

Original  
FILE COPY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for interim and )  
permanent rate increase in )  
Franklin County by St. George )  
Island Utility Company, Ltd. )

DOCKET NO. 940109-WU  
Filed: July 19, 1995

MOTION FOR CLARIFICATION OF FINAL ORDER OR  
IN THE ALTERNATIVE, FOR RELIEF FROM FINAL ORDER

St. George Island Utility Company, Ltd. ("SGIU" or "the utility") moves for an order of clarification of final order no. PSC-94-1383-FOF-WU or, in the alternative, moves for relief from portions of said final order, and in support of this motion would show the Commission as follows:

CLARIFICATION

1. On November 14, 1994, the Commission issued Order No. PSC-1383-FOF-WU, FINAL ORDER REVISING RATES AND CHARGES. The

Order at page 77 requires that SGIU place all service availability charges in escrow.

2. SGIU, based on discussion in the Order at pages 65 and 66 and on the transcript of the October 7, 1994 Special Agenda

Conference, understands the Order to mean that only Plant

Capacity Charges should be placed in escrow because only those charges are collected from new customers for the purpose of

funding additions to capacity. SGIU is placing the Plant Capacity

Charges collected in escrow as it believes it is required to do.

3. On June 9, 1995, the Staff of the Commission notified SGIU that it must place all service availability charges in

ACK  
AFA  
APP *Smith*  
C/F  
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L/C 1  
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S/C 1  
*Willetts*

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escrow.<sup>1</sup> The Staff has interpreted all to mean Plant Capacity Charged and Main Extension Fees. It did not specify that Meter Installation Fees be placed in escrow. In response, SGIU requested a meeting with Staff to discuss the requirements in the Order. By Memorandum dated July 6, 1995, SGIU and the Office of Public Counsel were notified that a meeting was set to take place on July 11, 1995 at the Commission's offices.<sup>2</sup> The conclusion of that meeting was that SGIU should seek clarification of the Order from the Commission or, in the alternative, relief from the Order.

4. Clarification of the Order is requested to resolve this conflict.

5. The Order at pages 65 and 66, with regard to Service Availability Charges, determines the following: the utility needs additional capacity to connect new customers, which may require substantial capital investment; an adjustment to the plant capacity charge is appropriate; and it is appropriate to place service availability charges in escrow in order to assure their availability for capital improvements.

6. One of the relevant ordering paragraphs, at page 77 states:

ORDERED that St. George Island Utility Company, LTD., shall establish, and place all service availability charges hereafter

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<sup>1</sup> A copy of the June 9, 1995 letter is attached as Appendix A.

<sup>2</sup> A copy of the July 6, 1995 Memorandum setting the meeting is attached as Appendix B.

collected, into a commercial escrow account.  
(Emphasis added)

7. The utility's service availability charges, according to the staff's definition, are composed of the following:

|                        |          |
|------------------------|----------|
| Plant Capacity Charge  | \$845.00 |
| Main Extension Charge  | \$525.00 |
| Meter Installation Fee | \$250.00 |

8. SGIU concludes that only Plant Capacity Charges should be placed in escrow because:

a. The Commission, in its deliberation of the issues regarding service availability charges at the Special Agenda Conference<sup>3</sup>, October 7, 1995, considered the issues of the proper amount of the Plant Capacity Charge and the escrowing of the charge together and indicated its intent to escrow the Plant Capacity Charge:

COMMISSIONER KEISLING: Actually, I -- maybe I created a fourth choice. I don't know. I would like to do 34 and 35 together, because what I would like to do in this is to -- I would like to adopt the primary recommendation to reduce it to \$400, but I would like to see those funds escrowed pursuant to the modified -- pursuant to the modified 35 that we were given just as we walked in. (Emphasis added)

CHAIRMAN DEASON: This is -- staff provided me with a wording of a recommendation for 35 which would call for escrowing of plant capacity charges. Is that correct?

MR. RENDELL: That's correct, Commissioners.  
(Emphasis added)

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<sup>3</sup> A copy of the cover sheet and pages 64 through 72 of the transcript of the Special Agenda Conference, October 7, 1994, in Docket No. 940109-WU is attached as Appendix C.

Transcript of Docket No. 940109-WU, October 7, 1994 Special Agenda Conference at page 65. Note: the commissioners reference to 34 and 35 relates to Issue 34 and Issue 35 in the September 29, 1994 Staff Memorandum prepared for the special agenda.

The subject of the above-referenced discussion was plant capacity charge, which was reduced by \$400, and not the main extension fee or the meter installation fee.

b. The other service availability charges collected are unrelated to future capacity. They are related to contributions toward previously constructed mains or currently installed meters. The Main Extension Charges are related to the transmission and distribution system. That system is already in place for present and future customers and the charges collected are necessary to offset the debt incurred to finance their construction. The Meter Installation Fees are collected from each new customer and are necessary to fund the installation of their meters and appurtenances.

9. Therefore, SGIU requests that the Commission clarify the Order and require that only the Plant Capacity Charges be placed in escrow.

#### RELIEF

If the Commission's clarification of the Order concludes that Main Extension Charges or Main Extension Charges and Meter Installation Fees must be escrowed in addition to Plant Capacity Charges, SGIU seeks relief from the order requiring such charges to be escrowed, and in support of its position, states:

10. The Main Extension Charge was derived in Docket No.

871177-WU, based on recovery of the cost of the transmission and distribution system. That investment has already been made. Future additions to the system will be for developments that will install mains and contribute the property. The Main Extension Charges are necessary cash flow for the utility to retire the debt associated with the mains already in place, and to reimburse the State of Florida for advances for main extensions. If the charges are placed in escrow, the Order provides no means to withdraw those funds to retire debt, or to reimburse the State. The order requires the utility "to place such monies in escrow, in order to assure their availability for capital improvements." (Page 65 of Order). The order then establishes a detailed set of requirements for obtaining funds from escrow after the capital improvements are made, including lien waivers from those doing the work. This leaves no room for expenditures for any purpose other than specific capital improvements.

11. The Order does not provide a means to release the Main Extension Charges except for capital improvements to the system. These funds will not be available to the utility until capital improvements are needed several years from now. In addition, if the charges will not be available to the utility, and if the utility must continue to book the charges collected as Contributions in Aid of Construction (CIAC), then the utility's rate base will continue to be reduced by the offset of CIAC even though, in fact, the utility does not have access to the CIAC revenue, and will not be adding to its rate base. According to

the Order, the cost of SGIU's mains is in excess of \$900,000 for the adjusted 1992 test period. But through the adjusted test period, SGIU has received only \$330,000 in main extension charges and contributed lines. Clearly SGIU is entitled to have immediate access to the Main Extension Charges to pay for the lines, whether by debt repayment, reimbursement to the State of Florida, or otherwise.

12. The Commission, in its deliberation at the Special Agenda and in the Order, recognized that this utility had been operating at a loss and that it would have difficulty getting capital from outside sources. SGIU has been diligently pursuing a restructuring of its capital, but without the cash flow from its authorized service availability charges, such restructuring is impossible. Like most water and wastewater utilities, SGIU considers the availability of those charges as a primary source of cash with which to manage the utility. The Commission typically does not require that any capital resource be directed for a specific use. Whether funds are received through equity, debt, CIAC or operating revenues, they are commingled and it is management's prerogative and duty to use such funds in a manner that is best for the utility and its customers. SGIU understands that the Commission prefers to have it escrow funds such funds to assure availability for future capacity requirements. SGIU has been and will continue to cooperate toward that end by escrowing all plant capacity charges, which are specifically designed to assure adequate plant capacity. However, in order to be ready for


the future, SGIU must first have sufficient funds to maintain its existence in the present.

13. As a direct result of the utility's collection of CIAC during 1994, federal income tax liability in excess of \$70,000 has been incurred on a net taxable income in excess of \$235,000. All CIAC is taxable as revenue, but there is no offsetting expense, other than depreciation, for the capital improvements made by the utility. Because the Commission does not allow recovery of any of the utility's federal income tax expense through its rates, it is fundamentally unfair for the Commission to attach all of the CIAC revenue which causes the tax liability, thereby leaving the utility with no cash to pay this substantial expense. This is a strong disincentive to the utility and its partners to invest in the utility's future, i.e., Why should the utility and its partners invest additional funds when there will be no cash available to pay the taxes resulting from the investment that has already been made?

14. In addition to the federal income tax liability discussed above, there are a large number of other substantial expenses which the utility continues to incur which are not covered by the rate structure recently approved by this Commission. For example, the utility is now nearing its maximum capacity based upon its consumptive use permit from the Northwest Florida Water Management District, although the utility has ample physical capacity to serve its customers. Accordingly, before the utility considers making additional capital improvements to the

system, which would be covered by the escrow account, it will have to secure a new consumptive use permit from the Northwest Florida Water Management District. Because of all the monitoring and engineering required, the estimated cost of this permit is \$55,000. This expense is not covered by the utility's approved rate structure, and it is not a capital improvement. This is just one of the many expenses that are normally covered by CIAC revenue, without which this utility cannot continue to operate.

WHEREFORE, the utility respectfully requests this Commission to enter an order clarifying that only plant capacity charges must be escrowed by the utility or, in the alternative, to enter an order modifying its prior order to specify that only plant capacity charges must be escrowed.



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GENE D. BROWN  
3848 Killearn Court  
Tallahassee, FL 32308  
(904) 668-6103  
Fla. Bar No. 096262

Attorney for Petitioner



CERTIFICATE OF SERVICE  
Docket No. 940109-WU

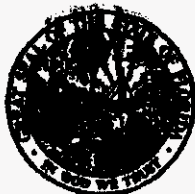
I HEREBY CERTIFY that a true copy of the foregoing has provided by U.S. Mail this ~~19th~~ day of July, 1995 to Lila Jaber, Esq., Division of Legal Services, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0862; Harold McLean, Esq., Office of Public Counsel, 111 West Madison Street, Room 812, Tallahassee, FL 32399-1400; and Barbara Sanders, Esq., P. O. Box 157, Apalachicola, FL 32320.

  
Gene D. Brown

State of Florida

Commissioners:

SUSAN F. CLARK, CHAIRMAN  
J. TERRY DEASON  
JULIA L. JOHNSON  
DIANE K. KIESLING  
JOE GARCIA



DIVISION OF WATER &  
WASTEWATER  
CHARLES HILL  
DIRECTOR  
(904) 413-6900

## Public Service Commission

June 9, 1995

Mr. Gene D. Brown, President  
St. George Island Utility Company, Ltd.  
3848 Killearn Court  
Tallahassee, FL 32308

Re: Service Availability Escrow Account

Dear Mr. Brown:

Pursuant to Order No. PSC-94-1383-FOF-WU, issued November 14, 1994, St. George Island Utility Company, Ltd. (SGIU) was ordered to escrow all service availability charges. SGIU is currently authorized to collect \$845.00 in plant capacity charges and \$525.00 in main extension charges. On May 10, 1995, SGIU filed its escrow report in accordance with the above referenced order.

In this report, SGIU indicated that there has been 23 additional connections which service availability charges have been collected. This report further indicates that a total of \$19,435 was deposited into the service availability escrow account. However, this report appears to suggest that only the plant capacity charges were escrowed. Since the Commission ordered all service availability charges to be escrowed, it appears that this escrow account is underfunded by \$12,075 for main extension charges collected.

Please provide either an explanation as to why these monies were not escrowed or proof of deposit of these funds. This should be supplied no later than June 23, 1995, or staff may consider initiating show cause proceedings against SGIU.

APPENDIX "A"

Letter - Mr. Gene D. Brown  
June 9, 1995  
Page 2

If you have any questions, do not hesitate to contact me at (904) 413-6934.

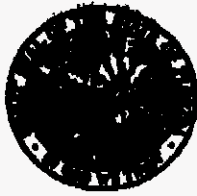
Sincerely,

A handwritten signature in black ink, appearing to read "William Troy Rendell". The signature is fluid and cursive, with a large initial "W" and "R".

William Troy Rendell  
Regulatory Analyst Supervisor  
Rates & Charges Review

cc: Charles H. Hill  
Lila Jaber

State of Florida



## Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

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**DATE:** JULY 6, 1995  
**TO:** ST. GEORGE ISLAND UTILITY CO. LTD., AND THE OFFICE OF PUBLIC COUNSEL  
**FROM:** LILA A. JABER, BUREAU CHIEF, DIVISION OF WATER AND WASTEWATER *LJA*  
**RE:** DOCKET NO. 940109-WU - PETITION FOR INTERIM AND PERMANENT RATE INCREASE IN FRANKLIN COUNTY BY ST. GEORGE ISLAND UTILITY COMPANY, LTD.

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Please note that St. George Island Utility Co. Ltd., (St. George or utility) has requested a meeting with the Staff to discuss the Commission's requirement in Order No. PSC-94-1383-FOF-WU to escrow service availability charges. The meeting has been scheduled for the following time and place:

July 11, 1995, at 9:00 a.m.  
Room 390A  
Public Service Commission  
Gerald L. Gunter Building  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

The meeting will consist of a discussion between Staff, the utility, and any other interested persons regarding the above-referenced issue. Attendance is not required. If you have any questions about this meeting, please call me at (904) 413-6199.

cc: Division of Records and Reporting  
Division of Appeals (Bellak)  
Division of Water and Wastewater (Hill, Willis, Rendell)

APPENDIX "B"

Volume 10  
CASE No. 95-01122

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

|                                  |   |                      |
|----------------------------------|---|----------------------|
| In re: Application of St. George | ) | Docket No. 940109-WU |
| Island Utility Company, Ltd.     | ) |                      |
| For increased Water Rates        | ) |                      |
| in Franklin County               | ) |                      |

|              |   |
|--------------|---|
| PROCEEDINGS: | SPECIAL AGENDA CONFERENCE   |
| BEFORE:      | CHAIRMAN J. TERRY DEASON<br>COMMISSIONER DIANE K. KIESLING              |
| DATE:        | Friday, October 7, 1994   |
| TIME:        | Commenced at 1:50 p.m.  |
| PLACE:       | FPSC Hearing Room 106<br>101 East Gaines Street<br>Tallahassee, Florida |
| REPORTED BY: | LISA GIROD JONES, RPR, CM   |

*W. Paul Rayborn  
and Associates*

P.O. BOX 10195

TALLAHASSEE, FLORIDA 32302-2195

(904) 224-7842

APPENDIX "C"

BUREAU OF REPORTING

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1 20 minutes. We can have the revenue requirement and be  
2 working on the rates. I believe 20 minutes is more than  
3 adequate to get the revenue requirement done. We can call  
4 you if we get it done sooner.

5 COMMISSIONER KIESLING: I don't know. How do  
6 you want to handle it, Mr. Chairman? I know you have some  
7 social plans that you want to --

8 CHAIRMAN DEASON: I have no social life.

9 MR. WILLIS: If you like, we can keep moving,  
10 and certain staff can go upstairs and start running the  
11 figures and bring them back down.

12 CHAIRMAN DEASON: And we could look at the  
13 policy questions concerning rates while the accounting  
14 folks are running the numbers?

15 MR. WILLIS: Yes, sir.

16 CHAIRMAN DEASON: That's fine with me. Can we  
17 just come back to 31 and 32 with the precise numbers?

18 COMMISSIONER KIESLING: And 33, then, rates and  
19 charges.

20 MR. WILLIS: And you might want to go back to  
21 the rate base issue, too, when they get the working  
22 capital calculated. 33 you'll need to skip.

23 COMMISSIONER KIESLING: Right.

24 CHAIRMAN DEASON: We can go to 34?

25 COMMISSIONER KIESLING: Yes.

1           CHAIRMAN DEASON: We have three alternatives, or  
2 three choices.

3           COMMISSIONER KIESLING: Actually, I -- maybe I  
4 created a fourth choice. I don't know. I would like to  
5 do 34 and 35 together, because what I would like to do in  
6 this is to -- I would like to adopt the primary  
7 recommendation to reduce it by \$400, but I would like to  
8 see those funds escrowed pursuant to the modified --  
9 pursuant to the modified 35 that we were given just as we  
10 walked in.

11           CHAIRMAN DEASON: This is -- Staff provided me  
12 with a wording of a recommendation for 35 which would call  
13 for escrowing of plant capacity charges. Is that  
14 correct?

15           MR. RENDELL: That's correct, Commissioners.

16           CHAIRMAN DEASON: Commissioner, on Issue 35, I  
17 don't have a problem with the concept of requiring  
18 escrowing. In fact, I was going to raise that question  
19 and have it discussed here because I had that concern.

20           My concern is on Issue 34. And the way I  
21 understand Staff's recommendation, at least the way it's  
22 explained on what is labeled Alternative 2, is that there  
23 is a concern that we really don't have sufficient  
24 information in this case to make a decision concerning the  
25 reduction in service availability charges and that should

1 be done at a later time when additional information is  
2 sought and obtained. And I kind of thought that that, to  
3 me, made some sense, that we wouldn't reduce it until we  
4 were convinced, and the only way we could be convinced is  
5 if we had additional information. That's the only way I  
6 understand the essence of alternative 2.

7           COMMISSIONER KIESLING: What makes that  
8 interesting, Mr. Chairman, is that alternative 2 was the  
9 one that I completely rejected out of the 3. I felt like  
10 they are overcontributed; there's no doubt about that, but  
11 not by much. And in my discussions with staff on  
12 alternative 3, which was to just reduce it to zero, since  
13 they're overcontributed, what staff advised me was that  
14 they could not think of any cases where we had reduced it  
15 to zero based on that small of a level of  
16 overcontribution.

17           And they also convinced me that we shouldn't  
18 just leave it the way it is, though, because they are  
19 overcontributed and at the levels of growth that have been  
20 experienced on the island, that every service availability  
21 charge that they received at the full amount would just  
22 make them more overcontributed. So I was kind of looking  
23 at the primary as being a way to slow down or stop the  
24 overcontribution and hopefully bring it back within our  
25 level, maximum level that is in our rules, without going



1 through the expense of having to come back in and prove up  
2 something.

3 CHAIRMAN DEASON: Let me -- I understand that.  
4 Alternative 3 would be the one that I would flatly reject  
5 outright. That's not negotiable with me. So I think  
6 we're still negotiating in between primary and alternative  
7 2. My concern is I understand that it is over the 75%  
8 level, slightly over. My question, I guess, is that  
9 how -- if we did not make a change, how much would that  
10 contribution level continue to grow and continue to become  
11 in excess of 75% during the pendency of some type of  
12 proceeding to take an in depth look at the appropriate  
13 service availability?

14 MR. RENDELL: Commissioners, that would depend  
15 on the information we received in Issue 40, 41. The  
16 problem is we did not have that information. We base it  
17 on a future ongoing basis of the appropriate charge. We  
18 realize there should be some kind of reduction, if not to  
19 zero, then something, to get them down to a level. But we  
20 don't know what the appropriate ongoing charge is, and we  
21 don't have the information yet in 40 and 41. We need  
22 future ERCs and future capacity and what plant they are  
23 going to be putting into service. So that was the  
24 alternative No. 2, is once we've received that  
25 information, we could either require them to come in for

1 modification at that time, or we could initiate one on our  
2 own. We were still concerned that they were above the  
3 contribution level pursuant to the rule, and that's why we  
4 opted to present the primary the way we did.

5           COMMISSIONER KIESLING: Part of my thought  
6 process, Mr. Chairman, was that according to Staff's  
7 analysis, on this issue, the contribution level as of the  
8 April of 1989, the last rate case, was 23.44%. And over  
9 less than five years, it's gone up to over 75%. And if I  
10 understood the evidence in the record adequately, it was  
11 that the utility itself was not spending any of its  
12 shareholders' money, wasn't making any investment in this  
13 system over the last five years, and used money that came  
14 from service availability charges to both pay operating  
15 expenses and fund what little -- what has been changed or  
16 added in the last five years. And that, to me, suggests  
17 that that trend can only be interrupted by some fairly  
18 strong action.

19           CHAIRMAN DEASON: Let me ask this question:  
20 What are the anticipated requirements for new investment  
21 in the foreseeable future and what impact is that going to  
22 have on the rate base and their resulting CIAC level?

23           MS. AMAYA: In Issue 41 it addresses what  
24 additional capacity the utility is going to need to add.  
25 There are several options open to the utility at this

1 point. They're looking primarily at additional raw  
2 water. Now whether they add another well, or whether they  
3 parallel some of the transmission mains from the mainland  
4 to the island, there's different options open. And in  
5 Issue 41 we're asking the utility to come back to DEP and  
6 this Commission with specific plans for additional  
7 capacity. It ties in with No. 40. They're in the process  
8 right now of looking at additional capacity, so we do not  
9 know what that future number of ERCs is. And then on the  
10 other hand, we don't know exactly what additional capacity  
11 is going to be needed.

12 CHAIRMAN DEASON: We don't know exactly what,  
13 but it's reasonable to expect the addition of additional  
14 capacity. In fact, Staff made the observation that  
15 basically the company is at full capacity now.

16 MS. AMAYA: The company is at capacity now, but  
17 the island isn't even half built out, so there is a lot of  
18 potential for growth.

19 CHAIRMAN DEASON: Well, explain that one to me.  
20 There's potential for growth, but to meet that growth  
21 you've got to add capacity to the system because the  
22 system is already at capacity.

23 MS. AMAYA: Correct.

24 CHAIRMAN DEASON: And my concern is -- and I  
25 think you're correct, Commissioner, that there probably

1 has not been an increase in equity investment because one  
2 thing, the company has been operating at a loss. And the  
3 other thing is is that it's probably difficult to get  
4 capital from outside sources for this utility company;  
5 that it appears to me that to find the capital to fund  
6 these necessary improvements, that we are going to have to  
7 look to get substantial contributions from customers, new  
8 customers that are going to be putting the demands on the  
9 system. What is Staff -- but I guess, Staff, what you're  
10 saying is that you feel that with the service availability  
11 fee even reduced by the \$400, that would still be  
12 adequate? Is that the essence of the primary  
13 recommendation?

14 MR. RENDELL: That's the bottom line of it.

15 COMMISSIONER KIESLING: And if I recall  
16 correctly, there were at least some indications in the  
17 evidence that we received through the hearing, that one  
18 way that this happens is developer agreements where, you  
19 know, the utility gets the whole lump sum for the  
20 development up front. So I mean, it's not like they're  
21 going to only be collecting it from one house here and one  
22 house there, but that, you know, there's units out there  
23 where they may get 30 of them through a developer  
24 agreement all up front, to fund that capacity.

25 And that's where I was concerned on 35, that if

1 we don't require them to escrow that and then use it for  
2 adding capacity and for the other kinds of appropriate  
3 uses, that it will just be gone like it was the last time  
4 and they will be even more overfunded with nothing to show  
5 for it.

6 CHAIRMAN DEASON: Well, Commissioner, in the  
7 spirit of cooperation I'm willing to compromise, and I can  
8 accept the primary. I just -- I do have the concerns  
9 about meeting the requirements in the future, and I think  
10 escrowing, as we've addressed, or will be addressing in  
11 Issue 35, that will go a long way towards that. And I do  
12 note that there still is, even with a \$400 reduction,  
13 there still is a substantial capacity charge. I believe  
14 it would be what, \$845 for ERC?

15 MR. WILLIS: Yes, just for the plant capacity.  
16 You still have charges for lines, meter installations,  
17 services.

18 CHAIRMAN DEASON: So with that, I take it then  
19 that, Commissioner, you would be moving primary  
20 recommendation on Issue 34?

21 COMMISSIONER KIESLING: And the amended -- or  
22 actually new recommendation on 35 regarding escrowing it  
23 and what the standards were for releasing it.

24 CHAIRMAN DEASON: Very well. Show primary  
25 recommendation approved for Issue 34 and the revised

1 recommendation concerning escrowing on Issue 35.

2 MR. RENDELL: Commissioners, Item No. 36 would  
3 depend on the new rates that we'll be calculating.

4 CHAIRMAN DEASON: We'll come back to 36. 37.

5 MS. MERCHANT: I can assume since we're  
6 increasing the expenses that this issue will not change?

7 CHAIRMAN DEASON: I would assume so. Your  
8 recommendation is there's no basis for a refund, and I  
9 think that the adjustments we've made here today would  
10 only increase revenue requirements.

11 COMMISSIONER KIBSLING: I move 37.

12 CHAIRMAN DEASON: Show 37 approved.

13 MS. MERCHANT: Issue 38 was amended earlier in  
14 the corrections and the language for the recommendation.

15 COMMISSIONER KIESLING: And I move 38 as amended.

16 CHAIRMAN DEASON: Without objection, Issue 38 is  
17 approved. 39?

18 COMMISSIONER KIESLING: I move Staff. And in  
19 moving Staff, I would hope that we're sending a clear  
20 message to the utility that this whole process would be a  
21 whole lot easier and a whole lot cleaner if their books  
22 and records were in substantial compliance with our rules  
23 and requirements.

24 CHAIRMAN DEASON: Let me ask one question in  
25 relation to Issue 39. I don't necessarily disagree with