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REPLY TO CENTRAL FLORIDA OFFICE

December 17, 2007

E-FILING

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(LICENSED IN NEW YORK ONLY)

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

RE: Docket No.: 070183-WS; In re: Proposed adoption of Rule 25-30.4325, F.A.C., Water Treatment Plant Used and Useful Calculations
Our File No.: 30057.147

Dear Ms. Cole:

Enclosed for filing in the above-referenced docket is Utilities, Inc.'s Notice of Filing Its Prehearing Statement and its Prehearing Statement.

Should you have any questions regarding this filing, please do not hesitate to contact me.

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

MSF/cm
Enclosures

cc: Stephen C. Reilly, Esquire (w/ enclosures) (via U.S. Mail)
Kenneth A. Hoffman, Esquire (w/enclosures) (via U.S. Mail)
Rosanne Gervasi, Esquire, Office of General Counsel (w/enclosures) (via U.S. Mail)
John Stover, Esquire, General Counsel (w/ enclosures) (via email)
John D. Williams, Director of Governmental Affairs (w/enclosures) (via email)
John P. Hoy, Chief Regulatory Officer (w/enclosures) (via email)
Richard J. Durham, Regional Vice President for Operations (w/enclosures) (via email)
Patrick C. Flynn, Regional Director (w/enclosures) (via email)

BEFORE THE PUBLIC SERVICE COMMISSION


In re: Proposed adoption of Rule 25-30.4325,) DOCKET NO.: 070183-WS
F.A.C., Water Treatment Plant Used and)
Useful Calculations.)

UTILITIES, INC.'S NOTICE OF FILING
ITS PREHEARING STATEMENT

UTILITIES, INC., by and through its undersigned counsel, hereby gives notice of filing in the above-referenced docket its Prehearing Statement.

Respectfully submitted this 17th
day of December, 2007, by:

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MARTIN S. FRIEDMAN
For the Firm

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Proposed adoption of Rule 25-30.4325,)
F.A.C., Water Treatment Plant Used and)
Useful Calculations.)

DOCKET NO.: 070183-WS

PREHEARING STATEMENT OF UTILITIES, INC.

Pursuant to Order No. PSC-07-0777-PCO-WS, issued September 25, 2007, Utilities, Inc. ("Utilities, Inc." or the "Company"), by and through its undersigned counsel, files its Prehearing Statement as follows:

A. All Known Witnesses

Utilities, Inc. relies on the prefiled testimony of and intends to call the following witnesses:

Witness Name	Title	Subject
Frank Seidman	President of Management & Regulatory Consultants, Inc.	Proposed Used and Useful Rule.

Utilities, Inc. reserves the right to call additional witnesses to respond to Commission inquiries not addressed in direct or rebuttal testimony and witnesses to address issues not presently designated but that may be designated by the Prehearing Officer at the prehearing conference on January 7, 2008.

B. All Known Exhibits

Utilities, Inc. has identified and intends to sponsor the following exhibits:

Exhibit No.	Description	Person Sponsoring	Cross-Reference
	Summary of Cases in which the witness participated	Frank Seidman	FS-1

	1983 PSC Staff Memorandum, February 7, 1983	Frank Seidman	FS-2
	PSC Staff Memorandum, April 14, 1975	Frank Seidman	FS-3
	Florida PSC Order No. 7684 (issued March 14, 1977) (Excerpt)	Frank Seidman	FS-4
	Mr. Seidman's Mark Up of Proposed Rule 25-30.4325	Frank Seidman	FS-5

Utilities, Inc. may utilize other documents as exhibits at the time of hearing, either during cross-examination or as further impeachment or rebuttal exhibits, and the precise identification of such documents cannot be determined at this time. Utilities, Inc. is awaiting discovery responses from the Office of Public Counsel and may utilize any documents produced in response to that discovery request.

C. Statement of Utilities, Inc.'s Basic Position

Utilities, Inc. supports the rule as proposed in Order PSC-07-0469-NOR-WS. The Commission should not make any piecemeal changes to the Proposed Rule. If the rule must be revised, Utilities, Inc. supports adopting the changes set forth in Exhibit FS-5 to Frank Seidman's testimony in their entirety.

D. Utilities, Inc.'s Position On The Issues, Facts And Law

ISSUE 1: Should the definition of a water system proposed as 25-30.425 (1)(a) in Order PSC-07-0469-NOR-WS be adopted as a proper definition for a water treatment used and useful rule?

Yes.

ISSUE 2: Should the definition of storage facilities proposed as 25-30.425 (1)(b) in Order PSC-07-0469-NOR-WS be adopted as a proper definition for a water treatment used and useful rule?

Yes.

ISSUE 3: Should the definition of peak demand for a water system proposed as 25-30.425 (1)(c) in Order PSC-07-0469-NOR-WS be adopted as a proper definition for a water treatment used and useful rule?

Yes.

ISSUE 4: Should the definition of peak demand for storage proposed as 25-30.425 (1)(d) in Order PSC-07-0469-NOR-WS be adopted as a proper definition for a water treatment used and useful rule?

Yes.

ISSUE 5: Should the definition of excessive unaccounted for water proposed as 25-30.425 (1)(e) in Order PSC-07-0469-NOR-WS be adopted as a proper definition for a water treatment used and useful rule?

Yes.

ISSUE 6: Should the Commission's used and useful evaluation include a determination of prudence and consider economies of scale as proposed in 25-30.425 (2) in Order PSC-07-0469-NOR-WS and be adopted for a water treatment used and useful rule?

Yes.

ISSUE 7: Should alternatives calculations for water treatment systems and storage facilities be allowed as proposed in 25-30.425 (3) in Order PSC-07-0469-NOR-WS and be adopted for a water treatment used and useful rule?

Yes.

ISSUE 8: Should the conditions for considering a water treatment system 100% used and useful as proposed in 25-30.425 (4) in Order PSC-07-0469-NOR-WS be adopted for a water treatment used and useful rule?

Yes.

ISSUE 9: Should the calculation of used and useful of a water treatment system as expressed in 25-30.425 (5) in Order PSC-07-0469-NOR-WS be adopted for a water treatment used and useful rule?

Yes.

ISSUE 10: Should the definition of firm reliable capacity for various combinations of water treatment systems and storage facilities as proposed in 25-30.425 (6) in Order PSC-07-0469-NOR-WS be adopted as a proper definition for a water treatment used and useful rule?

Yes.

ISSUE 11: Should the basis for expressing peak demand as proposed in 25-30.425 (7) in Order PSC-07-0469-NOR-WS be adopted for a water treatment used and useful rule?

Yes.

ISSUE 12: Should the calculation of used and useful for storage as proposed in 25-30.425 (8) in Order PSC-07-0469-NOR-WS be adopted for a water treatment used and useful rule?

Yes.

ISSUE 13: Should the definitions of usable storage as proposed in 25-30.425 (9) in Order PSC-07-0469-NOR-WS be adopted as proper definitions for a water treatment used and useful rule?

Yes.

ISSUE 14: Should the method of determining adjustments to plant and operating expenses as proposed in 25-30.425 (10) in Order PSC-07-0469-NOR-WS be adopted for a water treatment used and useful rule?

Yes.

ISSUE 15: Should the Commission's consideration of other relevant factors as proposed in 25-30.425 (11) in Order PSC-07-0469-NOR-WS be adopted for a water treatment used and useful rule?

Yes.

E. Stipulated Issues

None. Other parties would make piecemeal changes that would alter Utilities, Inc.'s analysis of the rule as a whole. Utilities, Inc. takes the position that the entire rule should be approved as a whole, or that the revisions suggested by Frank Seidman in Exhibit FS-5 be adopted in whole. Recommendations by other parties to change certain elements or sections of the rule would likely change Utilities, Inc.'s analysis of the rule.

F. Pending Motions And Other Open Matters

None known at this time.

G. Pending Requests For Confidentiality

None.

H. Objections To Witness' Qualifications As An Expert

None.

I. Reasons For Non-Compliance With Order (if any)

None.

Respectfully submitted on this 17th day of
December, 2007, by:



By: _____
MARTIN S. FRIEDMAN

For the Firm

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CERTIFICATE OF SERVICE
DOCKET NO.: 070183-WS

I HEREBY CERTIFY that a true and correct copy of the foregoing Prehearing Statement has been furnished by U.S. Mail this 17th day of December, 2007, to:

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c/o The Florida Legislature
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BY: 

MARTIN S. FRIEDMAN
For the Firm