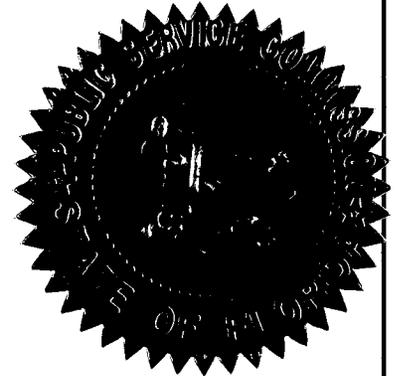


BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 070366-WU

In the Matter of:

APPLICATION TO AMEND WATER TARIFF TO  
ALLOW COLLECTION OF CUSTOMER DEPOSITS  
BY O&S WATER COMPANY, INC.



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PROCEEDINGS:           AGENDA  
                              ITEM NO. 11

BEFORE:                 CHAIRMAN LISA POLAK EDGAR  
                              COMMISSIONER MATTHEW M. CARTER, II  
                              COMMISSIONER KATRINA J. McMURRIAN  
                              COMMISSIONER NANCY ARGENZIANO  
                              COMMISSIONER NATHAN A. SKOP

DATE:                    Tuesday, September 25, 2007

TIME:                    Commenced at 10:53 a.m.  
                              Concluded at 10:58 a.m.

PLACE:                  Betty Easley Conference Center  
                              Room 148  
                              4075 Esplanade Way  
                              Tallahassee, Florida

REPORTED BY:           LINDA BOLES, RPR, CRR  
                              Official FPSC Reporter  
                              (850) 413-6734

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FLORIDA PUBLIC SERVICE COMMISSION 08959 OCT-15

FPSC-COMMISSION CLERK

1 PARTICIPATING:

2                   MARTIN S. FRIEDMAN, ESQUIRE representing O&S Water  
3 Company, Inc.

4                   JARED DEASON and TROY RENDELL, representing the  
5 Florida Public Service Commission Staff.

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## P R O C E E D I N G S

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2 CHAIRMAN EDGAR: Commissioners, that will bring us to  
3 Item 11.

4 MR. DEASON: Jared Deason, Commission staff.

5 Item 11 has to do with the application to amend the  
6 water tariffs and to allow customer deposits by O&S Water  
7 Company, Incorporated. Staff believes this tariff should be  
8 approved, and we're here for your questions.

9 CHAIRMAN EDGAR: Thank you.

10 Mr. Friedman, do you have comments?

11 MR. FRIEDMAN: Martin Friedman of the Law Firm of  
12 Rose, Sundstrom & Bentley. We represent O&S Water Company, and  
13 we support the staff's recommendation. We're here to answer  
14 any questions that you may have.

15 CHAIRMAN EDGAR: Thank you.

16 Commissioners. Commissioner Argenziano.

17 COMMISSIONER ARGENZIANO: Thank you, Madam Chair.

18 And I remember I had some concerns on this when it came up the  
19 first time. And just for clarification, even though I'm  
20 reading it in front of me, I want to make sure that I've got it  
21 right.

22 To impose the deposit on existing customers under  
23 this scenario or under this recommendation, it would be if a  
24 customer has been late with their payment more than one time,  
25 at least twice.

1 MR. RENDELL: That's correct. Over a 12-month  
2 period.

3 COMMISSIONER ARGENZIANO: Okay. And, and does the  
4 existing rule still take place? If the customer is charged  
5 a -- if the existing customer is late twice and is charged a  
6 deposit, which now I think will be based on their average use  
7 or an average of all customers' monthly use?

8 MR. RENDELL: Their specific usage for that one  
9 customer.

10 COMMISSIONER ARGENZIANO: Okay. Well, okay, so that  
11 could be higher or lower depending on what they used. Then  
12 would they still have, after -- let's say they've gotten their  
13 deposit, you're late twice, we're going to need a deposit from  
14 you. Would they still be able to after 23 months then of  
15 having satisfactory, if they remained consistent with their  
16 payments, to be able to get their refund back?

17 MR. RENDELL: Correct. They would still get the  
18 refund after 23 months, and they're still eligible for the  
19 annual interest payment as well.

20 COMMISSIONER ARGENZIANO: And one other question, if  
21 I may. Just out of curiosity, on Page 5 it indicates that the  
22 utility indicated that from June 2006 through May 2007 that the  
23 utility had a total of 4,147 late payments. Is there any idea  
24 of how late generally those are? Are we talking a day or two  
25 or a month or two months or three months? That's just out of

1 curiosity.

2 MR. FRIEDMAN: I can't tell you that.

3 COMMISSIONER ARGENZIANO: Okay.

4 MR. FRIEDMAN: They could all be one day late for all  
5 I know or they could all be 30 days late.

6 COMMISSIONER ARGENZIANO: Okay. All right. Thank  
7 you.

8 CHAIRMAN EDGAR: Commissioners, any other --  
9 Commissioner Skop.

10 COMMISSIONER SKOP: Thank you, Madam Chair.

11 Again, I'd like to thank staff again for the  
12 additional clarification. And I noticed that same concern  
13 about the number of customers and the lateness. But, again, I  
14 think that the methodology that is advanced by staff consistent  
15 with ratemaking policy addresses the fact that the existing  
16 customers, if they pay their bill on time, would not be subject  
17 to, to the deposits. But if they are contributing to the  
18 problem of collecting accounts receivable, then they would be  
19 subject to the deposit, but only to the extent that it was  
20 based on two months of their actual bill, not the entire rate  
21 base. I thought that that was very instructive in terms of  
22 clarifying the situation for me. So, again, I want to thank  
23 staff for its work. And, Madam Chair, at the appropriate time  
24 I'd move staff's recommendation.

25 CHAIRMAN EDGAR: Commissioners, are there any other

1 questions or comments at this time?

2 Commissioner Argenziano.

3 COMMISSIONER ARGENZIANO: Just one other comment. I  
4 want to thank staff because the cost justification really helps  
5 me in looking at the whole thing, you know, right before me.  
6 So I appreciate that.

7 CHAIRMAN EDGAR: Commissioner Carter.

8 COMMISSIONER CARTER: Thank you, Madam Chairman.

9 I was basically going to say the same thing, because  
10 staff has gone through and clearly delineated, based upon our  
11 last discussion they've gone through and listed out the  
12 specifics of what happens to a current customer within 12  
13 months, and they've got A through E, I won't go through the  
14 process of enumerating them, but you guys have done a great job  
15 in laying those specifics out so that people will know what's  
16 expected of them if they have need or requirement for another  
17 deposit. Thank you.

18 CHAIRMAN EDGAR: Thank you.

19 Commissioner McMurrrian.

20 COMMISSIONER McMURRIAN: Here, here to all those  
21 comments.

22 I did want to add though that I, and I hope I don't  
23 leave anyone out, but I believe that the concerns that  
24 Commissioner Argenziano raised and Commissioner Carter raised,  
25 and I believe they were the two main ones this last time, have

1 gone a long way in clarifying exactly the situation, I think.  
2 And I appreciate everyone's efforts there. I think it's made a  
3 better product in the end, so I appreciate that.

4 CHAIRMAN EDGAR: Commissioner Skop.

5 COMMISSIONER SKOP: Thank you, Madam Chair.

6 At this time I'd like to move staff's recommendation  
7 for Item 11.

8 COMMISSIONER CARTER: Second.

9 CHAIRMAN EDGAR: Okay. We have a motion and a second  
10 for the staff recommendation for Item 11. All in favor, say  
11 aye.

12 (Unanimous affirmative vote.)

13 Any opposed? Show it adopted.

14 (Agenda Item 11 concluded at 10:58 a.m.)

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1 STATE OF FLORIDA )  
2 COUNTY OF LEON )

CERTIFICATE OF REPORTER

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I, LINDA BOLES, RPR, CRR, Official Commission Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorneys or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 1st day of October, 2007.

  
LINDA BOLES, RPR, CRR  
FPSC Official Commission Reporter  
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