CDJ	HANK GARRETT - HANK GARRETT-REIMBURSE REPAIR PARTS	86.57		
	12/1/10	3044	CDJ	NAPA AUTO PARTS - NAPA AUTO PARTS-REIMBURSE COMPRESSOR BELT	24.28		
	12/2/10	1200354-01-12	PJ	LEWIS-SMITH SUPPLY - LEWIS-SMITH SUPPLY-(4) 3/4" WATER METERS	324.36		
	12/2/10	POS1-12/2/10	CDJ	NEW EGG COMPUTER - NEW EGG COMPUTER-HARD DRIVE FOR COMPUTER	44.28		
	12/2/10	POS2-12/2/10	CDJ	NEW EGG COMPUTER - NEW EGG COMPUTER-ADAPTOR FOR COMPUTER	13.98		
	12/2/10	POS3-12/2/10	CDJ	HP PRODUCTS - HP PRODUCTS-COMPUTER PART	28.92		
	12/3/10	13820-12/03/10	PJ	MUNICIPAL WATER WORKS - MUNICIPAL WATER WORKS-METER RISERS	246.60		
	12/6/10	1202646-01-12	PJ	LEWIS-SMITH SUPPLY - LEWIS-SMITH SUPPLY CO.-MEGALUG & GATE VALVE	1,115.70		
	12/14/10	3049	CDJ	HANK GARRETT - HANK GARRETT-REIMBURSE ARD'S TIRE REPAIR	50.00		
	12/23/10	CHGS-12/23/1	PJ	AMERICAN EXPRESS - AMERICAN EXPRESS-CHGS 12/23/10 (GRAYBAR ELECTRIC-DRIVE FOR WELL # 4 STRUCK BY LIGHTNING)	3,367.40		
	12/23/10	CHGS-12/23/1	PJ	AMERICAN EXPRESS - AMERICAN EXPRESS-CHGS 12/23/10 (GRAYBAR ELECTRIC-DRIVE FOR PLANT PUMP STRUCK BY LIGHTNING)	3,367.40		
	12/27/10	1201730-01-12	PJ	LEWIS-SMITH SUPPLY - LEWIS-SMITH SUPPLY CO.-(6) 3/4" METERS	486.54		
	12/29/10	LEWIS-SMITH-	PJ	AMERICAN EXPRESS - AMERICAN EXPRESS-LEWIS-SMITH CHG (12) 5/8" WATER METERS	534.24		
	12/30/10	AAG-12/30/10	PJ	AMERICAN EXPRESS - AMERICAN EXPRESS-REWIND STATOR ON HIGH SERVICE PUMP MOTOR # 3	1,654.47		
	12/31/10	6000S-MAINT-	PJ	OFFICE BUSINESS SYSTEMS - OFFICE BUSINESS SYSTEMS-6000S COPIER MAINT 12/31/10	89.04		
				Current Period Change	12,235.14		12,235.14

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	12/31/10			Ending Balance			53,876.60
675.14 Telephone	1/1/10			Beginning Balance			
	1/1/10	CHGS-1/1/10	PJ	AMERICAN MESSAGING - AMERICAN MESSAGING-PAGERS (JAN 10)	75.53		
	1/1/10	CHGS-01/01/1	PJ	FAIRPOINT COMMUNICATIONS - FAIRPOINT COMMUNICATIONS-PHONE LINES 1/1/10	475.30		
	1/28/10	CHGS-01/28/1	PJ	VERIZON WIRELESS - VERIZON WIRELESS-CELL PHONE CHGS 1/28/10	161.30		
				Current Period Change			712.13
	2/1/10			Beginning Balance			712.13
	2/1/10	CHGS-02/01/1	PJ	AMERICAN MESSAGING - AMERICAN MESSAGING-PAGERS 2/1/10	75.53		
	2/1/10	CHGS-02/01/1	PJ	FAIRPOINT COMMUNICATIONS - FAIRPOINT COMMUNICATIONS-PHONE LINES	486.04		
	2/28/10	CHGS-02/28/1	PJ	VERIZON WIRELESS - VERIZON WIRELESS-CELL PHONE CHGS 2/28/10	178.57		
				Current Period Change			740.14
	3/1/10			Beginning Balance			1,452.27
	3/1/10	SERV-03/01/10	PJ	AMERICAN MESSAGING - AMERICAN MESSAGING-PAGERS 3/1/10	75.53		
	3/1/10	CHGS-03/01/1	PJ	FAIRPOINT COMMUNICATIONS - FAIRPOINT COMMUNICATIONS-PHONE LINES 3/1/10	486.72		
	3/31/10	CHGS-04/08/1	PJ	VERIZON WIRELESS - VERIZON WIRELESS-CELL PHONE CHGS 4/8/10	342.92		
				Current Period Change			905.17
	4/1/10			Beginning Balance			2,357.44
	4/1/10	SERV-04/01/10	PJ	AMERICAN MESSAGING - AMERICAN MESSAGING-PAGERS (APR 10)	79.10		
	4/1/10	CHGS-04/01/1	PJ	FAIRPOINT COMMUNICATIONS - FAIRPOINT COMMUNICATIONS-PHONE LINES 4/1/10	501.38		
	4/26/10	P-CASH	GENJ	P-CASH-CELL PHONE BATTERY	19.25		
	4/30/10	CHGS-05/08/1	PJ	VERIZON WIRELESS - VERIZON WIRELESS-CELL PHONE CHGS 5/8/10	263.55		
				Current Period Change			863.28
	5/1/10			Beginning Balance			3,220.72
	5/1/10	CHGS-05/01/1	PJ	AMERICAN MESSAGING - AMERICAN MESSAGING-PAGERS (MAY 10)	115.03		
	5/1/10	CHGS-05/01/1	PJ	FAIRPOINT COMMUNICATIONS - FAIRPOINT COMMUNICATIONS-PHONE LINES 5/1/10	476.33		
	5/31/10	CHGS-06/08/1	PJ	VERIZON WIRELESS - VERIZON WIRELESS-CELL PHONE CHGS 6/8/10	632.56		
				Current Period Change			1,223.92
	6/1/10			Beginning Balance			4,444.64

*Agrees to supporting Sch. in MFRs.*

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Analysis of Rate Case Expense

Exhibit JA-8

Florida Public Service Commission

Company: Water Management Services, Inc.  
Docket No.: 110200-WU  
Test Year Ended: December 31, 2010

Schedule: B-10  
Page 1 of 1  
Preparer: J. Allen

Explanation: Provide the total amount of rate case expense requested in the application. State whether the total includes the amount up to proposed agency action or through a hearing before the Commission. Provide a list of each firm providing services for the applicant, the individuals for each firm assisting in the application, including each individual's hourly rate, and an estimate of the total charges to be incurred by each firm, as well as a description of the type of services provided. Also provide the additional information for amortization and allocation method, including support behind this determination.

Line No.	(1) Firm or Vendor Name	(2) Cause, Consultant or Witness	(3) Hourly Rate Per Person	(4) Hours	(5) Total Estimate of Charges by Firm	(6) Type of Service Rendered
1	Sundstrom, Friedman & Fuzero, LLP	Martin Friedman	see detail attached	see detail attached	\$ 71,422	Legal research, preparation of pleadings & filings, testimony & discovery coordination and representation at hearing and Agenda conference.
2	Law, Rodd, Crona & Munroe, P.A.	Jessie Allen	see detail attached	see detail attached	11,470	Prepare MFRs, prepare & present testimony, assist with discovery, attend hearings & Agenda conference.
3	John Guastella	Expert Witness			18,970	Additional consultants and expert witnesses for rebuttal consultation and testimony.
4	WMSI		n/a	n/a	1,500	Customer notices, stock
5	WMSI		n/a	n/a	2,000	Fed Ex, copies & other misc.
6	Estimate Through				<u>\$ 105,362</u>	
7	<input type="checkbox"/> PAA					
8	<input checked="" type="checkbox"/> Commission Hearing					
9	Amortization Period 4 Years					
10	Explanation if different from Section 367.0816, Florida					

11	Amortization of Rate Case Expense:	(A)	(B)	(C)
12		Water	Wastewater	Total
13	Current rate case expense	\$ 105,362	\$ -	\$ 105,362
14	Annual amortization expense	\$ 26,341	\$ -	\$ 26,341
15	Method of allocation between systems:			
16	Customers (ERCs)			
17	Percent of average customers	100.00%	0.00%	100.00%

Water Management Services, Inc.

Docket No. 110200-WU OPC PROTEST

Sundstrom, Friedman & Fumero, LLP – Actual and Estimated Rate Case Expense

Actual Unbilled: \$5,372.00 – attorneys' fees from September 12 through October 10, 2012 (Report Attached)

Estimated:

<u>Hours</u>	<u>Description</u>
50.0 hrs	Respond to Staff and OPC discovery and objections and Motions related thereto; Depositions; Prepare Discovery
8.0 hrs	Preparation of Prefiled Direct Testimony and Exhibits
8.0 hrs	Review Staff Recommendation; Prepare for and attend October 16, 2012 Commission Conference (split with another client)
11.0 hrs	Review Staff Recommendation; Prepare for and attend November 27, 2012 Commission Conference
2.5 hrs	Review and conference with client and consultants regarding Staff and OPC Prefiled Testimony
8.0 hrs	Preparation of Prefiled Rebuttal Testimony and Exhibits
15.0 hrs	Research and draft Pre-Hearing Statement, travel to Tallahassee and attend Pre-Hearing Conference
38.0 hrs	Preparation and attend two days of hearing
30.0 hrs	Research and Draft Post-Hearing Brief
2.0 hrs	Review Staff Recommendation and conference with Client
10.0 hrs	Attend Commission Conference on Final Action
182.50 hrs	87.5 hrs. @\$340/hr = \$29,750/95 hrs @ \$350/hr = \$33,250

\$ 2,450.00 Attend Commission Conferences, Prehearing & Final Hearing  
 \$ 500.00 Estimated photocopier costs  
 \$ 100.00 Estimated courier costs  
 \$ 3,050.00 TOTAL Estimated Costs

TOTAL ATTORNEYS' FEES AND COSTS: \$ 71,422



## WebTime Query Report

0003 - MARTIN S FRIEDMAN

10/11/2012

Date	Client	Client Name	Matter	Matter Description	SM/Task	Service	Hours	Rate
09/12/2012	46023	WATER MANAGEMENT SERVICES, INC	1	2011 RATE CASE (2010 TY)		10000	0.40	A
TELEPHONE CONFERENCE WITH MR. BROWN; REVIEW NEW ESCROW AGREEMENT AND LETTER TO PSC STAFF; INITIAL REVIEW OF OPC PROTEST OF PAA ORDER								
<b>Date Total (09/12/2012):</b>							<b>0.40</b>	
09/13/2012	46023	WATER MANAGEMENT SERVICES, INC	1	2011 RATE CASE (2010 TY)		10000	3.70	A
SEVERAL TELEPHONE CONFERENCES WITH PSC ATTORNEY JAEGER WHO TELEPHONED; REVIEW PAA ORDER AND OUTLINE ISSUES; TELEPHONE CONFERENCE WITH MR. BROWN REGARDING CROSS-PETITION; RESEARCH AND DRAFT NOTICE OF IMPLEMENTATION OF PAA RATES AND FINALIZE TARIFF SHEETS; RESEARCH AND DRAFT NOTICE OF WITHDRAWAL OF PRE-FILED TESTIMONY; BEGIN RESEARCH AND DRAFT OF CROSS-PETITION								
<b>Date Total (09/13/2012):</b>							<b>3.70</b>	
09/14/2012	46023	WATER MANAGEMENT SERVICES, INC	1	2011 RATE CASE (2010 TY)		10000	1.50	A
REVIEW CORRESPONDENCE FROM ATTORNEY JAEGER, REVISE CUSTOMER NOTICE AND LETTER TO ATTORNEY JAEGER; TELEPHONE CONFERENCE WITH AND LETTER TO JOHN GUASTELLA; REVIEW COMMENTS FROM MR. BROWN AND MS. ALLEN AND REVISED CROSS-PETITION								
<b>Date Total (09/14/2012):</b>							<b>1.50</b>	
09/20/2012	46023	WATER MANAGEMENT SERVICES, INC	1	2011 RATE CASE (2010 TY)		10000	1.60	A
TELEPHONE CONFERENCE WITH ATTORNEY JAEGER; RESEARCH AND DRAFT MOTION TO WITHDRAW FUNDS FROM ESCROW; TELEPHONE CONFERENCE WITH MR. BROWN WHO TELEPHONED; REVISE MOTION AND DRAFT MOTION FOR ORAL ARGUMENT; REVIEW AND INCORPORATE MR. BROWN'S REVISIONS								
<b>Date Total (09/20/2012):</b>							<b>1.60</b>	
09/25/2012	46023	WATER MANAGEMENT SERVICES, INC	1	2011 RATE CASE (2010 TY)		10000	0.20	A
TELEPHONE CONFERENCE WITH PSC ATTORNEY BARRERA WHO TELEPHONED REGARDING IMPLEMENTING PAA RATES AND PROCEDURES								
<b>Date Total (09/25/2012):</b>							<b>0.20</b>	
09/27/2012	46023	WATER MANAGEMENT SERVICES, INC	1	2011 RATE CASE (2010 TY)		10000	1.40	A

## WebTime Query Report

0003 - MARTIN S FRIEDMAN

10/11/2012

Date	Client	Client Name	Matter	Matter Description	SM/Task	Service	Hours	Rate
REVIEW LETTER FROM PSC ATTORNEY BARRERA REGARDING CUSTOMER NOTICE AND ESCROW; REVISE CUSTOMER NOTICE AND LETTER TO ATTORNEY BARRERA; TELEPHONE CONFERENCE WITH ATTORNEY BARRERA WHO TELEPHONED AND LETTER TO MR. BROWN; TELEPHONE CONFERENCE WITH MR. BROWN WHO TELEPHONED; REVISE TARIFF SHEETS AND LETTER TO PSC STAFF								1.40
<b>Date Total (09/27/2012):</b>								
09/28/2012	46023	WATER MANAGEMENT SERVICES, INC	1	2011 RATE CASE (2010 TY)		10000	0.50	A
TELEPHONE CONFERENCE WITH MS. VANESSELSTINE WHO TELEPHONED REGARDING CHANGES TO TARIFF AND CUSTOMER NOTICE; MAKE REVISIONS AND LETTER TO MS. VANESSELSTINE								0.50
<b>Date Total (09/28/2012):</b>								
10/02/2012	46023	WATER MANAGEMENT SERVICES, INC	1	2011 RATE CASE (2010 TY)		10000	0.40	A
CORRESPONDENCE FROM OPC ATTORNEY, PSC ATTORNEY AND WITH MS. CHASE AND MR. BROWN								0.40
<b>Date Total (10/02/2012):</b>								
10/03/2012	46023	WATER MANAGEMENT SERVICES, INC	1	2011 RATE CASE (2010 TY)		10000	0.60	A
CORRESPONDENCE WITH MS. CHASE AND MS. ALLEN; TELEPHONE CONFERENCE WITH PSC ATTORNEY BARRERA; CORRESPONDENCE WITH OPC REGARDING PAA RATES ESCROWS; REVIEW ORDER ESTABLISHING PROCEDURE AND LETTER TO MR. BROWN CONCERNING SAME								0.80
<b>Date Total (10/03/2012):</b>								
10/04/2012	46023	WATER MANAGEMENT SERVICES, INC	1	2011 RATE CASE (2010 TY)		10000	0.50	A
CORRESPONDENCE WITH MS. CHASE REGARDING CUSTOMER NOTICE; CORRESPONDENCE MR. BROWN AND MS. ALLEN REGARDING MS. ALLEN'S PRE-FILED TESTIMONY; REVIEW STAFF RECOMMENDATION ON IMPLEMENTATION OF PAA RATES AND LETTER TO MR. BROWN CONCERNING SAME								0.50
<b>Date Total (10/04/2012):</b>								
10/06/2012	46023	WATER MANAGEMENT SERVICES, INC	1	2011 RATE CASE (2010 TY)		10000	0.50	A
INITIAL REVIEW OF OPC DISCOVERY AND ORDER ESTABLISHING PROCEDURE AND LETTER TO MR. BROWN CONCERNING SAME								0.50
<b>Date Total (10/06/2012):</b>								

## WebTime Query Report

0003 - MARTIN S FRIEDMAN

10/11/2012

Date	Client	Client Name	Matter	Matter Description	SM/Task	Service	Hours	Rate	
10/08/2012	46023	WATER MANAGEMENT SERVICES, INC	1	2011 RATE CASE (2010 TY) TELEPHONE CONFERENCE WITH MR. BROWN WHO TELEPHONED ABOUT OPC DISCOVERY AND PRE-FILED TESTIMONY		10000	0.20	A	
<b>Date Total (10/08/2012):</b>							<b>0.20</b>		
10/09/2012	46023	WATER MANAGEMENT SERVICES, INC	1	2011 RATE CASE (2010 TY) CONFERENCE WITH OPC AND PSC STAFF REGARDING ESCROW; CONFERENCE WITH MR. BROWN, MS. CHASE AND MS. ALLEN REGARDING PRE-FILED TESTIMONY		10000	3.70	A	
<b>Date Total (10/09/2012):</b>							<b>3.70</b>		
10/10/2012	46023	WATER MANAGEMENT SERVICES, INC	1	2011 RATE CASE (2010 TY) PREPARE FOR AND PARTICIPATE IN CONFERENCE CALL WITH MR. BROWN AND MR. GUASTELLA		10000	0.60	A	
<b>Date Total (10/10/2012):</b>							<b>0.60</b>		
<b>Report Totals:</b>							<b>15.80</b>	<b>X \$340</b>	

\* 5,372

**Law, Redd, Crona & Munroe, P.A.**  
**Water Management Services, Inc.**  
**Rate Case Expense Estimate for Formal Administrative Proceeding**

<u>Description</u>	<u>Estimated Hours</u>
Meetings with utility, legal counsel, PSC, OPC regarding issues; preparation of prefiled direct testimony and exhibits	16
Review OPC prefiled testimony and conference with utility and legal counsel; and preparation of prefiled rebuttal testimony and exhibits	10
Preparation and attendance at two days of hearing	24
Assist with comments for post-hearing brief and review Staff Recommendations and discussion with client	8
Attend final PSC conference	<u>4</u>
Total Estimate	<u>62</u>
LRCM - Total Projected Hours	62
Billing Rate	<u>\$185.00</u>
LRCM - Total Projected Costs	<u>\$11,470.00</u>

**WATER MANAGEMENT SERVICES, INC.**  
**Docket No. 110200-WU OPC PROTEST**  
**John Guastella - Estimated Rate Case Expense**

Estimated:

<u>Hours</u>	<u>Description</u>
14.0 hrs	Teleconference with attorney and Mr. Brown; Review Orders, Utility write up; Financial data (Annual Reports) and Schedules attached to Order and prepare direct testimony
10.0 hrs	Review and conference with attorney and client regarding Staff and OPC Prefiled Testimony; Preparation of Prefiled Rebuttal Testimony
24.0 hrs	Preparation and attend two days of hearing
4.0 hrs	Assist in drafting Post-Hearing Brief
52.0 hrs	@\$335/hr = \$17,420

\$ 1,550.00 Expenses to Attend Final Hearing

**TOTAL CONSULTANTS' FEES AND EXPENSES: \$18,970**

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

Docket No.: 110200-WU

In re: Application for increase in water rates )  
in Franklin County by Water Management )  
Services, Inc. )  
\_\_\_\_\_ )

---

DIRECT TESTIMONY

OF

JOHN F. GUASTELLA

on behalf of

Water Management Services, Inc.

---

1 **Q. Please state your name and business address.**

2 A. John F. Guastella, Guastella Associates, LLC, 6 Beacon Street, Suite 200, Boston, MA  
3 02108.

4 **Q. By who are you employed?**

5 A. I am President of Guastella Associates, LLC.

6 **Q. Please describe Guastella Associates, LLC.**

7 A. Guastella Associates, LLC provides utility management, valuation and rate consulting  
8 services to both regulated and unregulated utilities.

9 **Q. Please briefly describe your professional experience.**

10 A. I have been involved in investor-owned and municipal utility rate and regulatory matters  
11 since 1962 -- for 16 years with a regulatory agency and since 1978 as a consultant.

12 **Q. Have you attached to this testimony a summary statement of your qualifications and  
13 experience?**

14 A. Yes, a statement of my qualifications and experience is contained in Exhibit JG-1

15 **Q. What is the nature of your involvement in this proceeding?**

16 A. Guastella Associates, LLC has been employed by the Water Management Services, Inc  
17 (the "Company" or "WMSI") in connection with the filing of additional testimony in PSC  
18 Docket No. 110200-WU. More specifically, I was asked to comment with respect to  
19 working capital and the salary of WMSI's President. In addition, I was asked to be  
20 available to respond to issues addressed by other parties, if necessary.

21 **Q. Have you reviewed Order No. PSC-12-0435-WU (the "Order") issued August 22,  
22 2012 with respect to the president's salary and the working capital?**

23 A. Yes

24 **Q. What is the Commission's explanation for its 15 percent reduction of the president's  
25 salary?**

1 A. The discussion leading to the Commission's conclusion to make a 15 percent reduction to  
2 the  
3 president's salary begins on page 25 of its Order, with a discussion about cash flow.  
4 The discussion focusses on the WMSI's loan agreement with DEP which has been  
5 extended on at least four occasions, and that the recent extension of the 20 year term of  
6 the loan by 10 years will increase interest by approximately \$928,071. The Order states  
7 on page 27:

8 "The above-noted actions of the Utility President appear to result in  
9 additional costs over the term of the DEP loan of approximately \$928,071.  
10 We do not believe that the customers should be required to pay all these  
11 additional costs. Given the actions of the Utility's President, we find the  
12 allowance for the Utility President's salary shall be reduced by 15 percent,  
13 which results in a reduction of \$14,438. Accordingly, corresponding  
14 adjustments shall be made to reduce the allowance for the pensions and  
15 benefits expense and payroll taxes by \$3,504 and \$1,104, respectively, for a  
16 total adjustment of \$19,046. We believe this adjustment is consistent with our  
17 prior decisions wherein we have reduced the president's salary."

18 It is simply not correct that the customers have or will pay for the additional costs of  
19 \$928,071 related to the extension of the DEP loan. This same mistake is made on  
20 page 26 of the Order where it states:

21 "WMSI's approved rates include funds for debt service costs"

22 The traditional rate base/rate of return method used by the Commission, which is  
23 typical in all state regulatory jurisdictions, does not include "debt service" in  
24 calculating the allowable revenue requirement. Instead, the allowed capital costs are  
25 depreciation expense and return on investment. Debt service is comprised of



1 principal and interest on a loan based on the term of the loan. The depreciation  
2 allowance is the recovery of the cost of the physical used and useful assets over their  
3 average service life, not over the term of the loan that is the basis for principal  
4 payments. It simply does not matter in  
5 terms of the establishing of utility rates whether the term of the loan is 10, 20, or 30  
6 years, because the depreciation allowance does not change with the term of the loan.  
7 Similarly, the rate of return allowed for rate setting is based on the weighted cost of  
8 capital, applied to the allowed net investment assets - - and that allowed return does  
9 not change if the term of the loan is extended. In this case, for example, the  
10 Commission determined the revenue requirement by allowing depreciation (not  
11 principal payments) and return on net investment based on the weighted cost of  
12 capital. There was no change in that return allowance based on the change in debt  
13 service resulting from the 10-year extension of the loan. Accordingly, the actions of  
14 WMSI's President did not result in any increase of the rates that the customers will  
15 pay, and in my opinion the extension of the term of the DEP loan is not a basis for a  
16 penalty in terms of a reduction of his salary. I would add that the President's success  
17 in obtaining financing for a utility with significant cash flow problems, no equity,  
18 and negative retained earnings, is an accomplishment that was in the best interests of  
19 the customers in order to make the improvements necessary to continue to provide  
20 adequate service.

21 **Q. The Order makes no allowance for working capital, as discussed on pages 16**  
22 **and 17. In your opinion, is no working capital allowance appropriate for**  
23 **WMSI?**

24 **A.** No. It seems, however, that the Commission recognizes the difficulty of applying the  
25 balance sheet approach to working capital because it does not produce a typical

1 result. The Order states:

2 “The summation of our adjustments results in a negative working capital  
3 allowance of \$122,445. A negative working capital balance is not typical of a  
4 “normal” utility or the expected future condition of a utility. Therefore,  
5 consistent with our practice, the working capital allowance shall be set at  
6 zero, which results in a reduction in the Utility’s working capital allowance of  
7 \$39,885.”

8 In my opinion, instead of allowing zero because the balance sheet approach produces  
9 questionable results, a more representative analysis is required. WMSI is typical of  
10 the hundreds of developer related utilities that I have either regulated or provided  
11 consulting services. Because developer-related utilities begin with no customers and  
12 no revenues, the affiliated developer and/or the stockholders provide all the capital  
13 for funding the assets, and they also pay for the operations during the growth years.  
14 Eventually, as customers are added, the operating expenses are covered by the rate  
15 revenues, and then the utility begins to earn a return on the used and useful net  
16 investment in the assets. During this entire growth period, the costs and lack of  
17 recovery of capital costs are absorbed by the stockholders - - and never passed on to  
18 the customers either retroactively or prospectively. Aside from the accounting that  
19 would properly depict this financing resulting - - a subject for another discussion - -  
20 the need for and the costs associated with working capital are real.

21 **Q. What are the indicators for WMSI that reflect your analysis?**

22 A. WMSI has a significant level of negative retained earnings, reflecting years of under  
23 earnings. The capital structure and overall rate of return has no equity and, therefore,  
24 no debt coverage allowance.

25 There is no income tax allowance and, therefore, no cushion to cover a penny of

1 actual expenses above the allowed level. When there are income tax allowances,  
2 expense increases above allowed levels are at least tempered by a reduction in taxes  
3 due to the higher tax deduction. Without analyzing the reasonableness of the total of  
4 \$128,873 of adjustments to operation and maintenance expenses, it seems that the  
5 level of allowed expenses essentially reflects a perfectly cost efficient operation. For  
6 example, the accepted staff audit adjustments include a \$15 adjustment because of  
7 "insufficient support" and another adjustment for 1 hour of a legal fee. While I do not  
8 argue the  
9 reasonableness of these adjustments, clearly there was no apparent allowance for any  
10 imperfection. The point is that future actual expenses may likely not be limited to  
11 those allowed. With no equity allowance, no operating margin, and no income tax  
12 allowances, any increase in expenses above the level allowed will require the  
13 stockholder to subsidize the actual costs - - a stockholder for which no return has  
14 been allowed.

15 **Q. What should be the basis for the working capital allowance?**

16 A. The working capital allowance should be based on the one-eighth fraction applied to  
17 the adjusted operation and maintenance expenses. It seems that the Commission has  
18 recognized that although WMSI has become a Class A utility, it has yet to become a  
19 typical utility in terms of its financial position and cash flow. It is my opinion that the  
20 Commission's move from a negative working capital to a zero allowance does not  
21 adequately reflect the amount of the actual working capital requirement.

22 **Q. Does that conclude your testimony at this time?**

23 A. Yes.

24

25

## Guastella Associates, LLC

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### Qualifications & Experience

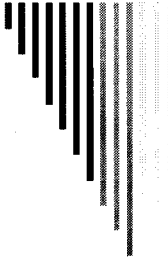


**Rate Setting  
Valuation  
Management  
Consulting**

*...SERVING REGULATED AND UNREGULATED WATER AND WASTEWATER UTILITIES SINCE 1978*

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6 Beacon Street, Suite 200, Boston, MA 02108  
(617) 423-3030  
[www.guastella.com](http://www.guastella.com)



## INTRODUCTION

### GUASTELLA ASSOCIATES, LLC

Guastella Associates, LLC ("formerly John F. Guastella Associates, Inc.") is a consulting firm that specializes in providing utility rate setting, valuation and management services for public and privately-owned water and wastewater utilities.

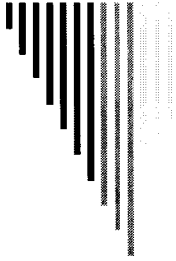
John F. Guastella established Guastella Associates in 1978. Previously, Mr. Guastella was Director of the Water Division of the New York Public Service Commission. The Water Division provided the New York Commission with technical assistance in regulating the rates and service provided by approximately 450 privately-owned utilities. During the period from 1987 through 1991, Mr. Guastella also managed a 5,500 customer water utility in New York State. In 1989, Guastella Associates acquired the rates and valuation section of Coffin & Richardson, Inc., a general consulting firm that also provided a full range of services to water and wastewater utilities.

As can be seen from the following qualifications and experience, key staff members have many years of combined experience in virtually every aspect of utility rate setting and valuation. The technical expertise of key staff, combined with their former employment by real estate and utility companies, a regulatory agency, and the management of water utilities, provides a total perspective towards addressing the rates and valuation needs of today's water and wastewater utilities.

Guastella Associates has assisted the largest privately-owned utilities with respect to the most challenging issues, performing complex studies and providing expert testimony in administrative hearings as well as court proceedings. In addition, our client base has included hundreds of small water and wastewater utilities - - obtaining rate increases that turn operating losses into profits, posturing them for financing, correcting record keeping errors and, for some, negotiating their sale at multiples of their original cost net investment rate base. Some of our most successful assignments have been to help establish new developer-related water and wastewater utilities, applying the correct principles at the outset in order to develop fully compensatory initial rates, record keeping procedures and asset management, so they are structured to become self-sustaining utilities that will achieve the highest possible profit and ultimate market value.

Our wide-range of experience and expertise has enabled us to successfully address the special needs of large investor-owned utilities in rate cases and condemnation proceedings. We bring the same high level of expertise to the small water and wastewater utilities, which is essential to their success, and at prices they can afford.

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## OUTLINE OF SERVICES GUASTELLA ASSOCIATES, LLC

Guastella Associates, LLC ("formerly John F. Guastella Associates, Inc.") is a consulting firm specializing in utility management, valuation, appraisals and rate determinations. Guastella Associates has been providing professional services to regulated and unregulated utilities since 1978.

Specific areas of expertise includes:

I. RATE ANALYSIS

A. Revenue Requirements

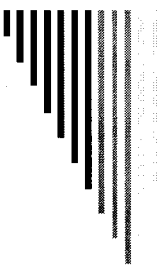
1. Examination of books and records -- revenues, expenses and capital investment.
2. Determination of the cost of providing service (revenue requirement) -- normalize historical data, establish known changes and perform projections.

B. Rate Design

1. Perform cost allocation studies to establish cost of service for residential, commercial, industrial, wholesale and fire protection customers, and for other special users.
2. Develop rate structures -- combine billing analyses and cost allocations to form usage rates, flat rates, minimum service and facilities charges, and such other special charges as connection fees, availability rates, etc.

C. Reports

1. Investor-owned utilities -- prepare complete rate filings for submission to regulatory agencies; prepare testimony, exhibits, and assist in all aspects of adjudication process.
2. Municipal utilities -- prepare detailed rate reports in support of rate increases for use by municipal officials and presentation at municipal hearings.



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## OUTLINE OF SERVICES

### GUASTELLA ASSOCIATES, LLC

#### II. VALUATIONS

##### A. Appraisals

1. Eminent domain condemnation proceedings, negotiations for sale of utilities, damage claims for insurance and ad valorem tax and management purposes.
2. Determinations of original cost, replacement cost, reproduction cost and market value, including going concern value.
3. Calculation of the present value of cash flow under the income approach to market value determinations.
4. Analyses of market data under the sales comparison approach.

##### B. Depreciation

1. Actuarial studies using retirement rate or simulated plant balances methods to determine average service lives of physical property, theoretical depreciation reserve requirements and depreciation rates.
2. Establish affordable depreciation rates on the basis of comparative analyses of similar property of other utilities and practices of regulatory agencies and association

##### C. Feasibility Studies

1. Utility acquisitions by investors and municipalities.
2. Economic studies to establish extension of service costs and policy -- inside and outside service area.
3. Main extension agreements, guaranteed revenue contracts, refund provisions.

##### D. Financial Planning

1. Establish financing requirements for capital improvements.
2. Determine revenue and rate needs for various combinations of debt and equity financing.
3. Assist certain utilities in securing financing.
4. Establish financing needs, initial rates and regulatory approval of proposed new utilities.

#### III. MANAGEMENT

##### A. Operations

1. Assist in day-to-day decisions as to utility accounting and related impact on rates.
2. Solve problems as to record keeping in accordance with regulatory requirements and prescribed systems of accounts.
3. Establish general policy and tariff provisions for customer service, billing, collecting, meter testing, complaint handling, and customer and regulatory relations.

##### B. Administrative

1. Coordinate activities with regulatory agencies to assure compliance with rules, regulations and orders.
2. Negotiations for purchase or sale of utility property and special contracts.

##### C. Training

1. On-the-job training for employees while working on various projects.
  2. Special educational seminars on all aspects of utility rate settings, financing, valuation and rules.
-

**PROFESSIONAL QUALIFICATIONS AND EXPERIENCE**  
**of**  
**JOHN F. GUASTELLA**

B.S., Mechanical Engineering, Stevens Institute of Technology, 1962, Licensed Professional Engineer.

**Member:**

American Water Works Association, Lifetime Member  
National Association of Water Companies  
New England Water Works Association, Lifetime Member

**Committees:**

AWWA, Water Rates Committee (Manual M-1, 1983 Edition)  
National Association of Regulatory Utility Commissioners (NARUC) and NAWC, Joint-Committee on Rate Design  
NAWC, Rates and Revenues Committee  
NAWC, Small Water Company Committee

Mr. Guastella is President of Guastella Associates, LLC ("formerly John F. Guastella Associates, Inc.") which provides management, valuation and rate consulting services for municipal and investor-owned utilities, as well as regulatory agencies. His clients include utilities in the states of Alaska, Arkansas, California, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Maine, Maryland, Massachusetts, Missouri, Michigan, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Dakota, Ohio, Pennsylvania, South Carolina, Texas, Rhode Island and Virginia. He has provided consulting services that include all aspects of utility regulation and rate setting, encompassing revenue requirements, revenues, operation and maintenance expenses, depreciation, taxes, return on investment, cost allocation and rate design. He has performed depreciation studies for the establishment of average service lives of utility property. He has performed appraisals of utility companies for management purposes and in connection with condemnation proceedings. He has also negotiated the sale of utility companies.

Mr. Guastella served for more than four years as President of Country Knolls Water Works, Inc., a water utility that served some 5,500 customers in Saratoga County, New York. He also served as a member of the Board of Directors of the National Association of Water Companies.

Mr. Guastella has qualified and testified as an expert witness before regulatory agencies and municipal jurisdictions in the states of Alaska, California, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Maryland, Massachusetts, Missouri, Montana, Nevada, New Hampshire, New Mexico, New Jersey, New York, North Dakota, Ohio, Pennsylvania, Rhode Island, South Carolina, Texas and Virginia.

Prior to establishing his own firm, Mr. Guastella was employed by the New York State Public Service Commission for sixteen years. For two years he was involved in the regulation of electric and gas utilities, with the remaining years devoted to the regulation of water utilities. In 1970, he was promoted to Chief of Rates and Finance in the Commission's Water Division. In 1972, he was made Assistant Director of the Water Division. In 1974, he was appointed by Alfred E. Kahn, then Chairman of the Commission, to be Director of the Water Division, a position he held until he resigned from the Commission in August 1978.

At the Commission, his duties included the performance and supervision of engineering and economic studies concerning rates and service of many public utilities. As Director of the Water Division, he was responsible for the regulation of more than 450 water companies in New York State and headed a professional staff of 32 engineers and three technicians. A primary duty was to attend Commission sessions and advise the Commission during its decision making process. In the course of that process, an average of about fifty applications per year would be reviewed and analyzed. The applications included testimony, exhibits and briefs involving all aspects of



utility valuation and rate setting. He also made legislative proposals and participated in drafting Bills that were enacted into law: one expanded the N.Y. Public Service Commission's jurisdiction over small water companies and another dealt specifically with rate regulation and financing of developer-related water systems.

In addition to his employment and client experience, Mr. Guastella served as Vice-Chairman of the Staff-Committee on Water of the National Association of Regulatory Utility Commissioners (NARUC). This activity included the preparation of the "Model Record-Keeping Manual for Small Water Companies," which was published by the NARUC. This manual provides detailed instruction on the kinds of operation and accounting records that should be kept by small water utilities, and on how to use those records.

Each year since 1974 he has prepared study material, assisted in program coordination and served as an instructor at the Eastern Annual Seminar on Water Rate Regulation sponsored over the years by the NARUC in conjunction with the University of South Florida, Florida Atlantic University, the University of Utah, Florida State University, the University of Florida and currently Michigan State University. In 1980 he was instrumental in the establishment of the Western NARUC Rate Seminar and has annually served as an instructor since that time. This course is recognized as one of the best available for teaching rate-setting principles and methodology. More than 5,000 students have attended this course, including regulatory staff, utility personnel and members of accounting, engineering, legal and consulting firms throughout the country.

Mr. Guastella served as an instructor and panelist in a seminar on water and wastewater regulation conducted by the Independent Water and Sewer Companies of Texas. In 1998, he prepared and conducted a seminar on basic rate regulation on behalf of the New England Chapter of the National Association of Water Companies. In 2000 and 2001, Mr. Guastella developed and conducted a special seminar for developer related water and wastewater utilities in conjunction with Florida State University, and again in 2003 in conjunction with the University of Florida. It provided essential training for the financial structuring of small water and wastewater utilities, rate setting, financing and the establishment of their market value in the event of a negotiated sale or condemnation. In 2004, he prepared and conducted a special workshop seminar on behalf of the Office of Regulatory Staff of South Carolina, covering rate setting, valuation and general regulation of water and wastewater utilities. In 2006, he participated in an expert workshop on full cost pricing conducted by the U. S. Environmental Protection Agency in coordination with the Institute of Public Utilities, Michigan State University. In 2006, he prepared and conducted a special seminar on rate setting and valuation on behalf of the New York Chapter of the NAWC. In 2007, he prepared and conducted a special seminar on rate setting and valuation on behalf of the New England Chapter of NAWC.

Mr. Guastella has made presentations on a wide variety of rate, valuation and regulatory issues at meetings of the National Association of Regulatory Utility Commissioners, the American Water Works Association, the New England Water Works Association, the National Association of Water Companies, the New England Conference of Public Utilities Commissioners, the Florida, New England, New Jersey and New York Chapters of NAWC, the Mid-America Regulatory Conference, the Southeastern Association of Regulatory Utility Commissioners, the Pennsylvania Environmental Conference, the Public Utility Law Section of the New Jersey Bar Association, and the NAWC Water Utility Executive Council.

**John F. Guastella**  
**List of Proceedings in which**  
**Expert Testimony**  
**was Presented**

Year	Client	State	Regulatory Docket/Case Number
1966	Sunhill Water Corporation	New York	23968
1967	Amagansett Water Company	New York	24210
1967	Worley Homes, Inc.	New York	24466
1968	Amagansett Water Company	New York	24718
1968	Amagansett Water Company	New York	24883
1968	Sunhill Water Corporation	New York	23968
1968	Worley Homes, Inc.	New York	Supreme Court
1969	Amagansett Water Supply	New York	24883
1969	Citizens Water Supply Co.	New York	25049
1969	Worley Homes, Inc.	New York	24466/24992
1970	Brooklyn Union Gas Company	New York	25448
1970	Consolidated Edison of New York	New York	25185
1971	Hudson Valley Water Companies	New York	26093
1971	Jamaica Water Supply Company	New York	26094
1971	Port Chester Water Works, Inc.	New York	25797
1971	U & I Corp. - Merrick District	New York	26143
1971	Wanakah Water Company	New York	25873
1972	Spring Valley Water Company	New York	26226
1972	U & I Corp. - Woodhaven District	New York	26232
1973	Citizens Water Supply Company	New York	26366
1978	Rhode Island DPU&C (Bristol County)	Rhode Island	1367A
1979	Candlewick Lake Utilities Co.	Illinois	76-0218
1979	Candlewick Lake Utilities Co.	Illinois	76-0347
1979	Candlewick Lake Utilities Co.	Illinois	78-0151
1979	Jacksonville Suburban Utilities	Florida	770316-WS
1979	New York Water Service Corporation	New York	27594
1979	Salem Hills Sewerage Disposal Corp. v. V. of Vorheesville	New York	Supreme Court
1979	Seabrook Water Corporation	New Jersey	7910-846
1979	Southern Utilities Corporation	Florida	770317-WS
1979	Township of South Brunswick	New Jersey	Municipal
1979	Westchester Joint Water Works	New York	Municipal
1979	Woodhaven Utilities Corporation	Illinois	77-0109
1980	Crestwood Village Sewer Company	New Jersey	BPU 802-78
1980	Crestwood Village Water Company	New Jersey	BPU 802-77
1980	Gateway Water Supply Corporation	Texas	Municipal
1980	GWW-Central Florida District	Florida	800004-WS
1980	Jamaica Water Supply Company	New York	27587
1980	Rhode Island DPU&C (Newport Water)	Rhode Island	1480
1981	Briarcliff Utilities, Inc.	Texas	3620
1981	Candlewick Lake Utilities Co.	Illinois	81-0011
1981	Caroline Water Company, Inc.	Virginia	810065
1981	GDU, Inc. - Northport	Florida	Municipal
1981	GDU, Inc. - Port Charlotte	Florida	Municipal
1981	GDU, Inc. - Port Malabar	Florida	80-2192
1981	Hobe Sound Water Company	Florida	8000776
1981	Lake Buckhorn Utilities, Inc.	Ohio	80-999
1981	Lake Kiowa Utilities, Inc.	Texas	3621
1981	Lakengren Utilities, Inc.	Ohio	80-1001
1981	Lorelei Utilities, Inc.	Ohio	80-1000
1981	New York Water Service Corporation	New York	28042
1981	Rhode Island DPU&C (Newport Water)	Rhode Island	1581
1981	Shawnee Hills Utility Company	Ohio	80-1002
1981	Smithville Water Company, Inc.	New Jersey	808-541
1981	Spring Valley Water Company, Inc.	New York	27936
1981	Spring Valley Water Company, Inc.	New York	27936
1981	Sunhill Water Corporation	New York	27903
1981	Swan Lake Water Corporation	New York	27904
1982	Chesterfield Commons Sewer Company	New Jersey	822-84
1982	Chesterfield Commons Water Company	New Jersey	822-83
1982	Crescent Waste Treatment Corp.	New York	Municipal
1982	Crestwood Village Sewer Company	New Jersey	821-33
1982	Crestwood Village Water Company	New Jersey	821-38
1982	Salem Hills Sewerage Disposal Corp.	New York	Municipal
1982	Township of South Brunswick	New Jersey	Municipal
1982	Woodhaven Utilities Corporation	Illinois	82-0167
1983	Country Knolls Water Works, Inc.	New York	28194
1983	Heritage Hills Water Works Corp.	New York	28453
1984	Crestwood Village Sewer Company	New Jersey	8310-861
1984	Crestwood Village Water Company	New Jersey	8310-860
1984	Environmental Disposal Corp.	New Jersey	816-552
1984	GDU, Inc. - Port St. Lucie	Florida	830421
1984	Heritage Village Water (water/sewer)	Connecticut	84-08-03
1984	Hurley Water Company, Inc.	New York	28820
1984	New York Water Service Corporation	New York	28901
1985	Deltona Utilities (water/sewer)	Florida	830281
1985	J. Filiberto Sanitation, Inc.	New Jersey	8411-1213
1985	Sterling Forest Pollution Control	New York	Municipal
1985	Water Works Enterprise, Grand Forks	North Dakota	Municipal
1986	GDU, Inc. - Port Charlotte	Florida	Municipal
1986	GDU, Inc. - Sebastian Highlands	Florida	Municipal

**John F. Guastella**  
**List of Proceedings in which**  
**Expert Testimony**  
**was Presented**

Year	Client	State	Regulatory Docket/Case Number
1986	Kings Grant Water/Sewer Companies (settled)	New Jersey	WR8508-868
1986	Mt. Ebo Sewage Works, Inc.	New York	Municipal
1986	Sterling Forest Pollution Control	New York	Municipal
1987	Country Knolls Water Works, Inc.	New York	29443
1987	Crestwood Village Sewer Co. (settled)	New Jersey	WR8701-38
1987	Deltona Utilities - Marco Island	Florida	850151-WS
1987	Deltona Utilities, Inc. - Citrus Springs (settled)	Florida	870092-WS
1987	Firat Brewster Water Corp. v. Town of Southeast (settled)	New York	Supreme Court
1987	GDU, Inc. - Silver Springs Shores	Florida	870239-WS
1987	Ocean County Landfill Corporation	New Jersey	SR-8703117
1987	Palm Coast Utility Corporation	Florida	870166-WS
1987	Sanlando Utilities Corp. (settled)	Florida	860683-WS
1987	Township of South Brunswick	New Jersey	Municipal
1987	Woodhaven Utilities Corp. (settled)	Illinois	87-0047
1988	Crescent Estates Water Co., Inc.	New York	88-W-035
1988	Elizabethtown Water Co.	New Jersey	OAL PUC3464-88
1988	Heritage Village Water Company	Connecticut	87-10-02
1988	Instant Disposal Service, Inc.	New Jersey	SR-87080864
1988	J. Filiberto Sanitation v. Morris County Transfer Station	New Jersey	01487-88
1988	Ohio Water Service Co.	Ohio	86-1887-WW-CO1
1988	St. Augustine Shores Utilities	Florida	870980-WS
1989	Elizabethtown Water Co.	New Jersey	BPU WR89020132J
1989	GDU (FPSC generic proceeding as to rate setting procedures)	Florida	880883-WS
1989	Gordon's Corner Water Co.	New Jersey	OAL PUC479-89
1989	Heritage Hills Sewage Works	Connecticut	Municipal
1989	Heritage Village Water Company	Connecticut	87-10-02
1989	Palm Coast Utility Corporation	Florida	890277-WS
1989	Southbridge Water Supply Co.	Massachusetts	DPU 89-25
1989	Sterling Forest Water Co.	New York	PSC 88-W-263
1990	American Utilities, Inc. - United States Bankruptcy Court	New Jersey	85-00316
1990	City of Carson City	Nevada	Municipal
1990	Country Knolls Water Works, Inc.	New York	90-W-0458
1990	Elizabethtown Water Company	New Jersey	WR900050497J
1990	Kent County Water Authority	Rhode Island	1952
1990	Palm Coast Utility Corporation	Florida	871395-WS
1990	Southern States Utilities, Inc.	Florida	Workshop
1990	Trenton Water Works	New Jersey	WR90020077J
1990	Waste Management of New Jersey	New Jersey	SE 87070552
1990	Waste Management of New Jersey	New Jersey	SE 87070566
1991	City of Grand Forks	North Dakota	Municipal
1991	Gordon's Corner Water Co.	New Jersey	OAL PUC8329-90
1991	Southern States Utilities, Inc.	Florida	900329-WS
1992	Elizabethtown Water Co.	New Jersey	WR 91081293J
1992	General Development Utilities, Inc. - Port Malabar Division	Florida	911030-WS
1992	General Development Utilities, Inc. - West Coast Division	Florida	911067-WS
1992	Heritage Hills Water Works, Inc.	New York	92-2-0576
1993	General Development Utilities, Inc. - Port LaBelle Division	Florida	911737-WS
1993	General Development Utilities, Inc. - Silver Springs Shores	Florida	911733-WS
1993	General Waterworks of Pennsylvania - Dauphin Cons. Water Supply	Pennsylvania	R-00932604
1993	Kent County Water Authority	Rhode Island	2098
1993	Southern States Utilities - FPSC Rulemaking	Florida	911082-WS
1993	Southern States Utilities - Marco Island	Florida	920655-WS
1994	Capital City Water Company	Missouri	WR-94-297
1994	Capital City Water Company	Missouri	WR-94-297
1994	Elizabethtown Water Company	New Jersey	WR94080346
1994	Elizabethtown Water Company	New Jersey	WR94080346
1994	Environmental Disposal Corp.	New Jersey	WR94070319
1994	General Development Utilities - Port Charlotte	Florida	940000-WS
1994	General Waterworks of Pennsylvania	Pennsylvania	R-00943152
1994	Hoosier Water Company - Mooresville Division	Indiana	39839
1994	Hoosier Water Company - Warsaw Division	Indiana	39838
1994	Hoosier Water Company - Winchester Division	Indiana	39840
1994	West Lafayette Water Company	Indiana	39841
1994	Wilmington Suburban Water Corporation	Delaware	94-149 (std)
1995	Butte Water Company	Montana	Cause 90-C-90
1995	Heritage Hills Sewage Works Corporation	New York	Municipal
1996	Consumers Illinois Water Company	Illinois	95-0342
1996	Elizabethtown Water Company	New Jersey	WR95110557
1996	Palm Coast Utility Corporation	Florida	951056-WS
1996	PenPac, Inc.	New Jersey	OAL-00788-93N
1996	Southern States Utilities, Marco Island	Florida	950495-WS
1997	Crestwood Village Water Company	New Jersey	BPU 96100739
1997	Indiana American Water Co., Inc.	Indiana	IURC 40703
1997	Missouri-American Water Company	Missouri	WR-97-237
1997	South County Water Corp	New York	97-W-0667
1997	United Water Florida	Florida	960451-WS
1998	Consumer Illinois Water Company	Illinois	98-0632
1998	Consumers Illinois Water Company	Illinois	97-0351
1998	Heritage Hills Water Company	New York	97-W-1561
1998	Missouri-American Wastewater Company	Missouri	SR-97-238

**John F. Guastella**  
**List of Proceedings in which**  
**Expert Testimony**  
**was Presented**

Year	Client	State	Regulatory Docket/Case Number
1999	Consumers Illinois Water Company	Illinois	99-0288
1999	Environmental Disposal Corp.	New Jersey	WR99040249
1999	Indiana American Water Co., Inc.	Indiana	IURC 41320
2000	South Haven Sewer Works, Inc.	Indiana	Cause: 41410
2000	Utilities Inc. of Maryland	Maryland	CAL 97-17811
2001	Artesian Water Company	Delaware	00-649
2001	Citizens Utilities Company	Illinois	01-0001
2001	Elizabethtown Water Company	New Jersey	WR-0104205
2001	Klawah Island Utility, Inc.	South Carolina	2001-164-W/S
2001	Placid Lakes Water Company	Florida	011621-WU
2001	South Haven Sewer Works, Inc.	Indiana	41903
2001	Southlake Utilities, Inc.	Florida	981609-WS
2002	Artesian Water Company	Delaware	02-109
2002	Consumers Illinois Water- Grant Park	Illinois	02-0480
2002	Consumers Illinois Water- Village Woods	Illinois	02-0539
2002	Valencia Water Company	California	02-05-013
2003	Consumers Illinois Water - Indianola	Illinois	03-0069
2003	Elizabethtown Water Company	New Jersey	WR-030-70510
2003	Golden Heart Utilities, Inc.	Alaska	U-02-13, 14 & 15
2003	Utilities, Inc. - Georgia	Georgia	CV02-0495-AB
2004	Aquarion Water Company	Connecticut	04-02-14
2004	Artesian Water Company	Delaware	04-42
2004	El Dorado Utilities, Inc.	New Mexico	D-101-CU-2004-
2004	Environmental Disposal Corp.	New Jersey	DPU WR 03 070509
2004	Heritage Hills Water Company	New York	03-W-1182
2004	Sun Valley Water & Washoe County Dept. of Water Revenues	Nevada	TMWA Municipal
2004	Jersey City MUA	New Jersey	Municipal
2004	Rockland Electric Company	New Jersey	EF02110852
2005	Aquarion Water Company	New Hampshire	DW 05-119
2005	Intercoastal Utilities, Inc.	Florida	04-0007-0011-0001
2005	Haig Point Utility Company, Inc.	South Carolina	2005-34-W/S
2005	South Central Connecticut Regional Water Auth.	Connecticut	Municipal
2006	Pennichuck Water Works, Inc.	New Hampshire	DW-04048
2006	Village of Williston Park	New York	Municipal
2006	Jersey City MUA	New Jersey	Municipal
2006	Groton Utilities	Connecticut	Municipal
2006	Connecticut Water Company	Connecticut	06-07-08
2006	Birmingham Utilities, Inc.	Connecticut	06-05-10
2006	Aqua Florida Utilities, Inc.	Florida	060368-WS
2007	Aquarion Water Company of CT	Connecticut	07-05-19
2007	Pennichuck Water Works, Inc.	New Hampshire	DW 04-048
2007	Aqua Indiana - Utility Center	Indiana	43331
2007	Environmental Disposal Corp.	New Jersey	WR 04 080760
2007	Aqua Florida Utilities, Inc.	Florida	07-0183
2007	Aqua Illinois, Inc. - Hawthorn Woods, Willowbrook & Vernilion	Illinois	07-0620/07-0621/08-0067
2008	Aqua Florida Utilities, Inc.	Florida	080121-WS
2008	Aquarion Water Company of MA	Massachusetts	D.P.U. 08-27
2008	Haig Point Utility Company, Inc.	South Carolina	2007-414-WS
2009	R.M.V. Land & C.M. Livestock, L.C.C.	New Jersey	EM02050313
2010	City of Griffin	Georgia	Civil Action No. 09V-2866
2010	Connecticut Water Company	Connecticut	09-12-11
2010	Montville WPCA	Connecticut	1400012464
2010	Millford Water Company	Massachusetts	DPU 10-78
2010	Arizona American Water Company	Arizona	W-01303A-10-0448
2011	Aqua Illinois	Illinois	ICC Docket (Consolidated)
2011	Artesian Water Company	Maryland	MPSC Case 9252
2011	Artesian Water Company	Delaware	PSC 11-207
2011	Klawah Island Utility, Inc.	South Carolina	2011-317-WS
2012	Washington Gas Light	Maryland	Senate SBS41
2012	Washington Gas Light	Maryland	House HB662
2012	Daufuskie Island Utility	South Carolina	2011-229-W/S

**Papers and Presentations**  
**By**  
**John F. Guastella**

Year	Title	Forum
1974 through 2012	1. Basics of Rate Setting 2. Cost Allocation and Rate Design 3. Revenue Requirements	Semi-annual seminars on utility rate regulation, National Association of Regulatory Utility Commissioners, sponsored by the University of South Florida, the University of Utah, Florida State University, The University of Florida and currently Michigan State University
1974	Rate Design Studies: A Regulatory Point-of-View	Annual convention of the National Association of Water Companies, New Haven, Connecticut
1976	Lifeline Rates	Annual convention of the National Association of Water Companies, Chattanooga, Tennessee
1977	Regulating Water Utilities: The Customers' Best Interest	Annual symposium of the New England Conference of Public Utilities Commissioners, Mystic Seaport, Connecticut
1978	Rate Design: Preaching v. Practice	Annual convention of the National Association of Water Companies, Baton Rouge, Louisiana
1979	Small Water Companies	Annual symposium of the New England Conference of Public Utilities Commissioners, Newport, Rhode Island
1979	Rate Making Problems Peculiar to Private Water and Sewer Companies	Special educational program sponsored by Independent Water and Sewer Companies of Texas, Austin, Texas
1980	Water Utility Regulation	Annual meeting of the National Association of Regulatory Utility Commissioners, Houston, Texas
1981	The Impact of Water Rates on Water Usage	Annual Pennsylvania Environmental Conference, Harrisburg, Pennsylvania
1981	A Realistic Approach to Regulating Water Utilities	Mid-America Regulatory Conference, Clarksville, Indiana
1982	Issues in Water Utility Regulation	Annual symposium of the New England Conference of Public Utilities Commissioners, Rockport, Maine
1982	New Approaches to the Regulation of Water Utilities	Southeastern Association of Regulatory Utility Commissioners, Asheville, North Carolina
1983	Allocating Costs and Revenues Fairly and Effectively	Maryland Water and Sewer Finance Conference, Westminster, Maryland
1983	Lifeline and Social Policy Pricing	Annual conference of the American Water Works Association, Las Vegas, Nevada (published)
1984	The Real Cost of Service: Some Special Considerations	Annual New Jersey Section AWWA Spring Meeting, Atlantic City, New Jersey
1987	Margin Reserve: It's Not the Issue	Florida Waterworks Association Newsletter, April/May/June 1987 issue
1987	A "Current" Issue: CIAC	NAWC - New England Chapter November 6, 1987 meeting
1988	Small Water Company Rate Setting: Take It or Leave It	NAWC - New York Chapter June 14, 1988 meeting
1989	The Solution to all the Problems of Good Small Water Companies	NAWC Quarterly magazine, Winter issue
1989	Current Issues Workshop - Panel	New England Conference of Public Utilities Commissioners, Kennebunkport, Maine
1991	Alternative Rate Structures	New Jersey Section 1991 Annual Conference, AWWA, Atlantic City, New Jersey
1994	Conservation Impact on Water Rates	New England NAWC and New England AWWA, Sturbridge, Massachusetts

**Papers and Presentations**  
**By**  
**John F. Guastella**

<b>Year</b>	<b>Title</b>	<b>Forum</b>
1996	Utility Regulation - 21st Century	NAWC Annual Meeting, Orlando, Florida
1997	Current Status Drinking Water State Revolving Fund	NAWC Annual Meeting, San Diego, California
1998	Small Water Companies - Problems and Solutions	NAWC Annual Meeting, Indianapolis, Indiana
1998	Basic Rate Regulation Seminar	New England Chapter - NAWC, Rockport, Maine
2000	Developer Related Water and Sewer Utilities Seminar	Florida State University, Orlando, Florida
2001	Developer Related Water and Sewer Utilities Seminar	Florida State University, Orlando, Florida
2002	Regulatory Cooperation - Small Company Education	New England Chapter - NAWC, Annual Meeting
2003	Developer Related Water and Sewer Utilities Seminar	University of Florida, Orlando, Florida
2004	Basic Regulation & Rate Setting Training Seminar	Office of Regulatory Staff, Columbia, South Carolina
2005	Municipal Water Rates	Nassua-Suffolk Water Commissioners Association, Franklin Square, New York
2005	Innovations in Rate Setting and Procedures	NAWC New York Chapter, West Point, New York
2006	Basics of Rate Setting	The Connecticut Water Company, Clinton, Connecticut
2006	Innovations in Rate Setting and Procedures	NAWC New York Chapter, Catskill, New York
2006	Best Practices as Regulatory Policy	NAWC New England Chapter, Ogunquit, Maine
2006	Rate and Valuation Seminar	NAWC New York Chapter
2006	Full Cost Pricing	U.S. Environmental Protection Agency Expert Workshop, Lansing, Michigan
2006	Innovations in Rate Setting	NAWC New England Chapter, Portsmouth, New Hampshire
2007	Weather Sensitive Customer Demands	NAWC Water Utility Executive Council, Half Moon Bay, California
2007	Basics of Rate Setting and Valuation Seminar	NAWC New England Chapter, Ogunquit, Maine
2007	Small Company Characteristics	National Drinking Water Symposium, La Jolla, California

**RELATED WORK EXPERIENCE**

Guastella Associates, LLC  
 (formerly John. F. Guastella Associates, Inc.)

**Appraisals/Valuations**

Year	State	Client	Purpose of Appraisal
1956	Maine	Kennebec Water District	Determination of original cost of water property
1957	Connecticut	Town of Greenwich	Fair market value of water system for ad valorem taxation
1957	Maine	Auburn Water District	Determination of original cost of water property
1957	Maine	Camden & Rockland Water Company	Determination of original cost of water property
1957	Rhode Island	Kendall Company	Fair market value of water system for income tax purposes
1958	Connecticut	Greenwich Water Systems, Inc.	Fair market value of subsidiary properties for sale of securities
1959	New Hampshire	City of Nashua	Fair market value of water system for ad valorem taxation
1961	New Hampshire	U.S. General Services Administration	Fair market value, sale of well water supplies
1963	Massachusetts	Boston Redevelopment Authority	R.C.N.L.D. of five special purpose properties
1963	Massachusetts	Salisbury Water Supply Company	Fair market value, sale of sewer system
1963	Massachusetts	Town of Pembroke	Fair market value of gas distribution system for ad
1964	Maine	Seal Cove Water Company	Fair market value, sale of water system
1964	Massachusetts	Boston Redevelopment Authority	R.C.N.L.D. of cold storage warehouses (T-Wharf)
1964	Massachusetts	Boston Redevelopment Authority	R.C.N.L.D. of cold storage warehouses (Sargent's Wharf)
1964	Massachusetts	Boston Redevelopment Authority	R.C.N.L.D. of underground brine distribution system
1964	New Hampshire	Colebrook Water Company	Fair market value, sale of water system
1966	Massachusetts	Boston Redevelopment Authority	Replacement value, fire-damaged hotels
1966	Massachusetts	Boston Redevelopment Authority	R.C.N.L.D. of electric substation
1966	Massachusetts	Boston Redevelopment Authority	R.C.N.L.D. of five special purpose properties (update)
1968	Connecticut	Silliman Supply Company	Severance damages, concrete batching plant
1968	New York	Village of Nyack	Fair market value, water system taking
1969	Maine	Corinna Water District	Valuation of water rights
1969	Pennsylvania	Bloomsburg Water Company	Fair value rate base (trended original cost)
1970	Canada	Camrose, Alberta	Depreciation, water system taking
1970	Connecticut	Stafford Printers, Inc.	Valuation of water rights
1970	Massachusetts	Town of Plymouth	Fair market value, purchase of water system
1971	New Hampshire	City of Portsmouth	Determination of original cost of water property
1972	Connecticut	American Water Works Company, Inc.	R.C.N.L.D. water system, stock case
1972	New York	Village of Nyack	Appraisal of damages, water rights
1974	Pennsylvania	Bloomsburg Water Company	Fair value rate base (trended original cost)
1976	Maine	Richmond Utilities District	Fair market value, purchase of water system
1977	Massachusetts	Town of Carlisle (Boston Edison)	Fair market value, electric distribution system for ad valorem taxation
1978	Massachusetts	Town of Carlisle (Boston Gas)	Fair market value, gas distribution system for ad valorem taxation
1979	Maine	Town of Eustis	Fair market value, purchase of water system
1979	Massachusetts	Ingersoll	Value of water rights in land condemnation
1980	New Hampshire	Hampton Water Works Company	Appraisal for purchase of 12- inch water main
1981	Texas	Gateway Water Supply Corporation	Fair market value, sale of
1982	Rhode Island	Bristol County Water Company	R.C.N.L.D. water system
1983	Massachusetts	Salisbury Water Supply Company	Fair market value of sanitary sewer system
1984	Massachusetts	West Warren Water District	Damages to water supply from highway runoff
1984	New York	City of New York, et. al.	Fair market values of gas, distribution system for franchise tax assessment
1984	New York	City of New York, et. al.	Fair market values of gas, distribution system for franchise tax assessment
1986	Massachusetts	Dedham Water Company	R.C.N.L.D. water system
1987	Massachusetts	City of Fall River	R.C.N.L.D. of surface supply
1987	New York	City of New York, et. al.	Fair market values of gas, distribution system for franchise tax assessment
1987	New York	City of New York, et. al.	Fair market values of gas, distribution system for franchise tax assessment
1987	New York	Town of Salisbury	Fair market value of water supply and trans. facilities for ad valorem taxation
1988	Massachusetts	High Wood Water Company	R.C.N.L.D. of water system
1988	Massachusetts	Milford Water Company	Fair market value of small water system
1989	Connecticut	Heritage Village Water Company	R.C.N.L.D. of water system
1989	Massachusetts	Massachusetts-American Water Co.	Fair market value of water system
1989	New York	Country Knolls Water Works, Inc.	Fair market value of water system
1990	Florida	General Development Utilities, Inc. - Port St. Lucie	Fair market value of water, sewer and gas properties
1990	Massachusetts	City of Fall River	Value of water rights
1990	Virginia	Virginia Suburban Water Company	Original cost of four small water systems
1991	Florida	General Development Utilities, Inc. - Port Malabar	Fair market value of water and sewer properties
1991	Florida	General Development Utilities, Inc. - Port St. Lucie	Fair market value of water, sewer and gas properties
1991	Florida	General Development Utilities, Inc. - West Coast	Fair market value of water and sewer properties
1991	Florida	Sanlando Utilities	Management and financing
1991	Indiana	Indiana-American Water Company	Fair value rate case (trended original cost)
1991	Massachusetts	Pond Properties, Inc.	R.C.N.L.D. of water of small water company
1991	New York	City of New Rochelle	Fair market value of electrical substation
1991	New York	Hyde Park Water Company	Fair market value of water system
1992	Florida	General Development Utilities, Inc. - Port Malabar	Fair market value of water and sewer properties
1992	Florida	General Development Utilities, Inc. - West Coast	Fair market value of water and sewer properties
1992	Florida	Hobe Sound Water Co.	Fair market value of water system
1992	New York	Saratoga Water Company	Fair market value of water system
1993	Connecticut	Avon Water Company	Stock appraisal
1993	Connecticut	Plainville Water Company	Stock appraisal



**Guastella Associates, LLC**  
*(formerly John. F. Guastella Associates, Inc.)*  
**Appraisals/Valuations**

Year	State	Client	Purpose of Appraisal
1993	Connecticut	Unionville Water Company	Stock appraisal
1994	Connecticut	Hazardville Water Company	Stock appraisal
1994	Connecticut	Jewett City Water Company	Stock appraisal
1994	Massachusetts	Plymouth Water Company	Market value for financing
1994	New York	Hudson View Water Company	Fair market value of water and sewer systems
1994	New York	Merriewold Water Company	Fair market value of water system
1994	New York	Staatsburg Water Company	Fair market value of water system
1995	Massachusetts	T. E. Edwards	Value of Water Rights (Land Taken by Eminent Domain)
1995	New Jersey	Township of Allamuchy	Market Value of Water and Sewer Systems
1995	New York	Heritage Hills Sewer Company	Market value for financing
1995	New York	Heritage Hills Water Company	Market value for financing
1996	New Jersey	East Orange Water Commission	Market value and investor- owned valuation
1997	Massachusetts	H. Ash	Value of Water Rights (Land Taken by Eminent Domain)
1998	Florida	Hobe Sound Water Company	Value for Sale Negotiations
1998	New Jersey	Environmental Disposal Corp.	Value for Financing
1999	Florida	Spruce Creek Utilities, Inc.	Value for sale negotiation
1999	Illinois	CIWC - Bradley Water System	Original Cost Study
1999	Illinois	CIWC - Village of Montgomery WS	Original Cost Study
1999	Maryland	Utilities Inc. of Maryland	Fair market value for condemnation
1999	New York	Village of Freeport	Value for Payment in Lieu of Taxes
2000	Florida	United Water Florida	Asset System Valuation for Continuing Property Records
2000	Illinois	CIWC - Aroma Park Water System	Original Cost Study
2000	New Jersey	Middlesex Water Company	Acquisition appraisal
2000	New Jersey	New Jersey American Water Co.	Acquisition appraisal
2000	New York	South County Water Corp.	Sale Negotiation
2000	New York	Village of Freeport	Valuation for Tax Purposes
2001	Illinois	Citizens Utilities Company	Original Cost Study
2001	Illinois	CIWC - Village of Herscher Sewer	Original Cost Study
2001	Illinois	CIWC - Village of Herscher Water	Original Cost Study
2001	Illinois	CIWC - Village of St. Anne	Original Cost Study
2001	Illinois	CIWC - Village Woods Sewer	Original Cost Study
2001	Illinois	CIWC - Village Woods Water	Original Cost Study
2001	New Jersey	Environmental Disposal Corp.	Sale Negotiation
2002	Illinois	CIWC- Grant Park	Original Cost Study
2002	Illinois	CIWC- Indianola	Original Cost Study
2002	New York	People's Bank (Independent Water/Sewer COS)	Financing
2003	Illinois	CIWC - University Park	Partial Appraisal
2003	Indiana	Utilities Center	Acquisition Appraisal
2003	New Mexico	Utilities, Inc. - El Dorado Utilities, Inc.	Condemnation Proceeding
2003	New York	Dutchess County Water & Wastewater Authority	Acquisition Appraisal
2003	New York	Reagans Mill Sewer Co.	Acquisition Appraisal
2003	New York	Reagans Mill Water Co.	Acquisition Appraisal
2004	Ohio	COWC - City of Geneva	Acquisition Appraisal
2005	Illinois	Aqua Illinois - Mantero	Original Cost Study
2005	New Jersey	New Jersey American - Tri-County	Acquisition Appraisal
2005	New Jersey	NJ American Water Company	Valuation
2006	Maryland	Braddock Water Company	Acquisition Appraisal
2006	Indiana	Utility Center	RCNLD
2007	Maryland	Braddock Water Company	Condemnation Proceeding
2007	New Hampshire	Pennichuck Water	Valuation
2008	New York	Mt. Ebo Water Works, Inc.	RCNLD
2008	South Carolina	Haig Point Utility Company, Inc.	Acquisition Appraisal
2008	Indiana	Utility Center	Fair Value
2009	New Jersey	Town of East Fishkill	Acquisition Appraisal
2009	New Jersey	R.W.V Land & C.M. Livestock, LLC	Valuation
2009	Florida	Rolling Oaks Utilities, Inc.	Valuation
2009	Massachusetts	Aquarion of Massachusetts	Valuation
2009	Massachusetts	Steamship Authority	Valuation
2009	New York	Sagamor Sewer Corp.	Tax Valuation
2010	New York	Town of East Fishkill	Valuation
2011	New York	Rand Water Company	Appraisal
2011	South Carolina	KHL Holding Company, Inc.	Appraisal
2011	Illinois	Aqua Illinois - Tri-Star	Valuation
2011	South Carolina	Kiawah Island Utility	Appraisal
2011	Massachusetts	Milford Water Company	Appraisal & Valuation

**Guastella Associates, LLC**  
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**Water Rate Studies**

Year	State	Client
1979	Connecticut	Alleghany-Ludlum Corporation (Wallingsford, CT)
1979	Connecticut	Connecticut Water Company
1979	Egypt	Metcalf & Eddy (Ismalia, Egypt)
1979	Massachusetts	Edgartown Water Company
1979	Massachusetts	Milford Water Company
1979	Minnesota	Anheuser-Busch, Inc. (Moorehead, MI)
1979	New York	New York Water Service Corporation
1979	Wisconsin	Anheuser-Busch, Inc. (Manitowoc, WI)
1980	Arkansas	General Waterworks - Pine Bluffs
1980	Connecticut	Bridgeport Hydraulic Company
1980	Connecticut	Connecticut Water Company
1980	Connecticut	Connecticut-American Water Company
1980	Connecticut	Plainville Water Company
1980	Illinois	Candlewick Lake Utilities, Inc.
1980	Illinois	Woodhaven Utilities, Inc.
1980	Massachusetts	Barnstable Water Company
1980	Massachusetts	Dedham Water Company
1980	Massachusetts	Massachusetts-American Water Company-Grafton District
1980	Massachusetts	Oxford Water Company
1980	Massachusetts	Wannacomet Water Company
1980	New York	Westchester County
1981	Connecticut	Connecticut-American Water Company
1981	Massachusetts	Edgartown Water Company
1981	Massachusetts	Milford Water Company
1981	New York	New York Water Service Corporation
1981	Pennsylvania	Hershey Water Company
1981	Pennsylvania	Keystone Water Company
1981	Rhode Island	Bristol County Water Company
1982	Connecticut	Avon Water Company
1982	Massachusetts	Dedham Water Company
1982	Massachusetts	Hingham Water Company
1982	Massachusetts	Massachusetts-American Water Company
1982	Massachusetts	Oxford Water Company
1982	Massachusetts	Salisbury Water Supply Company
1982	Massachusetts	Wannacomet Water Company
1982	Pennsylvania	Keystone Water Company
1982	Pennsylvania	Riverton Consolidated Water Company
1982	Virginia	Anheuser-Busch, Inc. (Newport News, VA)
1983	Connecticut	Bridgeport Hydraulic Company
1983	Connecticut	Connecticut-American Water Company
1983	Connecticut	Plainville Water Company
1983	Delaware	Artesian Water Company
1983	Delaware	Wilmington Suburban Water Corporation
1983	Massachusetts	High Wood Water Company
1983	Massachusetts	Whitinsville Water Company
1983	New York	New York Water Service Corporation
1983	Pennsylvania	Keystone Water Company
1984	Connecticut	Connecticut-Americana Water Company
1984	Connecticut	Stamford Water Company
1984	Massachusetts	Duxbury Water Department
1984	Massachusetts	Milford Water Company
1984	Massachusetts	West Warren Water District
1984	New Hampshire	Anheuser-Busch, Inc.
1984	Pennsylvania	Keystone Water Company
1985	Connecticut	Avon Water Company
1985	Connecticut	Bridgeport Hydraulic Company
1985	Connecticut	Connecticut Water Company
1985	Connecticut	Connecticut-American Water Company
1985	Connecticut	Stamford Water Company
1985	Massachusetts	Dedham Water Company
1985	Massachusetts	Duxbury Water Department
1985	Massachusetts	Massachusetts-American Water Company
1985	Massachusetts	Oxford Water Company

**Guastella Associates, LLC**  
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**Water Rate Studies**

Year	State	Client
1985	Massachusetts	Salisbury Water Supply Company
1985	Pennsylvania	Keystone Water Company
1986	California	Anheuser-Busch, Inc. (Fairfield, CA)
1986	Connecticut	Connecticut Water Company
1986	Connecticut	Connecticut-American Water Company
1986	Connecticut	Plainville Water Company
1986	Massachusetts	Dover Water Company
1986	Massachusetts	Town of Agawam
1986	New York	New York Water Service Corporation
1986	Pennsylvania	Keystone Water Company
1987	Connecticut	Connecticut-American Water Company
1987	New Hampshire	Hampton Water Works Company
1987	New York	New York Water Service Corporation
1987	Pennsylvania	City of Philadelphia Water Department
1988	Connecticut	Bridgeport Hydraulic Company
1988	Connecticut	Connecticut-American Water Company
1988	Massachusetts	Glacial Lake Charles Aquifer Water Company
1988	Massachusetts	Hingham Water Company
1988	Massachusetts	Massachusetts-American Water Company
1988	Massachusetts	Oxford Water Company
1988	New Hampshire	Hampton Water Works Company
1988	New Jersey	New Jersey-American Water Company
1988	New Jersey	Toms River Water Company
1988	New York	New York Water Service Corporation
1989	Connecticut	Bridgeport Hydraulic Company
1989	Connecticut	South Central Connecticut Regional Water Authority
1989	Connecticut	Torrington Water Company
1989	Florida	Palm Coast Utilities Corp.
1989	Indiana	Indiana-American Water Company
1989	Massachusetts	Dover Water Company
1989	Massachusetts	High Wood Water Company
1989	Massachusetts	Pond Properties, Inc.
1989	Massachusetts	Southbridge Water Supply Company
1989	Massachusetts	Town of Duxbury
1989	Massachusetts	Wannacomet Water Company
1989	Massachusetts	Whitinsville Water Company
1989	Nevada	Carson City
1989	New York	Heritage Hills Water & Sewer Co.
1989	North Dakota	Grand Forks
1990	Connecticut	Avon Water Company
1990	Connecticut	Connecticut-American Water Company
1990	Connecticut	New Milford Water Company
1990	Connecticut	The Connecticut Water Company
1990	Delaware	Wilmington Suburban Water Company
1990	Massachusetts	Barnstable Water Company
1990	Massachusetts	Dover Water Company
1990	Massachusetts	Edgartown Water Company
1990	Massachusetts	High Wood Water Company
1990	Massachusetts	Massachusetts-American Water Company
1990	Massachusetts	Pond Properties, Inc.
1990	New Jersey	City of Trenton
1990	New York	Country Knolls Water Works, Inc.
1990	New York	New York Water Service Corporation
1991	California	Anheuser-Busch, Inc. (Fairfield Co.)
1991	Connecticut	Unionville Water Company
1991	Massachusetts	Barnstable Water Company
1991	Massachusetts	Milford Water Company
1991	Massachusetts	Salisbury Water Supply Company
1991	Massachusetts	Town of Middleton
1991	New Hampshire	Hampton Water Works
1991	New Jersey	Toms River Water Company
1991	New Mexico	Rio Rancho Utilities Corp.
1992	Connecticut	Connecticut-American Water Company

**Guastella Associates, LLC**  
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**Water Rate Studies**

Year	State	Client
1992	Connecticut	New Milford Water Company
1992	Indiana	Indiana-American Water Company
1992	Massachusetts	Andrews Farm Water Company
1992	Massachusetts	Plymouth Water Company
1992	Massachusetts	Town of Duxbury
1992	New Jersey	Elizabethtown Water Company
1992	New Jersey	Environmental Disposal Corp.
1992	New York	Westchester County Water Authority
1992	Pennsylvania	Mechanicsburg Water Company
1993	Connecticut	Borough of Danielson
1993	Connecticut	Connecticut-American Water Company
1993	Florida	Southern States Utilities Corp.
1993	Indiana	Hoosier Water Company
1993	Indiana	West Lafayette Water Co.
1993	Maine	Towns Intervening in Portland Water District Rate Case
1993	Massachusetts	Adams Fire District
1993	Massachusetts	Barnstable Water Company
1993	New Hampshire	Anheuser-Busch, Inc. (Merrimack)
1993	New Mexico	Rio Rancho Utilities Corp.
1993	Pennsylvania	Dauphin Consolidated Water Supply Company
1993	Rhode Island	Hoechst Celanese Corporation Intervening in Kent County Water Authority Rate Case
1994	Connecticut	Bridgeport Hydraulic Company
1994	Connecticut	Stamford Water Company
1994	Delaware	Wilmington Suburban Water Company
1994	Maine	FMC Corp. Intervening in Camden & Rockland Water Co. Rate Case
1994	Missouri	Capital City Water Company
1994	New York	New York American Water Company
1994	Pennsylvania	General Waterworks of Pennsylvania
1995	Connecticut	Connecticut-American Water Company
1995	Illinois	Consumer Illinois Water Company
1995	Massachusetts	Massachusetts-American Water Company
1995	Massachusetts	South Egremont Water Company
1996	Connecticut	Connecticut-American Water Company
1996	Connecticut	Torrington Water Company
1996	Florida	Hobe Sound Water Company
1996	Indiana	Indiana-American Water Company
1996	Massachusetts	South Egremont Water Company
1996	Massachusetts	Whitinsville Water Company
1996	Missouri	Missouri-American Water Company
1996	New York	Crestwood Village Water Company
1996	New York	South County Water Company
1997	Connecticut	Avon Water Company
1997	Florida	Florida Water Service
1997	Florida	United Water Florida
1997	Illinois	Consumers Illinois Water Company
1997	Massachusetts	Barnstable Water Company
1997	New York	Heritage Hills Water Works Corporation
1998	Florida	Sanlando Utilities
1998	Florida	United Water Florida
1998	Massachusetts	Town of Brewster
1998	Massachusetts	Town of Duxbury
1998	New York	Incorporated Village of Freeport
1999	Illinois	Consumers Illinois Water Company
1999	Indiana	Indiana-American Water Company
1999	New Jersey	Town of Southeast
1999	New Jersey	Township of East Brunswick
1999	New York	Red Mills Water Company
2000	Delaware	Artesian Water Company
2000	Florida	Placid Lakes Utilities, Inc.
2000	Florida	Southlake Utilities, Inc.
2000	Florida	United Water Florida
2001	Florida	Placid Lakes Utilities, Inc.
2001	Illinois	Citizens Utilities Company

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**Water Rate Studies**

Year	State	Client
2001	New Jersey	Elizabethtown Water Company
2001	New Jersey	Pulte Home Corp.
2001	South Carolina	Kiawah Island Utilities, Inc.
2002	Alaska	Golden Heart Utilities, Inc.
2002	California	Valencia Water Company
2002	Delaware	Artesian Water Company
2002	New York	Heritage Hills Water Works Corp.
2002	New York	Independent Water Works, Inc.
2003	Florida	Ave Maria Utilities
2003	Georgia	Utilities, Inc. - Georgia
2003	New Jersey	Elizabethtown Water Company
2003	New York	Heritage Hills Water Works Corporation
2003	New York	Reagans Mill Water Company
2003	New York	Somerdell Water Company
2004	Connecticut	Aquarion Water Company
2004	Delaware	Artesian Water Company
2004	Florida	Florida Intercoastal Utilities, Inc.
2004	Nevada	Sun Valley GID - TMWA
2004	New Jersey	Jersey City Municipal Utilities Authority
2005	Connecticut	South Central Connecticut Regional Water Authority
2005	Connecticut	Connecticut Water Company
2005	Florida	Intercoastal Utilities, Inc.
2005	Florida	Aqua Utilities, Inc. - Florida
2005	New Hampshire	Aquarion Water Company
2005	New Hampshire	Pennichuck Water Company
2005	New York	ABD Development Corp.
2005	South Carolina	Haig Point Utilities, Inc.
2006	Connecticut	Groton Utilities
2006	New York	Village of Williston Park
2006	Connecticut	Connecticut Water Company
2006	New Hampshire	Pennichuck Water Company, Inc.
2006	Florida	Aqua Utilities, Inc.
2006	Delaware	Artesian Water Company
2006	Connecticut	Birmingham Water Utilities
2007	New York	Glenwood Water District
2007	Connecticut	Aquarion Water Company - CT
2008	New York	United Water Company - South County
2008	St. Kitts Island	Christophe Harbour Utility Company
2008	Massachusetts	Aquarion Water Company - MA
2008	Connecticut	Heritage Village
2009	Delaware	Artesian Water Company
2009	Florida	Placid Lakes Utilities, Inc.
2009	Florida	Southlake Utilities, Inc.
2009	New York	United Water Company - Westchester
2009	Connecticut	Connecticut Water Company
2009	New Jersey	Township of East Brunswick
2009	New Jersey	Marlboro Township MUA
2009	New Jersey	Old Bridge Municipal Utilities Authority
2010	New York	Independent Water Works, Inc.
2010	Massachusetts	Milford Water Company
2010	Pennsylvania	Treasure Lake Water Division
2011	Delaware	Artesian Water Company
2011	Maryland	Artesian Water Company - Mountain Hill
2011	South Carolina	Daufuskie Island Utility Company

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## Wholesale Water Rate Studies

Year	State	Client
1966	Connecticut	Noroton Water Company
1967	New York	Port Chester Water Works, Inc.
1969	Connecticut	Greenwich Water Company
1969	New Hampshire	Rye Water District
1970	New York	Port Chester Water Works, Inc.
1971	New York	Westchester County
1973	Connecticut	Greenwich Water Company
1974	New York	Port Chester Water Works, Inc.
1975	Connecticut	Rockville Water & Aqueduct Company
1977	New York	Port Chester Water Works, Inc.
1978	Connecticut	Connecticut-American Water Company
1978	Massachusetts	Town of East Longmeadow
1979	Connecticut	Connecticut-American Water Company
1980	New York	Westchester County
1981	Connecticut	Connecticut-American Water Company
1983	Connecticut	Bridgeport Hydraulic Company
1983	Connecticut	South Central Connecticut Regional Water Authority
1983	Delaware	Artesian Water Company
1984	Connecticut	Connecticut-American Water Company
1984	Connecticut	Stamford Water Company
1985	Connecticut	Connecticut-American Water Company
1985	Connecticut	Bridgeport Hydraulic Company
1986	Connecticut	Connecticut-American Water Company
1986	Massachusetts	Town of Agawam
1987	Connecticut	Connecticut-American Water Company
1987	Pennsylvania	City of Philadelphia
1988	New Jersey	New Jersey-American Water Company
1988	Connecticut	Connecticut-American Water Company
1989	Connecticut	Bridgeport Hydraulic Company
1990	Connecticut	Connecticut-American Water Company
1990	Delaware	Wilmington Suburban Water Corporation
1992	Connecticut	Connecticut-American Water Company
1992	New York	Westchester County (purchases from New York City)
1993	Massachusetts	Adams Fire District
1993	Connecticut	Connecticut-American Water Company
1994	Connecticut	Bridgeport Hydraulic Company
1994	Connecticut	Stamford Water Company
1994	New York	New York American Water Company
1995	Connecticut	Connecticut-American Water Company
1995	Illinois	Consumers Illinois Water Company
1996	Connecticut	Connecticut-American Water Company
1996	Indiana	Indiana-American Water Company
1996	Missouri	Missouri-American Water Company
1997	New York	New York-American Water Company
1997	Illinois	Consumers Illinois Water Company
1997	Connecticut	Water Pollution Control Authority of New Haven
1998	New Jersey	Livingston Township
2000	New Jersey	East Brunswick Township
2000	Delaware	Artesian Water Company

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## **Wholesale Water Rate Studies**

<b>Year</b>	<b>State</b>	<b>Client</b>
2001	New Jersey	Elizabethtown Water Company
2001	South Carolina	Kiawah Island Utilities, Inc.
2002	Delaware	Artesian Water Company
2003	New Jersey	Elizabethtown Water Company
2004	Delaware	Artesian Water Company
2004	Nevada	Sun Valley GID - TMWA
2005	Connecticut	South Central Connecticut Regional Water Authority
2005	Connecticut	Groton Utilities
2005	New York	Stratford Farms Sewer Corporation
2006	Connecticut	Connecticut Water Company
2006	New York	Village of Williston Park
2007	New Jersey	Jersey City Municipal Utilities Authority
2007	Connecticut	Aquarion Water Company - CT
2008	Massachusetts	Aquarion Water Company - MA
2009	Connecticut	Connecticut Water Company
2011	Delaware	Artesian Water Company

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**Wastewater Rate Studies**

Year	State	Client
1979	New Jersey	South Brunswick
1979	New York	Salem Hills Sewage Disposal Corp.
1980	Massachusetts	Town of Marshfield
1980	New York	Sterling Forest Pollution Control Corporation
1980	Ohio	Anheuser-Busch, Inc. (Columbus, Ohio)
1981	Massachusetts	Town of Franklin
1981	Massachusetts	Town of Westwood
1981	Ohio	Anheuser-Busch, Inc. (Columbus, Ohio)
1982	Massachusetts	Town of Arlington
1982	New York	Sterling Forest Pollution Control Corporation
1983	Massachusetts	Town of Westwood
1983	Massachusetts	Town of Winchester
1985	Massachusetts	Town of Hingham
1987	Massachusetts	Town of Hingham
1987	New York	Industrial Complex (Niagara Falls, NY)
1989	Florida	General Development Utilities - Port Malabar
1989	Florida	General Development Utilities - West Coast
1989	Florida	Palm Coast Utility Corp.
1989	Nevada	Carson City
1989	North Dakota	City of Grand Forks
1990	Connecticut	Heritage Hills Sewage Works Corp.
1990	Florida	Sanlando Utilities Corporation
1990	New York	Sterling Forest Pollution Control Corporation
1992	New Mexico	Rio Rancho Utilities Corp.
1994	New Jersey	Environmental Disposal Corp.
1995	Connecticut	Ellington Water Pollution Control Authority
1995	Illinois	Consumer Illinois Water Co., University Park Sewer District
1995	Massachusetts	Webster Sewer Department
1996	Connecticut	New Haven Water Pollution Control Authority
1996	Florida	United Water Florida
1996	Indiana	Indiana American Water Co. - Muncie Sewer Division
1996	New York	Heritage Hills Sewage Works Corporation
1997	Florida	Sanlando Utilities Corporation
1998	Florida	United Water Florida
1998	Massachusetts	Town of Brewster
1998	Massachusetts	Town of Duxbury
1998	Massachusetts	Webster Sewer Department
1998	New Jersey	Environmental Disposal Corporation
1998	New Jersey	Rolling Hills Condominium Owners Association
1998	New York	Heritage Hills Sewage Works Corporation
1999	New Jersey	Township of West Caldwell
2000	Florida	Southlake Utilities, Inc.
2001	Indiana	South Haven Sewer Works, Inc.
2002	New York	Independent Sewer Works, Inc.
2003	Florida	Ave Maria Utilities
2003	Florida	Sanibel Bayous Utility Corp.
2003	New York	Heritage Hills Sewage Works Corp.
2003	New York	Reagans Mill Sewer Company
2004	New Jersey	Environmental Disposal Corp.
2004	New York	Heritage Hills Water Works Corporation
2004	New York	Reagans Mill Sewer Company, Inc.
2005	South Carolina	Haig Point Utilities, Inc.
2005	New York	Stafford Farms
2005	Florida	Aqua Utilities, Inc.
2008	St. Kitts Island	Christophe Harbour Utility Company
2008	New York	National Green Sewage Works Co. Inc.
2009	Florida	Southlake Utilities, Inc.



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**Wastewater Rate Studies**

<u>Year</u>	<u>State</u>	<u>Client</u>
2010	New York	Independent Sewer Works, Inc.
2010	Connecticut	Montville
2010	Pennsylvania	Treasure Lake Wastewater Division
2011	South Carolina	Kiawah Island Utility Company, Inc.
2011	South Carolina	Daufuskie Island Utility Company, Inc.

Guastella Associates, LLC - Work Experience

**Depreciation Studies**

In connection with either the establishment of Average Service Lives, Depreciation Reserve Requirements,  
 or Depreciation Rates and use of Survivor Curves

Year	State	Client	Remarks
1980	New Hampshire	Hampton Water Works	Purchase of water main
1981	Delaware	Wilmington Suburban Water Corp.	Rate case and Iowa survivor curves
1981	Texas	Gateway Water Supply	Rate case and sale of water and sewer systems
1982	Rhode Island	Bristol County Water Company	Sale of water system
1983	Maine	Northern Utilities, Inc.	Management study and Iowa survivor curves
1983	Massachusetts	Salisbury Water Supply Co.	Donation of a small water system
1984	New York	City of New York	Brooklyn Union Gas Co. (distribution system)
1985	New York	City of New York, et al.	Consolidated Edison Co. (electric, gas and steam distribution systems)
1986	New York	City of New York	Brooklyn Union Gas Co. (distribution system)
1986	New York	City of New York, et al.	Consolidated Edison Co. (electric, gas and steam distribution systems)
1986	New York	Long Island Water Corp.	Rate case
1987	New Jersey	Filiberto Sanitation, Inc.	Valuation for sale
1987	New York	Crescent Estates Water Co.	Valuation for sale
1989	New York	Country Knolls Water Works	Valuation for sale
1990	Florida	GDU - Northport Division	Arbitration for acquisition
1990	Florida	GDU - Port Malabar Division	Arbitration for acquisition
1991	Florida	GDU - Port Charlotte Division	Condemnation trial
1991	Florida	GDU - Port St. Lucie Division	Condemnation trial
1991	Florida	Sanlando Utilities Corp.	Appraisal and financial valuation
1991	New Jersey	Elizabethtown Water Company	Rate case
1994	Delaware	Artesian Water Company	Rate case
1994	New Jersey	Elizabethtown Water Company	Rate case
1995	Illinois	CIWC - Kankakee	Rate case
1997	Delaware	Artesian Water Company	Rate case
1998	Illinois	CIWC - Candlewick Lake Utilities	Rate case
2000	Illinois	CIWC - Kankakee District	Rate Case
2001	Illinois	CIWC - Woodhaven District	Rate Case
2002	Illinois	CIWC - Vermilion District	Rate Case
2004	Delaware	Artesian Water Company	Rate Case
2006	Illinois	Aqua Illinois	Rate Case
2007	New Hampshire	Pennichuck Water Works, Inc.	Rate Case
2008	Illinois	Aqua Illinois	Rate Case
2010	Arizona	Arizona American	Rate Case
2010	Pennsylvania	Treasure Lake Water & Wastewater	Rate Case
2011	Delaware	Artesian Water Company	Rate Case
2011	Illinois	Aqua Illinois	Rate Case

**GUASTELLA ASSOCIATES, LLC**

**SCHEDULE OF FEES AND CHARGES**

2012

The following hourly rates include all items of overhead and profit and no additional charges for services of the members of our regular staff will be made, other than the actual disbursements for items such as travel expense, printing, and other out-of-pocket expenses:

**FOR THE SERVICES OF:                      HOURLY CHARGES**

Principal I	\$335
Associate	270
Director - Engineering	220
Director - Financial/Accounting	220
Rate Analyst	160
Technician	140
Administrative	50

Billing for services will be rendered monthly, and terms are net payable within 30 days. Any amounts remaining unpaid in excess of 30 days may be subject to a carrying charge of 1% applicable to the ending monthly balance, at the discretion of Guastella and after notice to the client. Guastella shall not be precluded from reimbursement of legal fees in the event of a successful effort to obtain payment for services rendered by means of litigation.