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Speaker of the House of Representatives

J.R. Kelly
Public Counsel

February 14, 2014

RECEIVED-FPSC
13 FEB 18 AM 10:11
COMMISSION
CLERK

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

Re: Document Number, 00529-13, in Docket No. 110200-WU – In re: Application for increase in water rates in Franklin County by Water Management Services, Inc.

Dear Ms. Cole,

In reviewing the WMSI hearing exhibits contained in DN 00529-13, it appears that one of the pages is not easily readable. OPC brought that to Staff's attention and Staff asked OPC to provide a legible copy of that page. (For reference, the unreadable page is enclosed and identified with the Bates stamp page (BSP) "110200 Hearing Exhibits – 00469". The page is located on or near PDF page no. 1656 of the online document. The header is not readable, but should read "Water Management Services, Inc. Late Filed Exhibit in response to Staff Interrogatory 86".) Per Staff's request, OPC is providing a replacement page as part of this letter.

The replacement page header is entitled, "Water Management Services, Inc. Late Filed Exhibit in response to Staff Interrogatory 86". OPC obtained the replacement page from Company's original filing with the Commission's website at: <http://www.psc.state.fl.us/library/FILINGS/10/08775-10/08775-10.pdf>. The replacement page in question is page 7 of the filing and is identified with the header, "Water Management Services, Inc. Late Filed Exhibit in response to Staff Interrogatory 86".

The page needing replacement is nearly unreadable because the page has been copied and scanned numerous times by WMSI, OPC, and Staff. OPC received a copy of the original as part of a seven page filing from WMSI on October 20, 2010 in the last rate case. OPC used its copy of page 7 in response to WMSI's discovery in this docket. OPC then copied, scanned, bates stamped page 7 as BSP "OPC00002.1", and provided it to WMSI as well as a courtesy copy to Staff. OPC was not aware that the quality of the copy provided had become degraded. Staff then copied, scanned, bates stamped page 7 as

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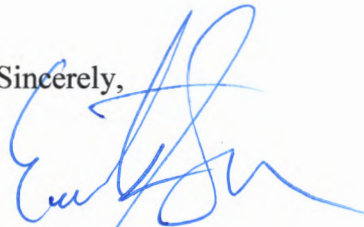
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February 14, 2013
Page 2

BSP "110200 Hearing Exhibits – 00469" and made it part of Staff Exhibit 73. Unfortunately, in each successive step, the readability of page 7 diminished. OPC asserts that the page identified as BSP "OPC000021" in OPC's response to WMSI's discovery in this docket is a copy of page 7 from WMSI's filing in the last rate case which was subsequently identified as BSP "110200 – Hearing Exhibits – 00469". The enclosed copy of the original page 7 is the replacement page for the document identified as BSP "110200 Hearing Exhibits – 00469", in Hearing Exhibit 73 in DN 00529-13.

Please contact the undersigned with any questions.

Sincerely,



Erik L. Sayler
Associate Public Counsel

Enclosures: BSP "110200 Hearing Exhibits – 00469" and
Replacement page discussed herein

cc: Staff (Barrera / Brown) w/ enclosures
WMSI (Friedman / Brown) w/ enclosures

Water Management Services Inc.
 Last Year's Balance represents
 last year's ending balance

Year: Year Sold - Present Balance

SALE OF WATER MANAGEMENT SERVICES INC. BUILDINGS & LAND ASSETS

DATE	DESCRIPTION	ORIGINAL COST	ACCUM. DEPRN.	BOOK VALUE	COMMODIFICATION COSTS	SALE PRICE	GAIN OR LOSS
04/20/99	2000 sq ft Office Bldg including fence	77,721.79	20,246.97	57,474.82	1,000.00	77,721.79	20,246.97
07/20/99	Water Meter 150 GPM (2nd)	77,124.22	-	77,124.22	20,000.00	20,000.00	57,124.22
08/20/99	Storage Tank (1st)	6,741.00	-	6,741.00	20,000.00	20,000.00	13,259.00
11/20/99	Water Meter 150 GPM (2nd)	20,127.49	-	20,127.49	20,000.00	20,000.00	12,127.49
Retired, Building & Land Assets		217,714.50	20,246.97	197,467.53	2,200.00	217,721.79	22,638.75

SALE OF WATER MANAGEMENT SERVICES INC. VEHICLES & EQUIPMENT ASSETS

DATE	DESCRIPTION	ORIGINAL COST	ACCUM. DEPRN.	BOOK VALUE	COMMODIFICATION COSTS	SALE PRICE	GAIN OR LOSS
06/20/99	2000 Ford Truck	20,000.00	2,000.00	18,000.00	2,000.00	20,000.00	-
08/20/99	2000 Ford Truck	20,000.00	2,000.00	18,000.00	2,000.00	20,000.00	-
10/20/99	2000 Ford Truck	20,000.00	2,000.00	18,000.00	2,000.00	20,000.00	-
12/20/99	2000 Ford Truck	20,000.00	2,000.00	18,000.00	2,000.00	20,000.00	-
01/20/00	2000 Ford Truck	20,000.00	2,000.00	18,000.00	2,000.00	20,000.00	-
02/20/00	2000 Ford Truck	20,000.00	2,000.00	18,000.00	2,000.00	20,000.00	-
03/20/00	2000 Ford Truck	20,000.00	2,000.00	18,000.00	2,000.00	20,000.00	-
04/20/00	2000 Ford Truck	20,000.00	2,000.00	18,000.00	2,000.00	20,000.00	-
05/20/00	2000 Ford Truck	20,000.00	2,000.00	18,000.00	2,000.00	20,000.00	-
06/20/00	2000 Ford Truck	20,000.00	2,000.00	18,000.00	2,000.00	20,000.00	-
07/20/00	2000 Ford Truck	20,000.00	2,000.00	18,000.00	2,000.00	20,000.00	-
08/20/00	2000 Ford Truck	20,000.00	2,000.00	18,000.00	2,000.00	20,000.00	-
09/20/00	2000 Ford Truck	20,000.00	2,000.00	18,000.00	2,000.00	20,000.00	-
10/20/00	2000 Ford Truck	20,000.00	2,000.00	18,000.00	2,000.00	20,000.00	-
11/20/00	2000 Ford Truck	20,000.00	2,000.00	18,000.00	2,000.00	20,000.00	-
12/20/00	2000 Ford Truck	20,000.00	2,000.00	18,000.00	2,000.00	20,000.00	-
Retired, Building & Vehicle & Equipment Assets		200,000.00	20,000.00	180,000.00	20,000.00	200,000.00	-

Available for Sale (Last) on July 31, 2000 2,000.00

NOTE: These assets are being sold at a loss. The loss is being recognized in the year of sale. The assets are being sold at a price less than their book value. The loss is being recognized in the year of sale. The assets are being sold at a price less than their book value. The loss is being recognized in the year of sale.

SALE OF WATER MANAGEMENT SERVICES INC. BUILDINGS & LAND ASSETS

DATE	DESCRIPTION	ORIGINAL COST	ACCUM. DEPRN.	BOOK VALUE	CONSIDERATION GIVEN OR REC'D S.P. Expenses	SALE PRICE	GAIN OR LOSS
3/1/2005	Killeam Ct Office Bldg including FF&E	179,321.79	58,105.97	121,215.82	159,500.00 17,086.50	159,500.00	21,197.68
7/1/2006	Units 1&2 139 Gulf Beach Dr.(Apartments)	170,134.12	-	170,134.12	200,000.00 -	200,000.00	29,865.88
12/29/2006	Eastpoint Land, a portion of Lot 7 Bl 1	6,761.58	-	6,761.58	100,000.00 735.50	100,000.00	92,502.92
11/1/2007	Lots 5&6 Common- wealth Office Park	261,677.49	-	261,677.49	480,000.00 4,443.12	480,000.00	213,879.39
Subtotal, Building & Land Assets		\$ 617,894.98	\$ 58,105.97	\$ 559,789.01	\$ 939,500.00 \$ 22,265.12	\$ 939,500.00	\$ 357,445.87

SALE OF WATER MANGEMENT SERVICES INC. VEHICLES & EASEMENT ASSETS

DATE	DESCRIPTION	ORIGINAL COST	ACCUM. DEPRN.	BOOK VALUE	CONSIDERATION GIVEN OR REC'D S.P. Expenses	SALE PRICE	GAIN OR LOSS
1/19/1999	Ford Truck	20,000.00	3,611.14	16,388.86	16,388.86	16,388.86	-
12/31/1999	Tahoe	32,953.77	12,529.44	20,424.33	20,424.33	20,424.33	-
1/31/2001	Ford Truck	30,530.61	5,512.52	25,018.09	25,018.09	25,018.09	-
11/18/2003	Backhoe	52,311.00	21,216.44	31,094.56	24,000.00	24,000.00	(7,094.56)
12/31/2004	93 F700 Dump Truck	16,753.89	16,753.89	-	4,000.00	4,000.00	4,000.00
3/30/2006	Stonehenge Trailer	7,007.85	875.98	6,131.87	5,000.00	5,000.00	(1,131.87)
6/22/2006	2002 Chev Silverado GN Hitch & Tool Box included	19,759.47	3,293.26	16,466.21	19,500.00	19,500.00	3,033.79
2/16/2007	2005 Dump Truck	51,562.94	17,187.65	34,375.29	39,500.71	39,500.71	5,125.42
8/14/2007	2001 Truck	38,059.78	38,059.78	-	12,542.90	12,542.90	12,542.90
7/17/2008	2004 GMC Yukon	44,826.74	28,639.29	16,187.45	15,528.39	15,528.39	(659.06)
6/4/2009	Easement	-	-	-	4,000.00	4,000.00	4,000.00
7/14/2009	Easement	-	-	-	500.00	500.00	500.00
12/31/2009	Backhoe Trailer	16,022.08	12,016.57	4,005.51	10,000.00	10,000.00	5,994.49
Subtotal, Building & Vehicles & Easement Assets		\$ 329,788.13	\$ 159,695.96	\$ 170,092.17	\$ 196,403.28 \$ -	\$ 196,403.28	\$ 26,311.11
Cumulative Total Gain (Loss) on Sales (2003-2009)							\$ 383,756.98

NOTE: Through 2002, the Utility experienced neither gains nor losses on sales transactions. The total gains shown above were incurred during the years 2003-2009. During that same period, according to the annual reports filed with the Commission at schedules F-4 & F-5, the utility's cumulative Net Operating Income was \$285,041 less than required, based on the actual expenses and actual cost of debt for those years. When the 2009 report is adjusted to reflect the normalization of expenses actually being incurred now, as presented in the MFR in this proceeding, the cumulative Net Operating Income is \$420,284 less than required, based on those actual expenses and actual cost of debt for those years. That is, the cumulative losses being experienced by the utility over this period are \$56,527 more than the gains on sales for the same period. This does not take into consideration that revenues in 2010, to date, are less than those in 2009 for the same period.