

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20160195-WS

APPLICATION FOR STAFF-ASSISTED
RATE CASE IN LAKE COUNTY BY
LAKESIDE WATERWORKS, INC.

_____ /

PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 5

COMMISSIONERS
PARTICIPATING: CHAIRMAN JULIE I. BROWN
 COMMISSIONER ART GRAHAM
 COMMISSIONER RONALD A. BRISÉ
 COMMISSIONER DONALD J. POLMANN
 COMMISSIONER GARY F. CLARK

DATE: Tuesday, October 3, 2017

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

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

P R O C E E D I N G S

1
2 **CHAIRMAN BROWN:** Now we are moving on to
3 Issue -- Item 5, which is the SARC. Please let me know
4 when you're ready.

5 **MR. LEWIS:** Yes, ma'am. Ready.

6 **CHAIRMAN BROWN:** All right. Great. Thank
7 you.

8 **MR. LEWIS:** Good morning, Commissioners.
9 Clayton Lewis speaking on behalf of Commission staff.

10 Item No. 5 is staff's recommendation
11 addressing Lakeside Waterwork's application for a
12 staff-assisted rate case. Lakeside is a Class C utility
13 providing service to approximately 185 water customers
14 and 171 wastewater customers in Lake County. Staff is
15 recommending that the utility's quality of service be
16 considered marginal. Staff is also recommending an
17 increase to the utility's revenue requirement.

18 Staff has an oral modification to the revenue
19 requirement which has been previously provided.
20 Representatives from the utility and Office of Public
21 Counsel are present at today's agenda.

22 **CHAIRMAN BROWN:** Excellent.

23 **MR. LEWIS:** And did you want the oral
24 modification addressed at this time?

25 **CHAIRMAN BROWN:** Yes.

1 **MR. LEWIS:** Okay.

2 **MS. GOLDEN:** Good morning, Commissioners.

3 Martha Golden with Commission staff.

4 The reason for the oral modification is that
5 OPC previously raised a concern about our recommendation
6 regarding the handling of the loss related to retirement
7 of the collapsed well. We believed that in the PAA
8 recommendation that we had addressed that concern.

9 The main concern was that the early retirement
10 of the well rehabilitation work, which was only in
11 service for about nine months prior to the final
12 collapse of the well, it produces a large negative
13 accumulated depreciation balance, which has the effect
14 of increasing rate base and the utility earns a return
15 on that.

16 We believed that our approach in the PAA
17 recommendation would address that concern, but following
18 the filing of the recommendation, OPC raised additional
19 concerns related to the accounting treatment of that.
20 So the oral modification, again, was intended to address
21 OPC's concerns.

22 **CHAIRMAN BROWN:** Thank you. Okay. And we are
23 going to start with the utility, if the utility would
24 like to address us on the staff recommendation or any
25 other matters, and then we'll go to Office of Public

1 Counsel.

2 **MR. RENDELL:** Yes, Commissioners. This is
3 Troy Rendell on behalf of Lakeside Waterworks. And with
4 me is Mr. Gary Deremer, who's the president and majority
5 owner of Lakeside Waterworks.

6 We're here today to support staff's
7 recommendation as originally filed and as modified with
8 the exception of Issue 1. We believe the quality of
9 service should be satisfactory. Late last week, after
10 the recommendation was filed, the utility supplied
11 documentation which showed the actions taken after the
12 customer meeting. The utility has actually repaired the
13 high service pumps, replaced the control panel at the
14 wastewater -- at the water treatment plant, redid the
15 piping at the water treatment plant, installed auto
16 flushers throughout the distribution system, and we also
17 rehabbed the lift stations. The lift stations had been
18 an issue since we purchased it. I provided
19 documentation where we went to the customer meetings and
20 explained what was needed at the lift stations, along
21 with Public Counsel. Mr. Steve Reilly was there as
22 well.

23 We have kept the customers informed even prior
24 to filing the rate case, and, you know, we believe that
25 we've taken all the actions necessary. We're quite --

1 we're honestly at a loss of what other actions that
2 either the staff or OPC would like for us to take. We
3 believe the only other thing that can be done that's not
4 already been done is maybe forced draft aeration, which
5 we don't believe -- may not be necessary and it's going
6 to be very costly. And with that, I'm going to let
7 Mr. Deremer make a couple of comments.

8 **CHAIRMAN BROWN:** Thank you.

9 Good morning, Mr. Deremer.

10 **MR. DEREMER:** Good morning, Commissioner.

11 Yes, I also was surprised at the marginal
12 service rating. Of everything that's being discussed
13 with this, that's the most important issue to me. We
14 try very hard to be responsive to our customers, and we
15 try very hard to look at the big picture when it comes
16 to rates. You know, these are -- the collection of
17 systems that we have are generally very small and they
18 are spread out geographically across the state.

19 So we're very mindful at what improvements are
20 put into place because of affordability issues with
21 these customers. Many of our customers are moderate to
22 low income, retirees, many live in mobile home parks.
23 So when we look at improvements on these -- on any of
24 these systems, we try to focus on what is the right
25 impact.

1 Every discussion we have over capital
2 improvements that Troy and I have, I say, "Well, you
3 know, what is this impact on rates?" And we try to, you
4 know, keep our rates around \$80 for water and sewer for
5 the average customer. And we think when you start to
6 get above that, you're asking for problems.

7 And so we do -- so when we see, you know, a
8 marginal rating, when we believe we've addressed all the
9 customer concerns, we are surprised at that. The issue
10 that still remains is, is hydrogen sulfide-related
11 problems, which are quite common in the state. I
12 believe the Commission is well aware of those. They're
13 very expensive to remedy.

14 The utility is certainly willing to remedy
15 those and to make the investment to remedy those;
16 however, the impact on rates from an operation and
17 capital recovery is quite severe, and it's going to take
18 these rates well over a hundred dollars a month. So
19 we'd certainly be happy to further discuss that in a
20 customer meeting with the customers, with OPC, and all
21 interested parties.

22 I don't want to digress here, but I think, you
23 know -- I'm the president of US Water, and we operate
24 and manage systems throughout the United States, many
25 systems in Florida, approximately a thousand systems

1 from very large to very, very small such as Lakeside.
2 And many of our clients are government, and many of our
3 clients benefit from government grants, low interest
4 loans, and are able to keep their rates suppressed as a
5 result of those kind of functions. CDBG block grants is
6 a typical one that we see.

7 So I'm faced with looking at these utilities
8 to say, you know, there's something in our system that,
9 that needs to be addressed differently because there
10 isn't that kind of remedy with these small systems, and
11 they're generally the systems that need the most help.

12 So I would be happy to also participate in any
13 kind of discussions with OPC that would -- could bring
14 some relief to these type systems so that these
15 customers could really get the same benefit that many of
16 our municipal clients get. And, again, I digressed a
17 little bit, but I'm happy to work with all, all parties
18 to try to resolve this.

19 **CHAIRMAN BROWN:** Thank you, Mr. Deremer.

20 Mr. Rendell.

21 **MR. RENDELL:** One quick point, and I
22 apologize. The documentation that was filed last week
23 shows that the utility spent over \$40,000 already, and
24 those costs are not included in this rate case. So the
25 utility will be coming in probably within the year with

1 a limited proceeding. We also discovered --

2 **CHAIRMAN BROWN:** Did you say "with a limited
3 proceeding" rather than a rate case?

4 **MR. RENDELL:** Probably a limited proceeding
5 with these items -- well, if the staff and OPC agree.
6 We also have to replace a water tank. Similar to what
7 happened with LP, we discovered the water tank is
8 leaking now and has to be replaced. So all of these
9 costs as well as the tank is going to have to be
10 addressed.

11 **CHAIRMAN BROWN:** Does it make sense to defer
12 this and include that? I mean, this utility had a rate
13 case with an order issued in 2015. Here we are in 2017.
14 And I know some of these are -- it's strictly driven by
15 pro forma, which is also why I was surprised that this
16 was a rate case rather than a limited proceeding.

17 Would it make sense, though, to have the
18 utility hold off and include those? Because, I mean,
19 you're talking about the customers and --

20 **MR. RENDELL:** If -- yeah. If it did, I would
21 suggest you phase in, do phase-in rates. And the reason
22 I bring that up is we filed this case in August of 2016.
23 So it's been going on for 14 months. We spent well over
24 a hundred thousand dollars on a new well, well over a
25 hundred thousand dollars on a wastewater treatment

1 plant. We're getting no recovery of those. So I
2 would -- if you were going to defer it, I would suggest
3 do Phase 1 rates and then come back with Phase 2 rates
4 to address these items, to include a meeting with OPC
5 and the customers on what else, you know, what else, if
6 anything, we need to do further. But I would suggest
7 having Phase 1 rates and Phase 2 rates. It's similar to
8 how we entered into a settlement agreement with OPC and
9 the homeowners in the last rate case, which was very
10 successful, and we had phased-in rates in that one as
11 well.

12 **CHAIRMAN BROWN:** Commissioner Polmann, I'll
13 get to you in a second. I want to hear from Office of
14 Public Counsel first, and then we'll go to the
15 Commissioners.

16 **MS. PONDER:** Good morning, Madam Chair,
17 Commissioners. Virginia Ponder with OPC, and with me is
18 Tricia Merchant.

19 Initially I'd like to thank staff for their
20 hard work on the recommendation. Yesterday afternoon
21 OPC did reach out to staff to request this item be
22 deferred until November. The request was made in light
23 of staff's revised recommendation that was filed Friday
24 afternoon, late Friday afternoon at 4:10. Both
25 Mr. Kelly and Ms. Merchant were out of town on that day

1 and were left with only one day to review the revised
2 recommendation. And the accounting changes in the
3 revised recommendation generated a lot of confusion for
4 OPC.

5 OPC believed the deferral would allow it a
6 meaningful opportunity to review the revised
7 recommendation and to meet with staff and the utility to
8 answer questions.

9 One thing that does seem clear in the revised
10 recommendation is that the accounting treatment for the
11 well rehabilitation is in violation of Rule 25-30.115,
12 Uniform System of Accounts for Water and Wastewater
13 Utilities, which adopts the NARUC Uniform System of
14 Accounts.

15 Ms. Merchant is here to speak further on this
16 issue, also regarding errors in the initial
17 recommendation and other issues in the revised
18 recommendation.

19 I have two brief statements on Issues 1 and 6.
20 Issue 1, quality of service, at least as discussed,
21 staff has recommended the quality of service be
22 considered marginal due to unresolved issues and the
23 quality of water, the color, odor, and taste, and also
24 the foul smell coming from the lift station.

25 The recommendation included cost estimates

1 that were provided by the utility in its June 12th
2 filing, and the company's estimates are nearly a million
3 dollars to resolve the water color, odor, and taste
4 issues, and 75,000 estimate to rehabilitate the lift
5 station.

6 As we've discussed, there's only 185 water
7 customers and 171 wastewater customers. The cost of
8 these improvements would be extremely burdensome.

9 As Mr. Rendell mentioned, the utility recently
10 filed a letter showing some quality of water
11 improvements. I believe he represented that they spend
12 40,000 on -- you know, the million dollar estimate
13 listed some itemization of 15 items. So thus far
14 they've spent 40,000 towards that. The degree to which
15 these improvements have alleviated the quality issue
16 remains uncertain.

17 The recommendation also provided for OPC to
18 meet with the utility and discuss options and associated
19 costs to resolve the water quality issue as well as the
20 lift rehab, and with the company to file reports. OPC
21 does not object to participating in the process to the
22 extent our budget allows and that staff remains involved
23 in the process.

24 The utility is in the best position to
25 investigate the reasonable alternatives to fix the

1 quality of service issues, and they need to provide
2 meaningful, cost-effective options for consideration
3 prior to the commencement of the meeting process.

4 As the Commission is aware, Section 367.0812,
5 *Florida Statutes*, provides it with discretion in
6 considering secondary water quality standards such that
7 it may impose penalties for a utility's failure to
8 adequately resolve each quality of water service issue.

9 OPC is not recommending a penalty today. We
10 stress that a penalty be considered should the company
11 not meaningfully participate in the collaborative
12 process to work towards a resolution of the quality of
13 service.

14 Regarding Issue 6, amortization of loss on the
15 water well and their wastewater treatment plant
16 replacement, staff utilized the formula in Rule
17 25-30.433(9) and determined the appropriate amortization
18 period to be seven years for the water loss and four
19 years for the wastewater treatment plant loss.

20 **CHAIRMAN BROWN:** Say that again. Seven years
21 for the --

22 **MS. PONDER:** For the water loss.

23 **CHAIRMAN BROWN:** And?

24 **MS. PONDER:** And four for the wastewater
25 treatment plant loss.

1 **CHAIRMAN BROWN:** Okay.

2 **MS. PONDER:** Staff had initially proposed an
3 eight-year period for water and three for wastewater.
4 On May 26th, OPC submitted correspondence proposing a
5 ten-year amortization period for both water and
6 wastewater. OPC was particularly concerned with a
7 three-year amortization period for the wastewater
8 treatment plant loss for such a material expense and
9 with no requirement that the rates be reduced at the end
10 of the three-year period. Staff ultimately rejected
11 OPC's suggestion.

12 Rule 25-30.433(9) specifies that the formula
13 shall be used unless specific circumstances surrounding
14 the abandonment or retirement demonstrate a more
15 appropriate amortization period. In the recommendation,
16 staff concluded that it does not believe unique
17 circumstances exist here to warrant a different
18 amortization period. OPC disagrees.

19 The wastewater treatment plant loss is more
20 than three times the amount of the water loss. The
21 resulting rate impact for this loss is the type of
22 specific circumstance contemplated by the rule and
23 requires the formula be displaced in favor of a more
24 appropriate amortization period.

25 OPC contends that the appropriate amortization

1 period for the wastewater treatment plant loss is seven
2 years, the same as the water. Ms. Merchant is available
3 to discuss the other issues.

4 **CHAIRMAN BROWN:** Okay. Ms. Merchant.

5 **MS. MERCHANT:** Good morning, Commissioners.
6 Tricia Merchant with the Office of Public Counsel.

7 And I'm going to address Issues 3 and 6, and
8 they both relate to the amortization of the loss for the
9 water and the wastewater treatment plant. Excuse me.

10 In this application, Lakeside stated the
11 utility experienced a collapsed well after the last rate
12 case, which we've heard already today. It then
13 attempted to rehabilitate the well and that was
14 unaccept -- excuse me -- unsuccessful.

15 OPC does not disagree that the rehabilitation
16 was prudent, and we believe that it's appropriate to
17 amortize those costs over seven years, but we do
18 disagree with how the staff and the company have
19 accounted for this transaction. In its original
20 recommendation, staff accepted the utility's adjustment
21 to add the cost of the rehabilitation to the water plant
22 even though the rehab did not allow the well to provide
23 service. And I heard something different this morning,
24 that the rehab provided service for nine months. But I
25 have not seen that previously, so I did not know that.

1 But regardless, the cost of the well -- the
2 old well was almost fully retired. It had about \$1,500
3 left in it until it was fully depreciated. The
4 rehabilitation of the water well was about \$16,000.
5 That added on to the plant, and when they retired the
6 plant, you take out the plant and you take out the
7 accumulated depreciation in the same amount. And what
8 that did -- since there wasn't that amount of
9 accumulated depreciation, it created an excess of
10 accumulated depreciation for the well. So there was
11 more -- there was a negative balance in accumulated
12 depreciation.

13 So what we believe is an appropriate
14 accounting transaction for that would be to take the
15 rehabilitation cost, and it should have been written off
16 to an account, 426, according to the Uniform System of
17 Accounts, and that's below-the-line expense. But
18 instead of that, they can come petition the Commission
19 to have that amount deferred as a regulatory asset, and
20 it can be recovered and amortized over a certain
21 timeframe, which is seven years in this case.

22 According to Commission Rule 25-30.433, it
23 identifies various ratemaking adjustments that shall be
24 used in ratemaking proceedings for water and wastewater
25 utilities. And I'm mentioning this: This has to do

1 with the working capital allowance which ties into the
2 regulatory asset recovery that staff originally put in
3 their recommendation. (2) states that working capital
4 for Class A utilities shall be calculated using the
5 balance sheet approach for working capital; in Class B
6 and C water and wastewater utilities, use the formula
7 approach, which is 1/8th of O&M expenses. It's been
8 done that way, gosh, ever since I was here a long time
9 ago. 1981 is when I started.

10 Further, in (3) it states that no other
11 deferred debit shall be added to rate base when you use
12 the formula approach. So basically the formula approach
13 is a proxy for the balance sheet approach. And the
14 balance sheet approach for, you know, in electric cases
15 and, you know, Class A water companies, it can be quite
16 complicated. You have to decide what items get
17 included, what items get excluded. So it can be very
18 costly for a small company, and that's why the
19 Commission came up with a formula approach for working
20 capital.

21 Also, when the rule was created, we had had
22 experience with Commission -- and I was actually
23 involved in the rule, I was staff on that case, and they
24 had a lot of companies before that that asked for the
25 formula approach for working capital. And they also

1 came in and asked for deferred rate case expense to be
2 added on top as a special line item in the rate base,
3 and the Commission routinely said, "No, that's not
4 appropriate." And that's why we came in with that rule
5 that said no other deferred debits get added into rate
6 base.

7 The rationale with the formula approach is to
8 save money for the small companies. It's the same
9 reason why we have a formula for rate of return on
10 equity because, you know, in electric cases, as you are
11 well aware, those experts, the testimony is extremely
12 voluminous and it involves a lot of information that
13 these small companies can't deal with.

14 Very late Friday afternoon -- I had spoken
15 with staff before I left town a week ago Monday and
16 communicated my concerns with the recommendation and
17 adding in the line item to rate base for the regulatory
18 asset for the water treatment plant. And then I came
19 back late morning yesterday and they had filed a revised
20 recommendation.

21 And in that recommendation, they took away the
22 regulatory asset. I believe there still is a regulatory
23 asset, but it's just not in rate base. And they went in
24 and they added amortization of the loss to accumulated
25 depreciation.

1 So when they did that, that's kind of mixing
2 apples and oranges. You don't -- you depreciate plant.
3 It goes into accumulated depreciation. You amortize
4 other things like CIAC. It goes into its own
5 accumulated amortization account. And when you amortize
6 a regulatory asset, it just reduces that regulatory
7 asset on the utility's books.

8 And any time a utility comes in and wants to
9 do something that is opposite of what generally accepted
10 accounting principals or the NARUC Uniform System of
11 Accounts says that you should do, then they create a
12 regulatory asset, if it's an asset, or a regulatory
13 liability, if it's, you know, a liability. So those
14 things happen routinely.

15 And, you know, all the large companies have
16 regulatory assets, both sides, regulatory liabilities,
17 those things get included in working capital. In the
18 balance sheet approach for working capital, they don't
19 get included, according to the Commission's rule, when a
20 water and wastewater utility uses the formula approach.

21 So I believe that when they changed the
22 recommendation, they -- this attempt to give the
23 company -- I guess -- I assume it's an attempt to give
24 them a rate of return on this asset, it violates the
25 Uniform System of Accounts because you can't mix

1 depreciation expense and accumulated depreciation with
2 amortization of a loss inside accumulated depreciation.
3 So we believe that that revision is inappropriate.

4 The real thing is that there really is a
5 regulatory asset. It gets amortized over seven years
6 for the water plant, and staff's recommendation was four
7 years for the wastewater treatment plant. Of course, we
8 believe it's seven years -- it should be seven years for
9 the wastewater treatment plant. But that regulatory
10 asset does get recorded on the books of the utility. It
11 does not get included in working capital or in rate base
12 because of the rule that says you can't have any
13 additional regulatory assets in rate base.

14 And the company is, per se, getting a rate of
15 return on those assets through working capital because
16 the formula approach is a proxy for the working capital
17 investment of the utility. It's not the -- it's not an
18 actual thing. It's a simplified formula that allows
19 them some investment without having to go through the
20 whole formula.

21 And so I believe that that's the appropriate
22 way that the Commission should take it, that they get
23 the recovery of the amortization expense, which is the
24 most material impact to the company, and then they get
25 the formula approach for working capital. They --

1 according -- if you use the Commission staff's revised
2 recommendation, there should be adjustments to reduce or
3 to remove the adjustments they made to accumulated
4 depreciation and go back to how they were before in the
5 primary recommendation.

6 And I believe that's it. I think it's
7 certainly -- the attempt to kind of fix the problem in
8 the first recommendation created another problem. And
9 if -- the real solution is basically recognize the
10 regulatory asset and then give them the formula
11 approach, but don't allow an extra rate of return in
12 rate base. And those -- that concludes my comments.
13 Thank you.

14 **CHAIRMAN BROWN:** Thank you, Ms. Merchant.

15 And I'm going to turn to staff in just a
16 second, but let's clear up this oral -- let's clear up
17 the motion to defer -- or not motion to defer, the
18 consideration of a deferral. And I just have a question
19 on that.

20 You were talking about additional items for
21 pro forma in your opening comments within the next 12
22 months. If there was a deferral until November, would
23 that be enough time for the utility to provide the
24 information for the additional expenses associated with
25 that that are not included in this rate case? I know

1 the statutory timeframe is January 4th, 2018. I guess
2 the recommendation for November would be October 26th.

3 **MR. RENDELL:** Commissioners, we've already
4 provided documentation for the majority of the items.
5 The only one we would not have is for the replacement of
6 the water tank.

7 When I spoke with staff about the deferral,
8 our concern was a couple of things. One is this case
9 has been deferred numerous times already. The customer
10 meeting got deferred. We were very accommodating to
11 staff's request. It got deferred off of another agenda.
12 There's been a tremendous amount of capital spent
13 already.

14 The only item we would not have would be the
15 replacement of the tank, and that would take some time
16 to get that. The other concern was would they require
17 another customer meeting, because these increases are
18 pretty significant that -- and we didn't want to, you
19 know, have to go through, you know, several months with
20 another customer meeting. So --

21 **CHAIRMAN BROWN:** No, I understand. I mean,
22 and you've been carrying these for 14 months, so I
23 understand that. I just wanted to see if an additional
24 month would be acceptable.

25 **MR. RENDELL:** I would have to ask Mr. Deremer.

1 **CHAIRMAN BROWN:** Mr. Deremer.

2 **MR. DEREMER:** Yeah. In the spirit of
3 cooperation, an additional month. But we really do need
4 to get it wrapped up, if we can.

5 **CHAIRMAN BROWN:** Absolutely.

6 **MR. DEREMER:** I mean, it's really -- this is a
7 staff-assisted race case that's been going on now for
8 this period of time.

9 **CHAIRMAN BROWN:** I can sympathize. I think
10 the additional month will be helpful on multiple fronts.
11 There were a lot of things that Office of Public Counsel
12 raised, and you have some issues, and I think that
13 additional month could be helpful for both parties.

14 **MR. RENDELL:** Getting -- and getting to their
15 concern, you know, it's kind of a unique situation where
16 all three of us agree; the utility, OPC, and staff
17 agrees that the rehab cost and retirement needs to be
18 recovered. I think we're all in agreement there. It's
19 just how do we do it?

20 And when I spoke with staff last week, I said,
21 "The return, we're fine with not getting a return. It's
22 such a small dollar amount that we're talking about that
23 just let's get recovery of this loss and rehab," which I
24 think all parties agree was prudent. Just how do we get
25 there?

1 **CHAIRMAN BROWN:** Okay. And I know our
2 Executive Director wants to speak, but before he does, I
3 just want to just restate and acknowledge that the
4 utility is okay if we do go ahead and defer it one
5 month.

6 **MR. DEREMER:** Yes.

7 **CHAIRMAN BROWN:** Okay. And, Mr. Baez, please
8 don't ruin this. You're going to throw a wrench in it.
9 I know you are. All right.

10 **MS. HELTON:** Well, then I guess I will.

11 **CHAIRMAN BROWN:** Go for it, Ms. Helton.

12 **MS. HELTON:** I just want to make sure
13 everybody understands, and I'm sure everybody does
14 understand, that by deferring it one month, if there is
15 a request for a hearing, then we would not be able to
16 make the 15-month statutory deadline that's laid out in
17 the statute.

18 **CHAIRMAN BROWN:** And I think the utility
19 acknowledged that he's okay with the deferral for one
20 month.

21 **MR. RENDELL:** Correct. And if we got to the
22 point where there was a protest, we would, we would
23 entertain the extension of the statutory timeframe. I
24 know that's where staff is going with this.

25 **CHAIRMAN BROWN:** Okay. Mr. Deremer.

1 **MR. DEREMER:** Yeah, if I could just add, I'm
2 still, I guess, trying to clarify really what is in
3 dispute here. I mean, we're talking about a thousand
4 dollars a year or something. I mean, it's a, it's a
5 very immaterial amount.

6 What, in my mind, is -- you know, if this is
7 deferred, what I'm going to be looking for is, you know,
8 to revisit this whole marginal service issue. I mean,
9 that's, that's the reason I wanted -- I would defer it.
10 I think a thousand dollars issue either way is really
11 not that important, but obviously I'm not happy with
12 that -- staff's recommendation there. And that -- you
13 know, I'm willing to take another month to prove to
14 staff and to the OPC and customers that we have
15 addressed all these issues.

16 **CHAIRMAN BROWN:** Okay. Public Counsel, would
17 you like to add anything?

18 **MS. PONDER:** We're willing to work in the
19 interim.

20 **CHAIRMAN BROWN:** Spirit of cooperation in the
21 interim?

22 **MS. PONDER:** Sure. Uh-huh.

23 **CHAIRMAN BROWN:** Yes, Mr. Murphy.

24 **MS. MURPHY:** Are we anticipating that they're
25 going to add in these -- I think the issue that's here

1 is whether there needs to be another customer meeting.
2 And, notice, if we're adding in this other 40- or
3 \$50,000, we're not talking about adding that in. We're
4 talking about going forward with the dollars we have
5 now.

6 **CHAIRMAN BROWN:** Mr. Rendell.

7 **MR. RENDELL:** I had not anticipated including
8 these, but we will be coming in for a filing very
9 shortly on these items.

10 **CHAIRMAN BROWN:** Okay.

11 **MS. MURPHY:** Thank you.

12 **CHAIRMAN BROWN:** All right. So we're clear.
13 Commissioners, any questions on process only?
14 No?

15 Commissioner Graham.

16 **COMMISSIONER GRAHAM:** We're saying we're going
17 to defer this for another month, but in reality the
18 utility has got a week or so to get the information to
19 staff so it gets in the next recommendation in
20 November 7th.

21 **CHAIRMAN BROWN:** That's correct.

22 **COMMISSIONER GRAHAM:** I just want to make sure
23 we're good. We keep saying another month, but the
24 reality is it's not that long.

25 **CHAIRMAN BROWN:** That is correct.

1 **COMMISSIONER GRAHAM:** And do we -- do you
2 understand that?

3 **CHAIRMAN BROWN:** Ms. Golden.

4 **MS. GOLDEN:** May I clarify? Is the intention
5 that we would recalculate the revenue requirement to
6 include the additional projects that they've already
7 completed?

8 **CHAIRMAN BROWN:** I think that question has
9 already been answered by the utility, and the answer is
10 no.

11 **MS. GOLDEN:** But then could we go ahead and
12 address the accounting concern? Because if that's the
13 reason for the deferral, we would like to go ahead and
14 address that today.

15 **CHAIRMAN BROWN:** Today?

16 **MS. GOLDEN:** Yes. We, we just agreed with --

17 **CHAIRMAN BROWN:** Let's take a five-minute
18 break, and we will reconvene at 11:00 o'clock. Thank
19 you.

20 (Recess taken.)

21 All right. I think we are ready to begin. If
22 you may all take your seats, we're reconvening this
23 agenda conference.

24 And that could be the most productive five
25 minutes I think I've ever seen in the history of the

1 Commission.

2 I understand that there is a compromise that
3 will be proposed to the Commission; is that correct?
4 Starting with the utility.

5 **MR. RENDELL:** I believe so. I appreciate the
6 indulgence of the five-minute break.

7 **CHAIRMAN BROWN:** See, when you talk about
8 deferral, see what happens.

9 **MR. RENDELL:** Exactly. I think what we've
10 agreed to is we'll agree with OPC on the seven-year
11 amortization for both water and wastewater. We also
12 agree that we get recovery of the loss and the rehab,
13 but we will not -- we'll accept not getting a rate of
14 return on that.

15 I believe, and if I'm overstating, I believe
16 all of us agree that the quality of service should be
17 satisfactory based on the actions that the utility has
18 taken. We'll continue to keep OPC and the customers
19 informed, and we're still open to a meeting with the
20 customers.

21 **CHAIRMAN BROWN:** Would that meeting also be
22 coordinated with Office of Public Counsel?

23 **MR. RENDELL:** Absolutely.

24 **CHAIRMAN BROWN:** Okay. I'm going to turn to
25 Public Counsel for agreement or --

1 **MS. PONDER:** Agreement, yes.

2 **CHAIRMAN BROWN:** Okay. On all issues
3 presented.

4 **MS. PONDER:** Yes.

5 **CHAIRMAN BROWN:** Okay. Staff, any comments?

6 **MS. MURPHY:** Yes, Commissioner. There's --
7 while this is an agreement among these parties and staff
8 doesn't oppose it, they're concerned that this not be
9 used as precedent in the future for an accounting
10 treatment.

11 **CHAIRMAN BROWN:** Never is.

12 **MR. MURPHY:** Thank you.

13 **CHAIRMAN BROWN:** Thank you.

14 **MS. MERCHANT:** Commissioners, I want to, just
15 want to make sure we're going back to the original
16 recommendation, not the revised recommendation, and
17 we're taking out the rate of return on -- out of rate
18 base.

19 **CHAIRMAN BROWN:** So that's Issue 3 and 6, my
20 understanding.

21 **MS. MERCHANT:** Correct. And it has some other
22 fallouts, so --

23 **CHAIRMAN BROWN:** Ms. Golden. Ms. Golden.

24 **MS. GOLDEN:** Yes, we understand the agreement.
25 We will make those adjustments.

1 **CHAIRMAN BROWN:** Okay. I want to make sure
2 our Clerk's Office, she'll be -- we'll be helping her
3 out here along the way. So we're just going to dive
4 into the recommendation then with the understanding of a
5 settlement or stipulation that you all have reached, and
6 I'll note them while we go through the issues.

7 So, Commissioners, we're coming back to us on
8 Issue 1. And per the discussion that just occurred here
9 during the five-minute break, the parties have agreed to
10 a satisfactory recommendation. Of course, we have to
11 vote on that.

12 Commissioners, any questions?

13 Commissioner Polmann.

14 **COMMISSIONER POLMANN:** Well, I was going to
15 ask -- thank you, Madam Chairman. I was going to ask
16 for an explanation of that, but maybe I shouldn't.

17 **CHAIRMAN BROWN:** Why don't we go to Issue 1,
18 Issue 1 first, and we'll go back to the -- any questions
19 on Issue 1?

20 **COMMISSIONER POLMANN:** That is satisfactory or
21 not satisfactory; right?

22 **CHAIRMAN BROWN:** Per the, per the stipulation
23 by the parties, they have agreed that the quality of
24 service is satisfactory.

25 **COMMISSIONER POLMANN:** We'll just leave it

1 there.

2 **CHAIRMAN BROWN:** Okay. Commissioners, any
3 questions or comments? Seeing none, we will -- we are
4 ripe for a motion on Issue 1.

5 Commissioner Brisé.

6 **COMMISSIONER BRISÉ:** Thank you, Madam Chair.
7 I move that we approve Issue 1 with the adjustment of
8 the fact that we're going from marginal to satisfactory,
9 as per the agreement between the parties.

10 **CHAIRMAN BROWN:** Thank you. Is there a
11 second?

12 **COMMISSIONER GRAHAM:** Second.

13 **CHAIRMAN BROWN:** Is there any further
14 discussion?

15 Seeing none, all those in favor, signify by
16 saying aye.

17 (Vote taken.)

18 Opposed? Passes. Thank you.

19 **MS. MURPHY:** Commissioner?

20 **CHAIRMAN BROWN:** Yes.

21 **MR. MURPHY:** I'm sorry. The -- this includes
22 rationale supporting one versus the other. How --
23 you'll give staff the latitude to adjust that in
24 accordance with the spirit of the stipulation?

25 **CHAIRMAN BROWN:** Generally speaking.

1 Motion maker?

2 **COMMISSIONER BRISÉ:** Yes.

3 **CHAIRMAN BROWN:** Yes. Okay.

4 **MS. MURPHY:** Thank you.

5 **CHAIRMAN BROWN:** All right. Moving on to
6 Issue 2. Can I get a motion to approve or any -- I
7 don't see any questions, so --

8 **COMMISSIONER GRAHAM:** Move staff
9 recommendation on Issue 2.

10 **CHAIRMAN BROWN:** Is there a second?

11 **COMMISSIONER BRISÉ:** Second.

12 **CHAIRMAN BROWN:** All those in favor, say aye.

13 (Vote taken.)

14 Motion passes.

15 We're going on to Issue 3, which, per the
16 stipulation presented by the parties earlier, is to
17 revert back to the prior staff recommendation and
18 changing the amortization period to seven years for the
19 water and wastewater. Is that my -- is that correct?

20 **MS. MERCHANT:** It would be the water rate base
21 without the \$14,088 for the regulatory asset.

22 **CHAIRMAN BROWN:** Okay. Thank you.

23 **MS. MERCHANT:** And then the amortization is in
24 Issue 6.

25 **CHAIRMAN BROWN:** Six. Okay. I appreciate

1 that.

2 Any -- Ms. Golden.

3 **MS. GOLDEN:** Yeah, it's not exactly that.

4 It's, it's more a modification of the oral modification,
5 that what we would do is go back and we would redo one
6 part of the adjustment that was in the PAA
7 recommendation, which would be to remove the -- I forget
8 the exact number -- 16,000 or so that was included in
9 the accumulated depreciation. That would be pulled out
10 so that there's no return on that included in the rate
11 base calculation.

12 **CHAIRMAN BROWN:** Okay. I understand.

13 **MS. MERCHANT:** I don't know if I do.

14 **CHAIRMAN BROWN:** Any other comments, Public
15 Counsel?

16 **MS. MERCHANT:** I'm not exactly sure how that's
17 going to work because I'll have to kind of see the work
18 papers, but --

19 **CHAIRMAN BROWN:** So what do you propose?

20 **MS. MERCHANT:** My understanding was that we
21 were just going to pull out the regulatory asset and
22 that it would be fine. But I can have a conversation
23 with staff.

24 **CHAIRMAN BROWN:** We need to be, we need to
25 understand it. So you all came to an agreement, and my

1 understanding was that you were going to pull out the
2 regulatory. So, Ms. Golden, what are you saying?

3 **MS. GOLDEN:** Yes, it's more than one, one
4 adjustment, but it will get us there. We'll say we're
5 pulling out the regulatory asset.

6 **CHAIRMAN BROWN:** Okay.

7 **MS. GOLDEN:** Yes, we can get to where they
8 want to get.

9 **CHAIRMAN BROWN:** For purposes of the bench,
10 our understanding is that they're pulling out the
11 recommendation -- the regulatory asset.

12 **MS. GOLDEN:** Yes, yes. So the 16,000 will not
13 be reflected in rate base in any way, so there is no
14 return included in the revenue requirement.

15 **CHAIRMAN BROWN:** Okay. Understand?

16 **MS. MERCHANT:** Yes, ma'am.

17 **CHAIRMAN BROWN:** Okay. Utility, understand?
18 You're good?

19 All right. Commissioners, questions on
20 Issue 3.

21 I have a completely separate question on
22 Issue 3, but if you have questions on that.

23 Seeing none, going to the US Water contract,
24 the markup, and I just have to understand this because I
25 know we're going to see this again and again and I know

1 we've seen it, and I just want to get my arms around it
2 because it is an 18 percent markup.

3 And US Water is essentially the utility, even
4 though US Water is the contractor for the utility. And
5 so by getting an 18 percent markup, I feel that it is
6 almost -- it appears -- in addition to also the utility
7 has gotten index increases in 2015 and I assume is
8 probably going to apply for index increases of -- and I
9 just, I don't understand how you can justify an
10 18 percent markup on top of your -- number one, since
11 you are essentially the same. The contractor is the
12 utility. It's not like a bona fide --

13 **MR. RENDELL:** Yeah. The 18 percent, and we've
14 addressed this in numerous dockets, as you're aware, is
15 for work outside of the contract. Those are for any
16 repair and replacements that US Water does above the
17 \$400 benchmark. There's been numerous documentation
18 provided that it's well below the national average as
19 well as the --

20 **CHAIRMAN BROWN:** What's the national average?

21 **MR. RENDELL:** It's between, I believe, 21 to
22 80 percent. The high -- the low end on the national
23 average is 21 percent. That includes overhead and
24 profit. The profit is 10 percent nationwide. But I
25 provided information even last week to Ms. Golden that

1 shows the RS Means, which is what we use when we price
2 contracts, is well below the national average.

3 **CHAIRMAN BROWN:** Mr. Deremer.

4 **MR. DEREMER:** Yeah, if I could add to that.
5 The way US Water is structured in many of its contracts,
6 either with the state government, federal government,
7 Department of Defense, whatever, those markups that --
8 when you see an 18 percent roll up, there's a lot of
9 cost in that that's overhead. Like Troy is saying, it's
10 about 11 percent, the last audit we went through, which
11 includes things like compliance people and HR and AP,
12 and all those other things all roll into that number.

13 And what we target is an 8 percent net profit
14 on projects. And I will say that in many cases, not all
15 cases, there's quite a bit of subsidies that go to these
16 utility systems because, you know, we don't charge time
17 to those projects because of -- frankly, they can't
18 afford it. And so there's a lot of subsidies that are
19 going on on a, on a routine basis with these.

20 **CHAIRMAN BROWN:** But the utility is also
21 getting a return, though, on the investments being made.
22 So they're getting the 8.5 percent, whatever, 9 percent
23 return in addition to the 18 percent markup that the
24 contractor is doing.

25 **MR. RENDELL:** US Water gets the 18 percent.

1 **CHAIRMAN BROWN:** US Water is the company.

2 **MR. RENDELL:** Yeah.

3 **CHAIRMAN BROWN:** Right.

4 **MR. RENDELL:** But the contract itself does not
5 have an 18 percent margin. I think, I think it's around
6 14 percent. And as has been referenced before, there
7 are subsidies, and this utility has been receiving
8 subsidies and continues to receive subsidies under the
9 contract.

10 **CHAIRMAN BROWN:** I still struggle with it.

11 **MR. DEREMER:** Yeah. Maybe I should help try
12 to clarify it further, if I can.

13 US Water treats the utilities that are closely
14 held in the same way, if they can. Most of the time
15 there's a subsidy, especially the very small ones, as
16 any other governmental client that we have. Our
17 contracts with our governmental clients have anywhere
18 from 18 or more gross margins built into those. In some
19 places it's actually stated in the contract language.
20 Maybe it would be helpful if we could give you some of
21 that information so you could see that what we're
22 charging these utility companies is equal to and in many
23 cases less than what we're charging other federal and
24 state contracts.

25 In addition to that, US Water sales are about

1 \$80 million a year. And I want to say this book of
2 business with these small utilities is probably a
3 million and a half dollars a year. It's a very, very
4 small amount of work that US Water does. So obviously
5 because of the nature of these systems and rates and
6 things, that they do get a significant subsidy from
7 many -- you know, in many facets of operation of the
8 systems.

9 **CHAIRMAN BROWN:** I guess because, you know, in
10 any other docket we look at the affiliated relationship
11 with a contractor. Obviously that language isn't in
12 here to make -- to vet that. So I understand, it's
13 just -- to me, I know US Water is the utility, so I have
14 a hard time understanding how they can get a return on
15 it as well as the 18 percent markup on the work that
16 they do.

17 **MR. RENDELL:** Two other quick points. We have
18 provided those other two contracts in, I believe, the
19 last Lakeside as well as LP, and I think HC Waterworks'
20 docket. So those documents have already been looked at
21 by staff.

22 We've also -- we supplied information in one
23 of the dockets that these costs, these contract costs
24 are well below the other regulated utilities in the
25 state of Florida, provided that information, which I

1 believe helped yourself make a decision in one of our
2 other dockets that they are below the other similar
3 utilities in the state of Florida.

4 **MR. DEREMER:** And I think I'd just like to add
5 that there's not the same makeup of shareholders between
6 the utilities and US Water. So, in fact, there's quite
7 a few shareholders that are, that are not shareholders
8 of US Water that are shareholders in these various
9 entities.

10 **CHAIRMAN BROWN:** I guess I would have liked to
11 see a little bit more substance in the recommendation to
12 get me comfortable. I know we've approved it in the
13 past.

14 Looking at it, it just, it really jumped out
15 at me, and I don't feel comfortable with voting on it
16 today.

17 But, Commissioners, any other questions or
18 comments?

19 **MS. MERCHANT:** Commissioner, I just wanted to
20 express that we also had raised the 18 percent issue,
21 and we did not believe that it was reasonable. So I was
22 just putting that in for the record.

23 **CHAIRMAN BROWN:** Thank you. And I know that
24 you came to an agreement on Issue 3 on the accounting
25 treatment.

1 So right now, Commissioners, if you don't have
2 any questions on it or comments, there's a stipulation
3 here pulling out the regulatory asset on Issue 3.

4 Commissioner Graham.

5 **COMMISSIONER GRAHAM:** I will move the staff
6 recommendation, including the stipulation that was
7 articulated earlier by the utility, for Issue 3.

8 **CHAIRMAN BROWN:** Is there a second?

9 **COMMISSIONER BRISÉ:** Second.

10 **CHAIRMAN BROWN:** Any further discussion?

11 Seeing none, all -- oh, Commissioner, are
12 you -- all those in favor, signify by saying aye.

13 **COMMISSIONER GRAHAM:** Aye.

14 **COMMISSIONER BRISÉ:** Aye.

15 **COMMISSIONER POLMANN:** Aye.

16 **COMMISSIONER CLARK:** Aye.

17 **CHAIRMAN BROWN:** Opposed?

18 Nay.

19 All right. We are moving on to Issue 4. How
20 about we take up Issue 4 and Issue 5 together.

21 Commissioners, any questions on those?

22 **COMMISSIONER GRAHAM:** Move staff on Issue 4
23 and 5.

24 **CHAIRMAN BROWN:** Is there a second?

25 **COMMISSIONER BRISÉ:** Second.

1 **CHAIRMAN BROWN:** Any further discussion?

2 All those in favor, say aye.

3 (Vote taken.)

4 All right. Going to Issue 6, which, as
5 previously mentioned, there is a stipulation on the
6 table here, changing the amortization period; right?

7 **MS. MERCHANT:** Yes, ma'am, to seven years for
8 both water and wastewater.

9 **CHAIRMAN BROWN:** Okay. Are there any
10 questions on this?

11 Commissioner Graham.

12 **COMMISSIONER GRAHAM:** No. I was just going to
13 make the motion to move staff recommendation on this
14 issue with the -- stipulated, as mentioned earlier.

15 **CHAIRMAN BROWN:** Okay. Is there a second?

16 **COMMISSIONER BRISÉ:** Second.

17 **CHAIRMAN BROWN:** Any further discussion?

18 All those in favor, say aye.

19 (Vote taken.)

20 Motion passes.

21 All right. The remaining items are Issues
22 7 through 14. Are there any questions on any of those
23 issues?

24 Seeing none, then we're ripe for a motion on
25 those issues.

1 **COMMISSIONER GRAHAM:** Move staff
2 recommendation on Issues 7 through 14, giving them the
3 ability to address any fallout calculations from the,
4 from the changes made earlier.

5 **CHAIRMAN BROWN:** Okay. Excellent. Is there a
6 second?

7 **COMMISSIONER BRISÉ:** Second.

8 **CHAIRMAN BROWN:** Commissioner Polmann.

9 **COMMISSIONER POLMANN:** I want to confirm with
10 staff, I had a couple of questions in briefing. I would
11 just ask in general, were the items that I raised in
12 Issue 9 and 13, without rehashing those, do you recall
13 our discussion and were they addressed?

14 **MS. BRUCE:** Commissioner, Dr. Polmann, yes,
15 the issues you raised regarding the first sentence in
16 Issue 9, we revised it in the order. Right? We can
17 make that change in the order regarding the sentence?

18 **MS. MURPHY:** You've got to remind me which --

19 **COMMISSIONER POLMANN:** This is on --

20 **MS. BRUCE:** The first sentence in Issue -- in
21 customer --

22 **COMMISSIONER POLMANN:** The recommendation on
23 Issue 9 deals with the deposit, \$49 for water and
24 \$87 for wastewater. The sentence was a bit ambiguous.
25 We discussed this.

1 **MS. MURPHY:** It is ambiguous, and I'm hoping
2 that staff will give me something to fix it. But do --
3 have we presented to the Commission --

4 **MS. BRUCE:** I can read the sentence to you.
5 We can make that change. Would you like to hear the
6 sentence?

7 **COMMISSIONER POLMANN:** Can you read the
8 reworded sentence there for me, please?

9 **MS. BRUCE:** Sure. The sentence will read:
10 "The appropriate initial customer deposit for a
11 residential 5/8-inch by 3/4-inch meter size is \$49 for
12 water and \$87 for wastewater."

13 **COMMISSIONER POLMANN:** Okay. Thank you for,
14 for rewording that for us.

15 And then, Madam Chairman, there was a -- an
16 issue, a wording issue that I brought up on Issue 13,
17 and, again, this is kind of a scrivener's in the staff
18 analysis, and it has to do with a deadline for
19 extension.

20 The -- on page 44, I'm looking in the agenda,
21 the next to the last sentence on page 44 had to do with
22 requesting an extension within seven days prior to the
23 deadline. Does staff have a rewording on that?

24 **MS. MURPHY:** It should be "No later than
25 seven days before the deadline," so that, so that they

1 can -- that would be the latest they could bring it to
2 our attention.

3 **CHAIRMAN BROWN:** Are those friendly amendments
4 to the motion?

5 **COMMISSIONER POLMANN:** Yeah. These are, these
6 are -- I'd like to offer those just wording
7 clarifications that would, that would appear in the
8 order.

9 **CHAIRMAN BROWN:** Okay. I don't think we need
10 any action on that.

11 **COMMISSIONER GRAHAM:** I'd accept those
12 amendments.

13 **CHAIRMAN BROWN:** Okay. And --

14 **COMMISSIONER BRISÉ:** Second.

15 **CHAIRMAN BROWN:** Second? All right.

16 So we have a motion and a second on the floor.
17 Would you like to add something?

18 **MS. GOLDEN:** May I ask one clarification
19 question? Regarding the fallout issues, there will be
20 some fallout changes within Issue 3 and Issue 6, so may
21 we have --

22 **CHAIRMAN BROWN:** He gave that in his motion.

23 **MS. GOLDEN:** So it covers all of it. Thank
24 you.

25 **MR. MURPHY:** We have latitude throughout.

1 **CHAIRMAN BROWN:** Yes.

2 **MR. MURPHY:** Thank you.

3 **CHAIRMAN BROWN:** Not wide.

4 **MR. RENDELL:** Commissioners, one additional
5 item outside of the settlement and the motion is I've
6 had discussions with staff, we requested a change in our
7 miscellaneous service charges and that was overlooked in
8 the recommendation. So I believe there's an
9 understanding that they may come back with a
10 recommendation in this docket on the miscellaneous
11 service charges.

12 **CHAIRMAN BROWN:** So thank you for bringing
13 that up at the last hour here, now that we have a motion
14 and a second on the floor.

15 Staff.

16 **MS. BRUCE:** Yes, I think we can do that
17 administratively, the miscellaneous service charges.

18 **CHAIRMAN BROWN:** Actually we approved those.

19 **MS. BRUCE:** Okay.

20 **CHAIRMAN BROWN:** So, no.

21 **MS. BRUCE:** We can -- okay, well, we'll bring
22 them back.

23 **MR. RENDELL:** And it really has no impact on
24 this recommendation. Those are, as you know, charges
25 outside of the, of the rate case.

1 **CHAIRMAN BROWN:** Okay. So I guess you talked
2 about another docket, and that may be appropriate at
3 that juncture or --

4 **MR. RENDELL:** I can discuss with staff.

5 **CHAIRMAN BROWN:** Yeah, better.

6 All right. So we've got a motion and a
7 second. Any further comment from the bench?

8 Seeing none, all those in favor.

9 **COMMISSIONER BRISÉ:** Quick question, quick
10 question.

11 **CHAIRMAN BROWN:** Yes.

12 **COMMISSIONER BRISÉ:** So what does that do in
13 terms of the, I'm trying to find it, the closing of the
14 docket? Do we have that?

15 **CHAIRMAN BROWN:** Issue 14.

16 **COMMISSIONER BRISÉ:** Issue 14. So does that
17 issue address that?

18 **CHAIRMAN BROWN:** Staff? It's more a legal
19 question here. Is that a separate issue that will come
20 back before the Commission?

21 **MS. MURPHY:** Honestly, I don't understand the
22 question.

23 **MR. RENDELL:** Commissioners, I can just
24 withdraw the request and file a separate docket.

25 **MS. MURPHY:** That I understand.

1 **COMMISSIONER BRISÉ:** All right.

2 **CHAIRMAN BROWN:** Much cleaner. We should have
3 done that earlier in this.

4 All right. All those in favor of the motion
5 on the rest of the items, signify by saying aye.

6 (Vote taken.)

7 Motion passes.

8 Thank you, guys, and thanks for working
9 together during the five minutes. We will have Internal
10 Affairs in the IA room at 11:30.

11 This meeting is adjourned. Thank you.

12 (Commission Conference adjourned at 11:23

13 p.m.)

14

15

16

17

18

19

20

21

22

23

24

25

1 STATE OF FLORIDA)
 2 : CERTIFICATE OF REPORTER
 3 COUNTY OF LEON)

4 I, LINDA BOLES, CRR, RPR, Official Commission
 5 Reporter, do hereby certify that the foregoing
 6 proceeding was heard at the time and place herein
 7 stated.

8 IT IS FURTHER CERTIFIED that I
 9 stenographically reported the said proceedings; that the
 10 same has been transcribed under my direct supervision;
 11 and that this transcript constitutes a true
 12 transcription of my notes of said proceedings.

13 I FURTHER CERTIFY that I am not a relative,
 14 employee, attorney or counsel of any of the parties, nor
 15 am I a relative or employee of any of the parties'
 16 attorney or counsel connected with the action, nor am I
 17 financially interested in the action.

18 DATED THIS 9th day of October, 2017.

19 
 20 _____

21 LINDA BOLES, CRR, RPR
 22 FPSC Official Hearings Reporter
 23 (850) 413-6734
 24
 25