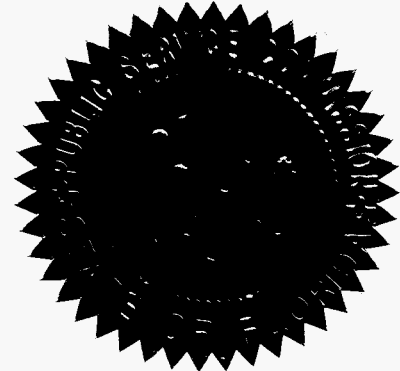


BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 100104-WU

In the Matter of:

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



PROCEEDINGS: COMMISSION CONFERENCE AGENDA  
ITEM NO. 8

COMMISSIONERS  
PARTICIPATING: CHAIRMAN ART GRAHAM  
COMMISSIONER LISA POLAK EDGAR

DATE: Tuesday, February 22, 2011

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

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3           **CHAIRMAN GRAHAM:** Let's move over to Item  
4 Number 8. This is a panel with just myself and  
5 Commissioner Edgar.

6           **MR. JAEGER:** Commissioners, Ralph Jaeger,  
7 legal staff.

8           Item Number 8 is Staff's recommendation on  
9 OPC's motion for reconsideration and/or clarification  
10 of the final order issued in Docket Number 100104-WU.  
11 That's WMSI's rate case. Staff is recommending that  
12 the Commission deny reconsideration but grant  
13 clarification.

14           OPC did not request oral argument and  
15 Staff does not believe it would assist the  
16 Commission in making its decision. Staff is  
17 available for any questions.

18           **CHAIRMAN GRAHAM:** Thank you, Staff.  
19 Commissioner Edgar.

20           **COMMISSIONER EDGAR:** I wasn't sure which  
21 button to go for.

22           (Laughter.)

23           Thank you, Mr. Chairman.

24           Recognizing that this is posthearing, I, I  
25 often appreciate oral argument, but on this instance

1 for me, and not to speak for you, of course, as my  
2 fellow member of this particular panel, I don't want  
3 to speak for you, but for me I did not feel that  
4 oral argument was, was necessary.

5 We, of course, spent a number of days in  
6 hearing and going through the record on this item.  
7 My understanding is that OPC is asking for, that we  
8 reconsider the treatment of the 1.2 million level of  
9 advances to associated companies that we dealt with  
10 in the final order, and that they're asking that we  
11 find the advances to be inappropriate and imprudent,  
12 and that their rationale for that is the assertion  
13 that the Commission failed to consider the utility's  
14 burden of proof and certain portions of the record.

15 Going back through the motion for  
16 reconsideration and also relevant portions of the  
17 final order and of the record from the case, my  
18 feeling is to deny that motion for reconsideration  
19 and to approve the Staff recommendation. I, I do  
20 not see anything that the Commission failed to  
21 consider on point to this issue, and therefore I  
22 don't believe that the standard to approve a motion  
23 for reconsideration is met on Issue 1.

24 As to Issue 2, the request to clarify  
25 regarding the use of imputation as a tool, I note

1 that in the Staff recommendation there is discussion  
2 on Page 10 in the analysis, and I do believe that if  
3 we reference that analysis on Page 10, that that  
4 meets the concerns and requests of the party, and so  
5 I am comfortable with that.

6 And as to the second point on Issue 2, the  
7 request to clarify the scope of the audit, Mr.

8 Chairman and fellow panel member, that does give me  
9 some pause. I am not an auditor, nor do I claim to  
10 be, nor do I want to be. But my sense is that the  
11 direction in the final order does give appropriate  
12 parameters for the analysis of the cash flow. And  
13 for us to go any further than that at this point  
14 before we receive that audit analysis could possibly  
15 presuppose a result or direct a conclusion and that  
16 would give me some concern.

17 So with that, Mr. Chairman, I look forward  
18 to your comments and thoughts. But I am comfortable  
19 with the Staff recommendation, noting the discussion  
20 on Page 10.

21 **CHAIRMAN GRAHAM:** Was that in the form of  
22 a motion?

23 **COMMISSIONER EDGAR:** I would approve the  
24 Staff recommendation.

25 **CHAIRMAN GRAHAM:** I've got a question for,

1 I guess it's a legal question. And not that I'm  
2 going this path, but if we were to disagree on this  
3 issue and me being Chair, who comes in as tie break?

4 **MR. JAEGER:** Chairman Graham, I think  
5 right now pursuant to 350.01(5) only the people who  
6 voted on the original final orders, it's our  
7 interpretation that only you and Ms. Edgar,  
8 Commissioner Edgar can vote on this issue. And if  
9 it is a split vote, then I think the motion would  
10 fail, being that it was a split vote between you  
11 two.

12 **CHAIRMAN GRAHAM:** And then what happens?  
13 Another motion will come up and then you have to  
14 continue going until you get something that passes?

15 **MS. HELTON:** No, sir. The motion would  
16 just die and we would move on and the final order  
17 would become the final order.

18 **CHAIRMAN GRAHAM:** Okay. Well, I was just  
19 curious. I'm seconding her motion. I was just --  
20 my mind was going through as she was saying, I mean,  
21 because I, I was just curious where we went from  
22 there. But thank you.

23 **COMMISSIONER EDGAR:** In case I said  
24 something really objectionable?

25 (Laughter.)

1                   **CHAIRMAN GRAHAM:** All right. So it's been  
2 moved and seconded. All in favor, say aye.

3                   (Vote taken.)

4                   Those opposed? By our action we have  
5 approved the Staff recommendation on Item Number 8.  
6 And that's all I have. If there's anything else to  
7 come before us. If not, we're adjourned.

8                   (Commission Conference Agenda adjourned.)  
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STATE OF FLORIDA     )  
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COUNTY OF LEON       )

CERTIFICATE OF REPORTER

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 24th day of February, 2011.

Linda Boles  
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