

M E M O R A N D U M

SEPTEMBER 16, 2002

TO: DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES

FROM: OFFICE OF THE GENERAL COUNSEL (VINING) *AEV/MAH*

RE: DOCKET NO. 020006-WS - WATER AND WASTEWATER INDUSTRY ANNUAL REESTABLISHMENT OF AUTHORIZED RANGE OF RETURN ON COMMON EQUITY FOR WATER AND WASTEWATER UTILITIES PURSUANT TO SECTION 367.081(4)(F), F.S.

Attached is STAFF'S PREHEARING STATEMENT to be filed in the above-referenced docket. (Number of pages in statement-3)

DATE ORDER SENT ELECTRONICALLY TO CCA _____.

AEV/jb
I:020006phstate.aev

DOCUMENT NUMBER-DATE

09822 SEP 16 8

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Water and wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.

DOCKET NO. 020006-WS

FILED: SEPTEMBER 16, 2002

STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-02-1104-PCO-WS, Order Establishing Procedure, issued August 12, 2002, the Staff of the Florida Public Service Commission files its Prehearing Statement.

a. All Known Witnesses

Marshall W. Willis

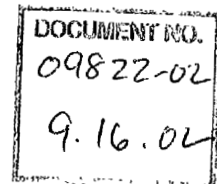
b. All Known Exhibits

MWW-1: List of Commission Orders Where Return on Equity Was Adjusted Outside of Rate Base

Staff reserves the right to identify additional exhibits at the Prehearing Conference and at hearing for purposes of cross-examination.

c. Staff's Statement of Basic Position

Using the current leverage formula to reestablish the authorized return on equity (ROE) for all water and wastewater utilities that currently have an authorized ROE is administratively efficient and results in the utilities' ROE being more in line with current market conditions. The Commission does have the statutory authority to apply the current leverage formula methodology to all water and wastewater utilities with an authorized ROE.



d. Staff's Position on the Issues

ISSUE 1: Should the Commission use the current leverage formula to reestablish the authorized ROE for all water and wastewater utilities that currently have an authorized ROE?

POSITION: Yes.

ISSUE 2: Does the Commission have the authority to use the current leverage formula to reestablish the authorized ROE for all water and wastewater utilities that currently have an authorized ROE?

POSITION: Yes.

e. Pending Motions

There are no motions pending at this time.

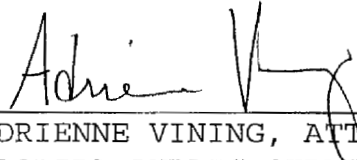
f. Pending Confidentiality Claims or Requests

There are no pending confidentiality claims or requests at this time.

g. Compliance with Order No. PSC-02-1104-PCO-WS

Staff has complied with all requirements of the Order Establishing Procedure entered in this docket.

Respectfully submitted this 16th day of September, 2002.


ADRIENNE VINING, ATTORNEY
FLORIDA PUBLIC SERVICE COMMISSION
2540 Shumard Oak Boulevard
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(850)413-6199

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Water and wastewater
industry annual reestablishment
of authorized range of return on
common equity for water and
wastewater utilities pursuant to
Section 367.081(4) (f), F.S.

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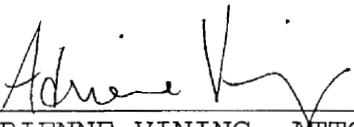
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the
COMMISSION STAFF'S PREHEARING STATEMENT has been furnished by U. S.

Mail this 16th day of September, 2002 to the following:

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