

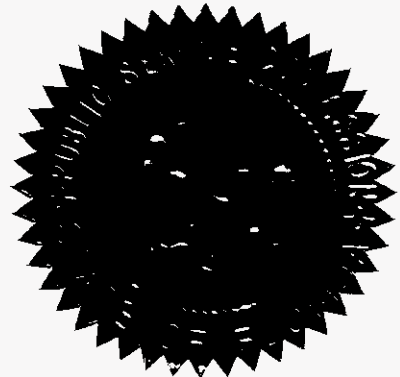
BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of:

DOCKET NO. 100104-WU

APPLICATION FOR INCREASE IN WATER  
RATES IN FRANKLIN COUNTY BY WATER  
MANAGEMENT SERVICES, INC.



PROCEEDINGS: AGENDA CONFERENCE  
ITEM NO. 9

COMMISSIONERS  
PARTICIPATING: COMMISSIONER LISA POLAK EDGAR  
COMMISSIONER NATHAN A. SKOP  
COMMISSIONER ART GRAHAM  
COMMISSIONER RONALD A. BRISÉ

DATE: Tuesday, August 3, 2010

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

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

FPSC-061104-0001-0001  
16535 AUG-02  
FPSC-061104-0001-0001

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

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2           **COMMISSIONER SKOP:** Okay. If staff could  
3 take up, I believe, Item 9 and introduce it, please.

4           **MS. HUDSON:** Good morning, Commissioners.  
5 Shannon Hudson on behalf of Commission staff.

6           Item Number 9 is an application for  
7 increase in water rates in Franklin County by Water  
8 Management Services. This recommendation addresses  
9 the suspension of rates and the utility's request  
10 for interim rates.

11           The Office of Public Counsel and the  
12 utility's counsel are available for questioning;  
13 however, participation is at the discretion of the  
14 Commission. Staff is prepared to answer any  
15 questions you may have at this time.

16           **COMMISSIONER SKOP:** Okay. To the bench,  
17 any comments?

18           Commissioner Edgar.

19           **COMMISSIONER EDGAR:** Thank you. I did  
20 have just a couple of questions for staff.  
21 Recognizing that this is a recommendation to approve  
22 an increase in rates on an interim basis, what  
23 discretion does the Commission have regarding  
24 interim rates in this instance, if any?

25           **MR. JAEGER:** Commissioner Edgar, 367.082

1 governs interim rates. And although (1) says, it  
2 says, "The Commission may during a proceeding  
3 authorize interim rates," Section (2)(a) says, "In a  
4 proceeding for an interim increase in rates, the  
5 Commission shall authorize within 60 days of the  
6 filing for such relief the collection of rates  
7 sufficient to earn the minimum of the range of rate  
8 of return calculated in accordance with subparagraph  
9 (5)(b)(2)."

10 And I think the way we've interpreted that  
11 in the past is meaning once they've submitted a  
12 prima facie case, then the "shall" kicks in. It's  
13 your job to decide whether they have submitted a  
14 prima facie case. I believe that is the way we've  
15 interpreted that in the past.

16 **COMMISSIONER EDGAR:** Thank you. And so  
17 the staff recommendation is based upon your finding,  
18 decision, analysis that that prima facie case has  
19 been established.

20 **MR. FLETCHER:** That's correct,  
21 Commissioner.

22 **COMMISSIONER EDGAR:** Okay. That was not  
23 completely clear to me from the recommendation and  
24 that's why I wanted to clarify that. And my  
25 understanding is, from reading the information, I

1 agree with that. So I am fine with the staff  
2 recommendation. Commissioners, I did just want to  
3 for the record establish that that prima facie  
4 requirement is met.

5 **COMMISSIONER SKOP:** Thank you,  
6 Commissioner. Any other questions from the bench?

7 Okay. To staff, just one followup  
8 question. In terms of interim rates, essentially  
9 it's driven strictly by statute and the Commission  
10 shall approve those interim rates when the case has  
11 been made on a --

12 **MR. JAEGER:** That's correct, Commissioner.

13 **COMMISSIONER SKOP:** All right. Great.  
14 Thank you.

15 **COMMISSIONER EDGAR:** One additional then  
16 just again to follow that line of reasoning through.  
17 The customers are protected in that there would be  
18 reimbursement, if indeed the Commission ultimately  
19 determined a finding that was of a lesser amount.

20 **MR. JAEGER:** Yes. The interim rates would  
21 not be approved until we get a court, you know, a  
22 protection, either bond letter of credit or escrow  
23 account, and it's always subject to refund with  
24 interest.

25 **COMMISSIONER SKOP:** Thank you,

1 Commissioner.

2 And just to Mr. Jaeger, I guess one of the  
3 quirks with interim rates, since they're derived on  
4 a statutory basis, is sometimes interim rates are  
5 set higher than the final Commission approved rates,  
6 but they are subject to refund; is that correct?

7 **MR. JAEGER:** That's definitely happened in  
8 the past. We've made refunds of interim rates.

9 **COMMISSIONER SKOP:** Okay. All right.  
10 Thank you. Any other questions from the bench? Do  
11 we have a motion?

12 **COMMISSIONER EDGAR:** I move the staff  
13 recommendation on Item 9.

14 **COMMISSIONER SKOP:** Is there a second?

15 **COMMISSIONER BRISÉ:** Second.

16 **COMMISSIONER SKOP:** Thank you. We have a  
17 motion, properly seconded. Any discussion?

18 **MS. HELTON:** I'm sorry, Mr. Chairman.

19 **COMMISSIONER SKOP:** Ms. Helton, you're  
20 recognized.

21 **MS. HELTON:** Commissioner Brisé is not on  
22 this panel, so I don't think appropriate, a second  
23 from him would be appropriate.

24 **COMMISSIONER SKOP:** All right. Thank you.  
25 So we withdraw your second. I did not see that on

1 my list for Item 9, so my apologies.

2 **COMMISSIONER GRAHAM:** I second it.

3 **COMMISSIONER SKOP:** Okay. So we have a  
4 motion properly seconded by Commissioner Graham. Is  
5 there any discussion? Seeing none, all in favor of  
6 the motion, say aye.

7 (Affirmative vote.)

8 All opposed. Hearing none, the motion carries  
9 and Item 9 is approved.

10 Okay. Commissioners, at this time, again,  
11 we have a time certain of 10:00 a.m. for, to take up  
12 Item 5. We have a lot of speakers today, as well as  
13 I believe Senator Fasano will be participating. So  
14 what we'll do is temporarily recess and reconvene at  
15 10:00 am. Thank you.

16 (Agenda item concluded.)

17 (Recess taken.)

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STATE OF FLORIDA     )  
                               :                                    CERTIFICATE OF REPORTER  
COUNTY OF LEON     )

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 10<sup>th</sup> day of August, 2010.

  
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