

WATER & WASTEWATER INDUSTRY QUARTERLY REPORT

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Keeping You Informed About Florida

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FPSC NEWS

By: Lisa Scoles

On May 23, 2011, Tim Devlin, Florida Public Service Commission (FPSC or Commission) FPSC Executive Director, resigned his position, effective July 1, 2011. Charles Hill, Deputy Executive Director, will handle the internal duties of the Executive Director and PSC General Counsel Curt Kiser will handle the external affairs aspects of the position, including supervision of the Office of Public Information, until a replacement is selected. Commissioner Julie Brown is leading the efforts to recruit and select a new FPSC Executive Director.

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FPSC STAFFING CHANGES

By: Lisa Scoles

FPSC Chair Art Graham's new chief advisor, as of June 15, 2011, is Jim Varian, a consultant from Jacksonville, Florida. Mark Long, the Chair's former chief advisor, will be working on special projects for the Commission.



Jim Varian

FPSC NEWS (continued)

At the June 14, 2011, Internal Affairs meeting, Commissioner Brown stated that the position of FPSC Executive Director was open for applications for the period June 6-20, 2011, and was advertised in publications nationally. At the June 29, 2011, Internal Affairs meeting, Commissioner Brown stated that the FPSC received 133 applicants. A complete list of applicants is available from Susan Clark or Lisa Scoles. Thirteen of the applicants did not meet the minimum qualifications or failed to provide a completed State of Florida application, so the Commission approved removing these applicants from consideration. The Commissioners were provided with copies of the remaining applications for review. Commissioner Brown requested that by July 25, 2011, each Commissioner sub-

mit a list of their top candidates to be interviewed. A list of all of the names submitted will be compiled for consideration and discussion at the July 27, 2011, Internal Affairs meeting. The candidates selected will then be interviewed by the Commissioners.



Commissioner Julie Brown



Upcoming Events - Mark Your Calendars

Date	Event Name	Event	Location
7/17-20/2011	NARUC	National Association of Regulatory Utility Commissioners Summer Meetings	Los Angeles, CA
7/27/2011	Customer Meeting	FPSC Docket No. 110042-WS—Application for staff-assisted rate case in Okeechobee County by Pine Ridge Management Corporation	Pine Ridge, FL
8/4-6/2011	FOWAC	Florida Onsite Wastewater Association Conference 2011	Ocean Center 101 N. Atlantic Blvd., Daytona Bch, FL

Trivia

By: Pam Keillor

Each day the sun evaporates a trillion tons of water.



www.lenntech.com/water-trivia-facts

Summaries of PSC Orders filed since April 2011
By Susan F. Clark

PSC-11-0199-PAA-WU—Filed: 04/22/2011

PAA Order grants in part and denies in part Ni Florida's application for increased water rates and charges in Lee County. The overall quality of service was found to be satisfactory; the water distribution system was considered to be 100% used and useful; using the currently-approved leverage formula, the return on equity (ROE) was set at 8.82% and several adjustments were made to O&M expense allocations from the utility's parent. A 19.49% rate increase was approved; the utility had requested an increase of approximately 97%. A three-tier inclining-block rate structure was approved and miscellaneous service charges were updated to reflect current costs. A refund of interim rates was required.

PSC-11-0204-TRF-SU—Filed: 04/25/2011

Order denies West Lakeland Wastewater, Inc.'s original request for a \$14.00 late payment charge and approves an amended request for a \$7.00 late payment charge.

PSC-11-0205-PCO-WS—Filed: 04/25/2011

A temporary Protective Order for proprietary confidential business information made available by Aqua Utilities of Florida (AUF) for review by Office of Public Counsel.

PSC-11-0206-PCO-WS—Filed: 04/25/2011

Order grants Lucy Wambsgan's petition to intervene in the Aqua Utilities of Florida rate case.

PSC-11-0223-FOF-WU—Filed: 05/16/2011

Order acknowledging transfer of O&S Water Company to the Tohopekaliga Water Authority (TWA), effective 12/8/10. The transfer is approved as a matter of right because TWA is a governmental authority. Certificate No. 510-W is canceled, effective 12/8/10. The Order also closes an overearnings investigation of O&S water utility initiated by Order PSC-10-0656-FOF-WU, and funds held subject to refund were released to the utility.

PSC-11-0226-CO-WU—Filed: 05/17/2011

Consummating Order makes Order PSC-11-0199-PAA-WU, approving in part requested rates and charges for water service and requiring partial refunds, effective and final.

PSC-11-0227-CO-SU—Filed: 05/19/2011

Consummating Order makes Order PSC-11-0204-TRF-SU, approving late payment fee for West Lakeland Wastewater, Inc. in Polk County, effective and final.

PSC-11-0243-PCO-WU—Filed: 06/02/2011

Order approving request for extension to complete pro forma plant addition required by Order PSC-10-167-PAA-WU. The utility is required to complete the plant additions by April 30, 2012, at which point it may implement rates to recover investment in the plant.

Summaries of PSC Orders filed since April 2011 (continued)

PSC-11-0250-FOF-WU—Filed: 06/13/2011

Order closing and terminating show cause proceeding initiated by Order PSC-11-0010-SC-WU against Water Management Services (WMS), a water utility providing services on St. George Island, Franklin County. The Commission concluded that based on facts provided by WMS, it could not be said that WMS had violated Order No. PSC-94-1383-FOF-WU regarding maintaining travel records. Further the Commission addressed the insufficiency of travel records for an administrative employee by disallowing cost recovery for employee's travel.

PSC-11-0254-FOF-SU—Filed: 06/13/2011

Final Order approving Commercial Utilities, Division of Grace and Company, Inc.'s application for amendment of Certificate No. 164-S to add wastewater territory to its service area in Duval County. Extra-territorial customers were discovered in a recent staff-assisted rate case. The Commission declined to issue a show cause based on the utility serving customers outside of its certificated territory, approved the certificate amendment and declined to require a refund of previously unauthorized rates charges to these extra-territorial customers.

PSC-11-0256-PAA-WS—Filed: 06/13/2011

Order is the 129-page PAA Order regarding Aqua Utilities of Florida's (AUF or Utility) request for an increase in water and wastewater rates in 17 counties in Florida. Finding that AUF's attempts to address customer satisfaction were marginal, and the overall quality of service for all systems was marginal, the FPSC ordered further monitoring of AUF's customer service and made a 25-basis point reduction to the Return on Equity (ROE) for all systems except the Chuluota system. Further adjustments to the Utility's rate base were made beyond those agreed to by the Utility, decreasing rate base. The ROE was based on the most current Commission-approved leverage formula. Several adjustments were made to operating expenses including disallowance of executive and employee pay raises because of the economy, and disallowance of 50% for executive incentive pay based on the rationale that part of incentive pay benefits shareholders and disallowance of 50% of Directors and Officers Liability insurance based on the same rationale. The FPSC continued the use of the capband rate consolidation methodology for setting rates for all systems involved in the case with a subsidy limit of \$12.50 and rate cap thresholds of \$65.00 for water and \$91.55 for wastewater, with a three-tiered inclining rate structure for water rates and a base facilities charge allocation for water systems of 40%, and 50% for wastewater systems. The Utility's requested miscellaneous service charges and a \$5-late payment fee were approved. Refunds of interim rates were required for certain rate bands and a stand-alone systems.

PSC-11-0268-PCO-WS—Filed: 06/21/2011

Order by Prehearing Officer Brisé grants the motion for continued abatement of proceedings on applications for original water and wastewater certificates in Indian River, Okeechobee, St. Lucie and Martin Counties. The continuance was based on active on-going discussions with two remaining objectors to the applications, Martin and St. Lucie Counties. Applicants must advise the FPSC by July 18, 2011, regarding the status of the negotiations.

PSC-11-0280-PCO-WU—Filed: 06/23/2011

Third Order revising order establishing procedure after a settlement in the case was not achieved. All other provisions of Orders PSC-09-0742-PCO-WU, PSC-10-0116-PCO-WU, and PSC-10-0276-PCO-WU are affirmed and the case will be heard by the assigned Commission panel.



110098-WU—Docketed: 4/12/2011
Application for authority to transfer assets and water Certificate No. 428-W in Levy County, from Par Utilities, Inc., to Hash Utilities, LLC.



110130-WS—Docketed: 4/26/2011
Application for staff-assisted rate case in Lake County by Shangri-La By The Lake Utilities, Inc.

110140-WS—Docketed: 5/10/2011
Application for staff-assisted rate case in Polk County by River Ranch Water Management, L.L.C.

110141-WS—Docketed: 5/10/2011
Application for staff-assisted rate case in Polk County by Grenelefe Resort Utility, Inc.



110142-WS—Docketed 05/10/2011
Application for quick-take amendment of Certificate No. 278-W in Seminole County by Utilities, Inc. of Florida.

110153-SU—Docketed 05/13/2011
Application for increase in wastewater rates in Lee County by Utilities, Inc. of Eagle Ridge.



110154-WU—Docketed 05/16/2011
Request for approval of revision to tariff to include a new rate for a 1” private fire protection service water meter in St. Johns County by Camachee Island Company, Inc. d/b/a Camachee Cove Yacht Harbor Utility.

110165-SU—Docketed 5/17/2011
Application for staff-assisted rate case in Highlands County by Utility Corporation of Florida, Inc.



110200-WU—Docketed 6/8/2011
Application for increase in water rates in Franklin County by Water Management Services, Inc.

110208-WS—Docketed 06/20/2011
Application for staff-assisted rate case in Highlands County by L.P. Utilities Corporation.

FPSC W&W Dockets **Closed** (since April 2011)

090447-WS—Docketed: 9/14/2009—Date Closed: 4/1/2011

Application for staff-assisted rate case in Seminole County by CWS Communities d/b/a Palm Valley Utilities.

100326-SU—Docketed: 6/14/2010—Date Closed: 5/3/2011

Application for staff-assisted rate case in Duval County by Commercial Utilities, Division of Grace & Co., Inc.

100379-SU—Docketed: 08/18/2010—Date Closed: 06/01/2011

Settlement proposal for possible overearnings by Mid-County Services, Inc. in Pinellas County.

100398-SU—Docketed 09/14/2010—Date Closed: 06/13/2011

Application for amendment of Certificate No. 164-S to extend territory in Duval County by Commercial Utilities, Division of Grace and Company, Inc.

100400-WU—Docketed: 09/16/2010—Date Closed: 05/16/2011

Investigation of rates of O&S Water Company, Inc. in Osceola County for possible overearnings.

100413-SU—Docketed 10/1/2010—Date Closed: 05/20/2011

Request for approval of tariff amendment to include a late fee of \$14.00 in Polk County by West Lakeland Wastewater.

100439-WS—Docketed: 11/12/201—Date Closed: 05/3/2011

Application for approval of revised service availability policy and charges by Rainbow Springs Utilities, L.C,

100440-WU—Docketed: 11/15/2010—Date Closed: 05/16/2011

Application for transfer of water facilities in Osceola County from O&S Water Company, Inc., to Tohopekalig Water Authority and cancellation of Certificate No. 510-W.

100446-SU—Docketed: 11/22/2010—Date Closed: 06/01/2011

Settlement proposal for possible overearnings by Tierra Verde Utilities, Inc. in Pinellas County.

110154-WU—Docketed: 05/16/2011—Date Closed: 06/03/2011

Request for approval of revision to tariff to include a new rate for a 1” private fire protection water meter in St. Johns County by Camachee Island Company, Inc. d/b/a Camachee Cove Yacht Harbor Utility.



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Attorneys & Counselors at Law

Experience. Service. Success.

Radey Thomas Yon & Clark, P.A. believes that service to clients must be efficient and dedicated. Our location in Tallahassee, Florida, provides us the opportunity to be at the heart of the regulatory, legislative, and judicial arenas. The Water & Wastewater Industry Quarterly Report is provided to our clients and friends in a condensed summary format and should not be relied upon as a complete report nor be considered legal advice or opinion.

RTYC Family News

Donna E. Blanton, Christopher B. Lunny and Harry O. Thomas have been named as Florida *Super Lawyers* for 2011.

Lisa C. Scoles has been listed in Florida *Super Lawyers* for 2011 *Rising Stars* in the area of Utilities.

Radey Thomas Yon & Clark has again been named to the top tier of insurance law firms in Florida in the 2011 edition of Chambers USA for the fifth consecutive year. **David A. Yon, Harry O. Thomas and Travis L. Miller** are listed for their work in insurance regulation and litigation.