

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition of Water Management Services, Inc  
For a Limited Proceeding to Increase Water Rates  
In Franklin County.

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Docket No. 000694-WU  
Filed: December 12, 2005

**SETTLEMENT AGREEMENT**

THIS SETTLEMENT AGREEMENT is made and entered into this 12<sup>th</sup> day of December, 2005, by and between the Citizens of the State of Florida ("Citizens") through the Office of Public Counsel ("OPC") and Water Management Services, Inc. ("Water Management" or "Utility").

**WITNESSETH**

WHEREAS, On November 21, 2005, the Commission issued Order No. PSC-05-1156-PAA-WU ("PAA Order"); and

WHEREAS, OPC and Water Management have timely filed a Joint Petition Protesting the PAA Order; and

WHEREAS, notwithstanding the above Joint Petition protesting the PAA Order, OPC and Water Management desire to enter into this Settlement Agreement in order to avoid the time, expense and uncertainty associated with adversarial litigation, and in keeping with this Commission's long-standing policy and practice of encouraging parties in protested proceedings to settle issues whenever possible;


NOW THEREFORE, for and in consideration of the mutual covenants set forth below, OPC and Water Management agree as follows:

DOCUMENT NUMBER-DATE  
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FPSC-COMMISSION CLERK

1. The PAA Order shall become a Final Order, except that the Total Project Cost provided by the PAA Order shall be reduced by an additional \$71,000 in plant in service. This reduction of \$71,000 shall result in a reduction of \$5,635 to the annual revenue requirement approved in the PAA Order. While the rate structure will remain the same, rates will be reduced on a pro rata basis to reflect the \$5,635 reduction in the annual revenue requirement.
2. If the Commission accepts this Settlement Agreement and issues a Final Order adopting the reduced Total Project Cost, reduced annual revenue requirement and resulting reduction in rates, the Joint Protest shall be deemed to be withdrawn.
3. The submission of this Settlement Agreement by the Parties is in the nature of an offer to settle. Consequently, if this Settlement Agreement is not accepted and approved without modification by Commission Order, then this Settlement Agreement is rejected and shall be considered null and void and neither Party may use the attempted agreement in this or any other proceeding.
4. The Parties have evidenced their acceptance and agreement with the provisions of this Settlement Agreement by their signatures.
5. The undersigned personally represent that they have authority to execute this Settlement Agreement on behalf of their respective Parties.

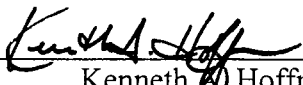
CITIZENS OF THE STATE OF FLORIDA,  
OFFICE OF PUBLIC COUNSEL

By: \_\_\_\_\_

  
Stephen C. Reilly  
Associate Public Counsel

WATER MANAGEMENT SERVICES, INC.

By: \_\_\_\_\_

  
Kenneth A. Hoffman  
Counsel for Water Management  
Services, Inc.