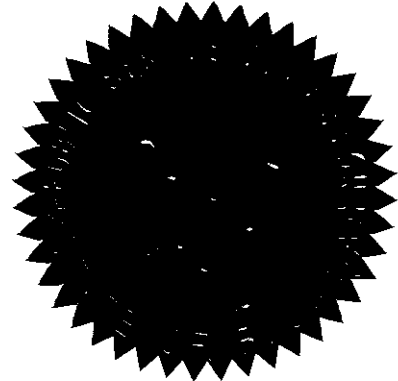


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080249-WS

IN THE MATTER OF:

APPLICATION FOR INCREASE IN WATER AND
WASTEWATER RATES IN PASCO COUNTY BY
LABRADOR UTILITIES, INC.



PROCEEDINGS: AGENDA CONFERENCE
ITEM NO. 15

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

DATE: Tuesday, October 28, 2008

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

REPORTED BY: JANE FAUROT, RPR
Official FPSC Reporter
(850) 413-6732

1 PARTICIPATING:

2 RALPH JAEGER, ESQUIRE, and BART FLETCHER,
3 representing the Commission Staff.

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P R O C E E D I N G S

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2 **CHAIRMAN CARTER:** Commissioners, with that we
3 are now on Item 15. Let's give staff an opportunity to
4 get settled in and we will move in Item 15.

5 Staff, you're recognized.

6 **MR. FLETCHER:** Commissioners, I'm Bart Fletcher
7 with Commission staff.

8 Item 15 is staff's recommendation to approve an
9 interim rate increase for Labrador Utilities, Inc. of
10 63.24 percent for water and 8.19 percent for wastewater.
11 These rate increases are subject to refund with interest,
12 and staff is available for any questions.

13 **CHAIRMAN CARTER:** Commissioner Argenziano.

14 **COMMISSIONER ARGENZIANO:** Thank you, Mr. Chair.

15 Just several things that concern me with this
16 case. I know that there is a lot of customer input, or a
17 lot of customer dissatisfaction, and I want to make sure
18 that down the line, or what has been done to make sure
19 that these customers get either a service hearing, or they
20 are involved in the process, which I think is very
21 important for them to be.

22 And, also, last year this company, I believe,
23 came in and asked for an increase, and I think it was
24 denied. What changed from last year to now? And then
25 I'll ask a few other questions quickly.

1 **MR. FLETCHER:** What has been done since the last
2 rate case in 2006, the utility has gone through and
3 replaced the meters. It was already in the process of
4 replacing those, but now we have had, actually, greater
5 than 12 months of actual metered usage. They actually
6 replaced over 37 percent of their meters. And that is
7 definitely one of the major concerns that was going all
8 the way back to the 2003 rate case, and also followed at
9 the customer meeting in the 2006 case that was denied.
10 That was a major concern, and that is what has happened
11 since the 2006 filing.

12 **COMMISSIONER ARGENZIANO:** Okay. And I noticed
13 that the increase is much higher for water than
14 wastewater. Why?

15 **MR. FLETCHER:** One reason for that is the
16 investment in the meters. The utility does not have an
17 existing meter installation charge. Again, they have
18 replaced over 37 percent of their meters, and that is one
19 reason why, because it is such a short service life for a
20 meter that also -- an average of ten years, and it is
21 greatly -- the water increase and the depreciation expense
22 is more significant in the water side than the wastewater
23 since the last rate case. So that's one part involved in
24 that.

25 **COMMISSIONER ARGENZIANO:** And it's a 68 percent

1 increase?

2 **MR. FLETCHER:** I believe it was -- they have
3 requested a 63 percent, approximately, for the interim and
4 it was 94.07 for the water. For wastewater, for interim
5 we are recommending only 8.19 percent. They had requested
6 34.19, and then for the wastewater final, a 50 percent
7 increase.

8 **COMMISSIONER ARGENZIANO:** And the customer input
9 in this as we move forward?

10 **MR. FLETCHER:** We will hold a customer meeting
11 in the service area to hear their quality of service
12 concerns and comments regarding the rate increase.

13 **COMMISSIONER ARGENZIANO:** Thank you.

14 **CHAIRMAN CARTER:** Thank you, Commissioner.

15 Commissioners, anything further? Hearing none,
16 we are open for a recommendation for disposition of this
17 case.

18 Commissioner Edgar, you're recognized.

19 **COMMISSIONER EDGAR:** I make a motion for the
20 staff recommendation on Issues 1 through 5.

21 **COMMISSIONER SKOP:** Second.

22 **CHAIRMAN CARTER:** Moved and properly seconded.

23 Any further debate, discussion, comment?

24 Hearing none, all those in favor let it be known by the
25 sign of aye.

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(Simultaneous aye.)

CHAIRMAN CARTER: All those opposed, like sign.

Show it done.

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STATE OF FLORIDA)

COUNTY OF LEON)

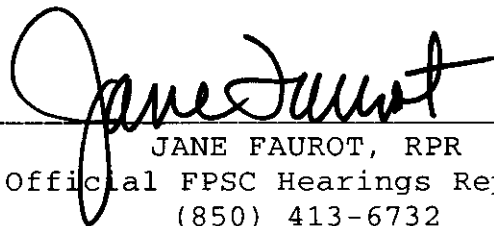
: CERTIFICATE OF REPORTER

I, JANE FAUROT, RPR, Chief, Hearing Reporter Services Section, FPSC Division of Commission Clerk, 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' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 10th day of November, 2008.



JANE FAUROT, RPR
Official FPSC Hearings Reporter
(850) 413-6732