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October 20, 2010

BY HAND DELIVERY

Florida Public Service Commission
Ann Cole, Commission Clerk
Office of Commission Clerk
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RECEIVED-FPSC
10 OCT 20 PM 12:05
COMMISSION
CLERK

Re: *Docket No. 100104-WU – In Re: Application for increase in water rates in Franklin County by Water Management Services, Inc. – Pre-hearing Statement*

Dear Ms. Cole:

Enclosed for filing in the above-referenced docket on behalf of Water Management Services, Inc. (“WMSI”) are the original and nine (9) copies each of the following late-filed hearing exhibits:

- Exhibit 80- Disallowed Investment in Plant
- Exhibit 84 – Supplemental Response to Staff’s Interrogatory 86

Please acknowledge receipt of these documents by stamping the extra copy of this letter “filed” and returning the copy to me.

Thank you for assistance with this filing.

Sincerely,

Lisa C. Scoles
Lisa C. Scoles, Esq.

Enclosures

COM _____
 APA _____
 ECR _____
 GCL _____
 RAD _____
 SSC _____
 ADM _____
 OPC _____
 CLK _____

cc: Joseph McGlothlin, Office of Public Counsel (w/ enclosures)
 Ralph Jaeger/Erik Saylor, Office of the General Counsel (w/ enclosures)
 Jane Faurot, Court Reporter (w/ enclosures)
 Gene Brown, WMSI (w/ enclosures)

DOCUMENT NUMBER-DATE

08775 OCT 20 09

FPSC-COMMISSION CLERK

EXHIBIT NO. 80

DOCKET NO. 100104-WU

WITNESS: GENE BROWN

PARTY: WATER MANAGEMENT SERVICES, INC.

SHORT TITLE: DISALLOWED INVESTMENT IN PLANT

DOCUMENT NUMBER-DATE

08775 OCT 20 9

FPSC-COMMISSION CLERK

WATER MANAGEMENT SERVICES, INC.

EXPLANATION OF ACCOUNT 121

The balance of \$858,173 in Account 121, disallowed plant, is basically a total of the adjustments made in Order No. 21122 (Docket No. 871177-WU) and Order No. PSC-94-1383-FOF-WU (Docket No. 940109-WU), less \$47,155 in account number 122, accumulated depreciation and amortization of non-utility property. The adjustments are shown by schedule No. 4-C from Order No. 21122 and Schedule No. 1-C from Order No. PSC-94-1383-FOF-WU, copies of which are attached. The following is a rough compilation of the above-referenced numbers.

Acct. 121 Basis		
Order No. 21122	\$406,851	
	<u>55,601</u>	\$462,452
Order No. PSC-94-1383-FOF-WU	\$379,947	
	<u>60,095</u>	\$440,042
		\$902,494
Less Acct. 122		(<u>47,155</u>)
		\$855,339
		<u>858,173</u>
Difference		(\$ 2,834)

The total balance in account 121 will be written off in 2010.

DOCUMENT NUMBER-DATE

08775 OCT 20 9

FPSC-COMMISSION CLERK

ST. GEORGE ISLAND UTILITY CO. TEST YEAR ENDED DECEMBER 31, 1992 SCHEDULE OF PLANT BY PRIMARY ACCOUNT YEAR-ENDED BALANCES			SCHEDULE NO. 1-C DOCKET NO. 940109		
ACCT NO.	ACCOUNT TITLE	UTILITY PER BOOKS	ORIGINAL COSTS ADJUSTMENTS	OTHER COMMISSION ADJUSTMENTS	ADJUSTED PER BOOK BALANCE
304.2	Structures & Improv.	47,801	10,667		58,468
307.2	Wells & Springs	187,356	(31,872)	(11,247)	144,237
309.2	Supply Mains	227,326	129,326	(2,687)	353,965
310.2	Power Generation Equipment	60,661		1,756	62,417
311.2	Pumping Equipment	63,920	(4,286)	(17,522)	42,112
303.3	Land & Land Rights	5,000			5,000
320.3	Water Treatment Equip.	23,270	(9,619)	(919)	12,732
303.4	Land & Land Rights	60,904		(570)	60,334
330.4	Distr. Res. & Standpipes	371,741	(49,568)	(33,945)	288,228
331.4	Trans. & Distr. Mains	1,368,508	(430,289)		938,219
333.4	Services	168,776	(961)	(521)	167,294
334.4	Meters & Meter Inst.	88,095	(349)	(487)	87,259
335.4	Hydrants	74,274	2,237	13,372	89,883
339.4	Other Plant & Misc. Eq.	51	4,767		4,818
340.5	Office Furniture & Eq.	13,986		(3,188)	10,798
343.5	Tools, Shop & Garage Eq.	441			441
347.5	Miscellaneous Equipment	5,302		(4,137)	1,165
TOTAL		2,767,412	(379,947)	(60,095)	2,327,370

ORDER NO. 21122
 DOCKET NO. 871177-WU
 PAGE 40

ST. GEORGE ISLAND UTILITY COMPANY, LTD.
 TEST YEAR ENDED DECEMBER 31, 1987
 SCHEDULE OF PLANT BY PRIMARY ACCOUNT - WATER
 YEAR-END BALANCES AND ADJUSTMENTS PER BOOKS

SCHEDULE NO. 4-C
 PAGE 1 OF 1
 DOCKET NO. 871177-WU

LINE NO.	ACCT. NO.	ACCOUNT TITLE	UTILITY PER BOOKS	UNSUPPORTED PLANT	16% REDUCT. TO OCS	ADJUSTED PER BOOK BALANCE
1	303	LAND & LAND RIGHTS	39,884		(19,429)	20,455
2	304	STRUCTURES & IMPROVEMENTS	62,103	(24,260)	(6,055)	31,788
3	307	WELLS & SPRINGS	67,360		(10,778)	56,582
4	309	SUPPLY MAINS	242,140		(38,742)	203,398
5	310	POWER GENERATION EQUIPMENT	17,150		(2,744)	14,406
6	311	PUMPING EQUIPMENT	52,335		(8,374)	43,961
7	320	WATER TREATMENT EQUIPMENT	14,484		(2,317)	12,167
8	330	DIST RESERVOIRS & STANDPIPES	180,411		(28,866)	151,545
9	331	TRANSMISSION & DISTRIB MAINS	1,616,661		(258,666)	1,357,995
10	333	SERVICES	167,359	3,025	(26,300)	144,084
11	334	METERS & METER INSTALLATIONS	65,579	1,099	(10,319)	56,359
12	335	HYDRANTS	85,564		(13,690)	71,874
13	340	GENERAL OFFICE EQUIPMENT	6,847	(6,847)	0	0
14	341	TRANSPORTATION EQUIPMENT	10,717		0	10,717
15	343	POWER OPERATED EQUIPMENT	26,528	(26,528)	0	0
16	346	COMMUNICATION EQUIPMENT	2,090	(2,090)	0	0
17						
18		TOTAL	2,657,212	(55,601)	(406,851)	2,154,876

EXHIBIT NO. 84

DOCKET NO. 100104-WU

WITNESS: GENE BROWN

PARTY: WATER MANAGEMENT SERVICES, INC.

SHORT TITLE: SUPPLEMENTAL RESPONSE TO STAFF'S
INTERROGATORY 86

Note: Taxes Paid = None on all sales

SALE OF WATER MANAGEMENT SERVICES INC. BUILDINGS & LAND ASSETS

DATE	DESCRIPTION	ORIGINAL COST	ACCUM. DEPRN.	BOOK VALUE	CONSIDERATION GIVEN OR REC'D S.P. Expenses	SALE PRICE	GAIN OR LOSS
3/1/2005	Killearn Ct Office Bldg including FF&E	179,321.79	58,105.97	121,215.82	159,500.00 17,086.50	159,500.00	21,197.68
7/1/2006	Units 1&2 139 Gulf Beach Dr.(Apartments)	170,134.12	-	170,134.12	200,000.00 -	200,000.00	29,865.88
12/29/2006	Eastpoint Land, a portion of Lot 7 Bl 1	6,761.58	-	6,761.58	100,000.00 735.50	100,000.00	92,502.92
11/1/2007	Lots 5&6 Common- wealth Office Park	261,677.49	-	261,677.49	480,000.00 4,443.12	480,000.00	213,879.39
Subtotal , Building & Land Assets		<u>\$ 617,894.98</u>	<u>\$ 58,105.97</u>	<u>\$ 559,789.01</u>	<u>\$ 939,500.00</u> <u>\$ 22,265.12</u>	<u>\$ 939,500.00</u>	<u>\$ 357,445.87</u>

SALE OF WATER MANGEMENT SERVICES INC. VEHICLES & EASEMENT ASSETS

DATE	DESCRIPTION	ORIGINAL COST	ACCUM. DEPRN.	BOOK VALUE	CONSIDERATION GIVEN OR REC'D S.P. Expenses	SALE PRICE	GAIN OR LOSS
1/19/1999	Ford Truck	20,000.00	3,611.14	16,388.86	16,388.86	16,388.86	-
12/31/1999	Tahoe	32,953.77	12,529.44	20,424.33	20,424.33	20,424.33	-
1/31/2001	Ford Truck	30,530.61	5,512.52	25,018.09	25,018.09	25,018.09	-
11/18/2003	Backhoe	52,311.00	21,216.44	31,094.56	24,000.00	24,000.00	(7,094.56)
12/31/2004	93 F700 Dump Truck	16,753.89	16,753.89	-	4,000.00	4,000.00	4,000.00
3/30/2006	Stonehenge Trailer	7,007.85	875.98	6,131.87	5,000.00	5,000.00	(1,131.87)
6/22/2006	2002 Chev Silverado GN Hitch & Tool Box included	19,759.47	3,293.26	16,466.21	19,500.00	19,500.00	3,033.79
2/16/2007	2005 Dump Truck	51,562.94	17,187.65	34,375.29	39,500.71	39,500.71	5,125.42
8/14/2007	2001 Truck	38,059.78	38,059.78	-	12,542.90	12,542.90	12,542.90
7/17/2008	2004 GMC Yukon	44,826.74	28,639.29	16,187.45	15,528.39	15,528.39	(659.06)
6/4/2009	Easement	-	-	-	4,000.00	4,000.00	4,000.00
7/14/2009	Easement	-	-	-	500.00	500.00	500.00
12/31/2009	Backhoe Trailer	16,022.08	12,016.57	4,005.51	10,000.00	10,000.00	5,994.49
Subtotal , Building & Vehicles & Easement Assets		<u>\$ 329,788.13</u>	<u>\$ 159,695.96</u>	<u>\$ 170,092.17</u>	<u>\$ 196,403.28</u> <u>\$ -</u>	<u>\$ 196,403.28</u>	<u>\$ 26,311.11</u>

Cumulative Total Gain (Loss) on Sales (2003-2009)

\$ 383,756.98

NOTE: Through 2002, the Utility experienced neither gains nor losses on sales transactions. The total gains shown above were incurred during the years 2003-2009. During that same period, according to the annual reports filed with the Commission at schedules F-4 & F-5, the utility's cumulative Net Operating Income was \$285,041 less than required, based on the actual expenses and actual cost of debt for those years. When the 2009 report is adjusted to reflect the normalization of expenses actually being incurred now, as presented in the MFR in this proceeding, the cumulative Net Operating Income is \$420,284 less than required, based on those actual expenses and actual cost of debt for those years. That is, the cumulative losses being experienced by the utility over this period are \$36,527 more than the gains on sales for the same period. This does not take into consideration that revenues in 2010, to date, are less than those in 2009 for the same period.