

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 100104-WU

WATER MANAGEMENT SERVICES, INC.

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

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TESTIMONY & EXHIBITS OF:

FRANK SEIDMAN

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TESTIMONY OF FRANK SEIDMAN
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
IN DOCKET NO. 100104-WU
REGARDING THE APPLICATION OF
WATER MANAGEMENT SERVICES, INC.
FOR AN INCREASE IN RATES & CHARGES
AND A REVISION OF
SERVICE AVAILABILITY CHARGES

Q. Please state your name, profession and address.

A. My name is Frank Seidman. I am President of Management and Regulatory Consultants, Inc., consultants in the utility regulatory field. My address is 18444 Lost Lake Way, Jupiter, FL 33458.

Q. State briefly your educational background and experience.

A. I hold the degree of Bachelor of Science in Electrical Engineering from the University of Miami. I have also completed several graduate level courses in economics at Florida State University, including public utility economics. I am a Professional Engineer, registered to practice in the state of Florida. I have over 40 years experience in utility regulation, management and consulting. This experience includes nine years as a staff member of the Florida Public Service Commission, two years as a planning engineer for a Florida telephone company, four years as Manager of Rates and Research for a water and sewer holding company with

1 operations in six states, and three years as Director of Technical Affairs for a
2 national association of industrial users of electricity. I have been providing rate and
3 regulatory consulting services in Florida for over 30 years. Specifically, with regard
4 to the water and wastewater industry, I have participated in the preparation and
5 presentation of numerous rate cases, most of which were considered by this
6 Commission. Many of those cases were made final through the Proposed Agency
7 Action procedures; others went to public hearing in which I presented direct and/or
8 rebuttal testimony. I have prepared or participated in the preparation of all phases
9 of water and wastewater financial, rate and engineering sections of the Minimum
10 Filing Requirements (“MFRs”), including used and useful. I have also participated
11 in most of the water and wastewater rulemaking procedures before this
12 Commission. I have also prepared several original cost studies accepted by this
13 Commission in setting rates.

14
15 **Q. On whose behalf are you presenting this testimony?**

16 A. I am presenting this testimony and appearing on behalf of the applicant, Water
17 Management Services, Inc. (“WMSI”).

18
19 **Q. What is the purpose of your direct testimony?**

20 A. The purpose of my direct testimony is to present the factual basis for WMSI’s
21 request to increase its rates and charges and to revise its service availability
22 charges, as presented in the MFRs.

1 **Q. Are you sponsoring any exhibits?**

2 A. Yes. I am sponsoring three exhibits. Exhibit (FS-1)_____ is a summary of my
3 education and experience, as it pertains to water and wastewater regulation. Exhibit
4 (FS-2)_____ contains the MFRs, consisting of Volume I, the Financial, Rate and
5 Engineering sections; Volume II, the Billing Analysis; and Volume III, the
6 Additional Engineering Information required by Rule 25-30.440, Florida
7 Administrative Code. Exhibit (FS-3)_____ contains the schedules supporting the
8 request to revise the service availability charges.

9

10 **Q. Would you please summarize the basis for the application to increase rates?**

11 A. Yes. As summarized in Schedule B-1 of Volume I of Exhibit (FS-2)_____, based
12 on the unadjusted books, the utility operated at a \$28,242 loss in test year 2009,
13 earning a negative 0.70% rate of return on a rate base of \$4,019,449. After
14 adjustments to both the operating expenses and rate base, the utility net operating
15 income was a negative \$247,662, earning a negative 4.03% on a rate base of
16 \$6,146,522. The adjusted cost of capital or required rate of return for the utility is
17 5.01%. An increase in revenues of \$641,629 is necessary to allow the utility the
18 opportunity to earn a 5.01% rate of return. This increase is inclusive of the
19 \$327,504 increase in interim rates requested by the utility.

20

21 **Q. How was the revenue requirement determined for interim rates?**

22 A. In accordance with Section 367.082, Florida Statutes, and Rule 25-40.437(5),
23 Florida Administrative Code, the revenue requirement for interim rates was

1 determined based on the historic 2009 test year, using a 13 month average rate base
2 and the per book revenues and expenses for 2009. The requested revenue increase
3 reflects the difference between the achieved rate of return on equity and the
4 minimum of the range of the last authorized rate of return on equity and
5 recognizing the actual cost of debt for the test year.

6
7 **Q. Did you make any adjustments to the per book financial information in**
8 **determining the revenue requirement for interim rates?**

9 A. Yes. I adjusted rate base and the related depreciation expense for non-used &
10 useful plant consistent with the most recent rate proceeding. I made minor
11 corrections to expenses for expenses incurred during the test year but not booked
12 until the following quarter. I also normalized or annualized certain continuing
13 expenses that originated during the test year but were not reflected on the books for
14 a full 12 months. If this normalization is not reflected in the determination of
15 interim rates, any interim revenue increase granted will be immediately insufficient
16 to maintain the minimum level of rate of return the utility is entitled to under the
17 statute. It was not necessary to annualize any rate changes, as none occurred during
18 the test year.

19
20 **Q. In determining final revenue requirements, what adjustments were made to**
21 **the test year operating revenues and expenses?**

22 A. Operating revenues were reduced to reflect the reduction of rates, effective
23 February 2010, resulting from the termination of the amortization of rate case

1 expense associated with the limited proceeding, Docket No. 000694-WU. The
2 primary adjustments to operating expenses were to normalize certain test year
3 expenses either to reflect a full 12 months for some only partially expensed on the
4 books or to reflect known changes in personnel or salaries that are now in effect,
5 and will continue to be in effect for the foreseeable future. As explained in greater
6 detail in Mr. Brown's testimony, these adjustments are necessary to reflect the level
7 of expenses which is necessary for WMSI to efficiently provide quality service to
8 its customers. Finally, there are adjustments to depreciation and taxes associated
9 with adjustments to plant in service, rate base and the requested revenue increase.
10 These are all summarized and detailed in Schedule B-3 of Volume I of Exhibit (FS-
11 2)_____.

12
13 **Q. What adjustments were made to Plant in Service?**

14 A. Plant in Service was adjusted to include several pro forma projects necessary to
15 preserve and maintain the quality of service for existing customers. These projects
16 are described in Schedule A-3 of Volume I of Exhibit (FS-2)_____. It is the
17 intent of the utility to complete these projects within two years. The projects
18 include improvements to the supply main, the water treatment plant, the ground
19 storage tank and the distribution system.

1 **Q. Were adjustments made to any components of rate base other than Plant in**
2 **Service?**

3 A. Yes. Adjustments associated with the pro forma additions to Plant in Service were
4 made to accumulated depreciation. There is also an adjustment for non-used and
5 useful plant. The detail of the non-used and useful adjustment is found in Schedule
6 A-3 and the F Schedules of Volume I of Exhibit (FS-2)_____.

7
8 **Q. Were there any adjustments made to the utility's cost of capital?**

9 A. Yes. It is necessary for the utility to refinance its debt in order to fund the described
10 projects. These adjustments are reflected in Schedules D-1, D-2, D-5 and D-6 of
11 Volume I of Exhibit (FS-2)_____.

12
13 **Q. Is the utility proposing any changes in the rate structure?**

14 A. Yes. The utility is proposing changing the existing rate structure for residential
15 service from a Base Facility Charge plus a three tiered, increasing block gallonage
16 charge to a Base Facility Charge plus a two tiered, increasing block gallonage
17 charge.

18
19 **Q. What is the reason for changing from a three tier to a two tier gallonage**
20 **charge?**

21 A. The tiered gallonage charge structure, set in Docket No. 000694-WU, Order No.
22 PSC-05-1156-PAA-WU, issued November 21, 2005, called for tiers at 8,000,
23 15,000 and over 15,000 gallons per month with rate factors set at 1.0, 1.25 and 1.5,

1 respectively. The order also proposed a 1.3% overall repression adjustment. Based
2 on the actual impact of this structure, the overall economy and the change in
3 shallow well drilling practices on the utility’s customer consumption level, the
4 three tiered structure no longer captures the residential consumption characteristics.
5 Consumption in the second tier has decreased substantially, while consumption in
6 the third tier has increased substantially. The utility is proposing the rate structure
7 be changed to a two tier structure. The proposed tiers are 15,000 gallons and over
8 15,000 gallons per month with rate factors of 1.0 and 1.50, respectively. The
9 proposed overall repression adjustment is 3.2%. The development of the proposed
10 rates is detailed in page 2 of Schedule E-2 of Volume I of Exhibit (FS-2)_____.

11

12 **Q. Is the utility proposing any change in the relative amount of the Base Facility**
13 **Charge?**

14 A. Yes. Currently only 50% of WMSI’s revenue requirement is met by the Base
15 Facility Charge (“BFC”). WMSI proposes to increase this to 75% for a number of
16 factual and policy reasons. First, WMSI’s service territory is primarily a resort
17 community. This causes revenue collections to be susceptible to large month-to-
18 month and season-to-season swings. Placing a greater share of the revenue
19 collection in the BFC helps mitigate this problem and brings greater revenue
20 stability. Second, the new shallow well policy has negatively impacted WMSI by
21 reducing both the number of customers and the number of gallons sold. The
22 current BFC rate structure exacerbates this problem, by providing an incentive to
23 customers to significantly reduce consumption at the higher tiers or to drop off the

1 system entirely. With the low BFC and high tiered rates under the current rate
2 structure, customers find that the modest cost of drilling a shallow well makes
3 economic sense. By increasing the BFC portion of the bill, the savings that may
4 accrue from using less WMSI water will be less, making it more economical to stay
5 on the system. This works to everyone's benefit. By keeping more customers on
6 the system, revenues are spread over a larger base, mitigating per use cost. It also
7 means that the cost of providing fire protection, which is built into the rates, will be
8 allocated to a greater portion of the island residents.

9
10 **Q. Are there any changes proposed in the miscellaneous service charges?**

11 A. Yes. The utility is proposing changes in its reconnection charges to better reflect
12 today's costs and to discourage potential abuses, as explained by Mr. Brown. These
13 charges are developed in page 2 of Schedule E-4 of Volume I of Exhibit (FS-
14 2)_____.

15
16 **Q. Is the utility proposing any changes in its Service Availability Charges?**

17 A. Yes. Analysis of the utility's ratio of net Contributions in Aid of Construction
18 ("CIAC") to net plant indicates that with present CIAC charges and no additions to
19 plant, the ratio is only 33% at build out. After the proposed additions to plant, that
20 ratio will drop to 24%. The current charges are \$1,620 composed of an \$845.00
21 Plant Capacity Charge, a \$525.00 Main Extension Charge and a \$250.00 Meter
22 Installation Fee. The utility proposes that the charge be increased to \$4,833.35,
23 with the Plant Capacity Charge increasing to \$4,058.35 and the Main Extension

1 Charge and the Meter Installation Fee remaining unchanged. This results in the net
2 CIAC to net Plant ratio reaching 75% at buildout. The increased level of CIAC
3 will have a mitigating affect on monthly service rates to existing and future
4 customers. The development of the proposed Service Availability Charges and
5 other supporting documentation required by Rule 25-30.565, Florida
6 Administrative Code, are found in Exhibit (FS-3)_____.

7

8 **Q. Does that conclude your direct testimony?**

9 **A. Yes, it does.**

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EXHIBIT (FS-1) _____

CURRICULUM VITAE

FRANK SEIDMAN, P.E.

Nearly 40 years experience in utility regulation, management and consulting, including 6 years practical experience in utility operations and management.

President of Management & Regulatory Consultants, Inc. Services provided regarding water and wastewater utilities include: preparation of rate cases and service availability charge applications; analysis and design of rates; analysis of expenses and plant; preparation of billing analyses; coordination of rate case presentations; representation before regulatory bodies and presentation of expert testimony; participation in the design of regulatory statutes and rules; assistance in the preparation of annual reports; assistance in setting up systems of accounts; preparation of original cost and market valuation studies and economic analyses.

As a member of the engineering staff of the Florida Public Service Commission at several levels, played an active role in rate cases, rate design, planning and service evaluation for gas, electric, telephone, water and wastewater utilities.

As Director of Technical Affairs for the Electricity Consumer's Resource Council, a national association of large industrial electricity users, developed and presented positions and testimony on electric rate design, cost of service, and PURPA related issues.

As Manager of Rates and Research for GAC Utilities, Inc., responsible for managing the revenue requirements program and preparing rate applications for a water and sewer utility holding company with operations in six states.

Has presented testimony before jurisdictions in Arkansas, California, Delaware, Florida, Michigan and Texas, as well as the U.S. Department of Energy, and the Federal Energy Regulatory Commission. Appeared as a speaker and/or instructor before many trade and professional groups throughout the United States.

BSEE from the University of Miami with substantial graduate level work in economics, including public utility economics, at the Florida State University. A registered Professional Engineer in the State of Florida, member of the Florida Engineering Society, the National Society of Professional Engineers, the Institute of Electrical and Electronic Engineers, the American Water Works Association and the Florida Water Works Association.

Rev:04/01/10

**SUMMARY OF PROFESSIONAL EXPERTISE
IN WATER and WASTEWATER REGULATION**

FRANK SEIDMAN

I. Participation In Specific Water And Sewer Cases

California

Case: California Cities Water co., Rate Case, 1973

Sponsor: California Cities Water Co.

Purpose: Supervise Rate Case preparation and present testimony re intercompany tax allocations.

Florida

Case: Florida 2nd Judicial District Court; re Contributions In Aid of Construction, 1970

Sponsor: Court Subpoena

Purpose: Testify re Relationship of CIAC and Rates.

Florida

Case: Docket No. I-71184-WS; GAC Utilities, Inc., of Florida, Cape Coral Division, Investigation of Main Extension Fees, 1971

Sponsor: GAC Utilities, Inc.

Purpose: Prepare Main Extension Fee Study and testify re Main Extension Fees.

Florida

Case: Docket No. 71581-WS; GAC Utilities Inc., Poinciana Division; Application for Certificate of Convenience and Necessity, 1971

Sponsor: GAC Utilities, Inc.

Purpose: Testify re Application.

Florida

Case: Sarasota County; Florida Cities Water Co., Rate Case, 1972

Sponsor: Florida Cities Water Co.

Purpose: Prepare Rate Case and testify re Application.

Florida

Case: Docket No. 800594-WS; Palm Coast Utility Corp., Rate Case and Certificate Filing, 1980

Sponsor: Palm Coast Utility Corp.

Purpose: Prepare Original Cost Study and Minimum Filing Requirements.

Florida

Case: Docket No. 810485-WS; Palm Coast Utility Corp., Rate Case, 1982

Sponsor: Palm Coast Utility Corp.

Purpose: Prepare Minimum Filing Requirements.

Florida

Case: Charlotte County; Fiveland Investments, Inc. Rate Case, 1982

Sponsor: Fiveland Investments, Inc.

Purpose: Prepare Rate Case and make presentation before Utility Board.

Florida

Case: Docket No. 820152-WS; San Carlos Utilities, Inc. Rate Case, 1982

Sponsor: San Carlos Utilities, Inc.

Purpose: Assist in Preparing Minimum Filing Requirements.

Florida

Case: Docket No. 820153-S; Shell Point Village Rate Case, 1982
Sponsor: Shell Point Village
Purpose: Prepare Rate Case and represent SPV before PSC.

Florida

Case: Docket No. 840092-WS; Palm Coast Utility Corp., Rate Case, 1983
Sponsor: Palm Coast Utility Corp.
Purpose: Prepare Rate Case and testimony re Application.

Florida

Case: Docket No. 840105-WS; Gulf Utility company, Rate Case, 1983
Sponsor: Gulf Utility Company
Purpose: Prepare Rate Case and testimony re Application.

Florida

Case: Collier County, East Naples Water Systems, Inc., Rate Case, 1984
Sponsor: East Naples Water Systems, Inc.
Purpose: Prepare Rate Case and present testimony re Application.

Florida

Case: Docket No. _____; East Naples Water systems, Inc., Application for Certificate and Certificate Extension, 1985
Sponsor: East Naples Water Systems, Inc.
Purpose: Prepare Case for presentation to PSC.

Florida

Case: Docket No. _____; East Naples Water Systems, Inc. Rate Case, 1985
Sponsor: East Naples Water Systems, Inc.
Purpose: Prepare Rate Case and testimony re Application.

Florida

Case: Docket No. 850100-WS; Du-Lay Utility Company, Inc.; Rate Case, 1984
Sponsor: Du-Lay Utility Company, Inc.
Purpose: Prepare rate case and present testimony re Application.

Florida

Case: Docket No. 850062-WS; Meadowbrook Utility Systems, Inc. Rate Case, 1984 - 1988
Sponsor: Meadowbrook Utility Systems, Inc.
Purpose: Coordinate case and prepare testimony re Application.

Florida

Case: Docket No. 870330-WS; Seminole Utility Systems, Inc., Rate Case, 1986
Sponsor: Seminole Utility Systems, Inc.
Purpose: Prepare Rate Case and present testimony re Application.

Florida

Case: Docket No. 870166-WS; Palm Coast Utility Corp., Rate Case, 1986 - 1987
Sponsor: Palm Coast Utility Corp.
Purpose: Prepare Rate Case and present testimony re Application.

Florida

Case: Docket No. 870149-WS; Atlantis Utilities Company, Overearnings Investigation
Sponsor: Atlantis Utilities Company
Purpose: Participate in preparation of response to PSC.

Florida

Case: Undocketed (Sarasota County), Dolomite Utilities Corporation, Rate Case, 1988 - 1989.
Sponsor: Dolomite Utilities Corporation
Purpose: Prepare Rate Case and present testimony re Application.

Florida

Case: Undocketed (Charlotte County), West Charlotte Utilities, Market Value Appraisal, 1988
Sponsor: West Charlotte Utilities
Purpose: Appraisal for additional financing

Florida

Case: Docket No. 880756-WS; Atlantis Utilities Company, Rate Case, 1988
Sponsor: Atlantis Utility Company
Purpose: Prepare Rate Case

Florida

Case: Undocketed (Charlotte County), West Charlotte Utilities, Pass-Thru Application, 1989
Sponsor: West Charlotte Utilities
Purpose: Prepare Pass-Thru Application

Florida

Case: Docket No. 891114-WS; Sailfish Point Utility Corporation, Rate Case, 1989
Sponsor: Sailfish Point Utility Corporation
Purpose: Prepare Rate Case

Florida

Case: Docket No. 890554-WU; Lake Griffin Utilities Inc., Certificate Application, 1989
Sponsor: Lake Griffin Utilities Inc.
Purpose: Prepare original cost and application for initial rates and charges.

Florida

Case: Undocketed; 1988-1989
Sponsor: Atlantis Utility Company
Purpose: Market Value Appraisal and Sale Negotiations

Florida

Case: Undocketed; 1990
Sponsor: Tangerine Woods Utilities and Englewood Utilities Co.
Purpose: Study Re Englewood Water District Master Plan

Florida

Case: Docket No. 900329-WS; United Florida Utilities Corporation; Marion and Washington Counties
Sponsor: Southern States Utilities; United Florida Utilities, and Deltona Utilities
Purpose: Prepare and Present Rate Application for Marion and Washington County portion of twenty-seven county rate increase application, including substantiation of original cost. Assist with testimony and brief for entire application.

Florida

Case: Docket No. 900682-WS; Exemption Request, 1990
Sponsor: W.P. Utilities
Purpose: Request for Exemption from PSC Regulation

Florida

Case: Docket No. 900816-WS; Sailfish Point Utility Corporation, Rate Case, 1990
Sponsor: Sailfish Point Utility Corporation
Purpose: Prepare and Present Rate Case

Florida

Case: Undocketed; Sailfish Point Utility Corporation, 1991
Sponsor: Sailfish Point Utility Corporation
Purpose: Prepare Market Valuation

Florida

Case: Docket No. 910020-WS; Utilities Inc. of Florida (Pasco County), Rate Case, 1991
Sponsor: Utilities Inc. of Florida
Purpose: Prepare and Present Rebuttal Testimony on Used & Useful.

Florida

Case: Docket No. 911082-WS; Revisions to Water and Wastewater Rules, 1992-93.
Sponsor: Florida Water Works Association
Purpose: Prepare and present comments of Association regarding rule revisions, including ratemaking and used and useful formulae.

Florida

Case: Docket No. 920174-WU; Utilities Inc. of Florida (Lake County), Application for Amendment of Certificate and Objection to City of Clermont Ord. 273-C, establishing a Chapter 180 F.S., W&S Utility, 1992
Sponsor: Utilities Inc. of Florida
Purpose: Prepare and Present Testimony supporting certificate application and objecting to formation of utility that encompasses UIF certificated service areas and prevents their economic development.

Florida

Case: Docket No. 920199-WS; Southern States Utilities, Inc.
Combined System Rate Case, 1991 & 1992
Sponsor: Southern States Utilities;
Purpose: Develop all rate base data and prepare MFRs for systems in Osceola, Orange, Brevard and Clay counties as part of a combined system rate application.

Florida

Case: Docket No. 920650-WS; Application for Certificate, 1992.
Sponsor: W.P. Utilities
Purpose: Apply for certificate, establish original cost for rate base and rates.

Florida

Case: Undocketed; Rolling Oaks Utility, 1992.
Sponsor: Southern States
Purpose: Prepare due diligence and valuation report.

Florida

Case: Docket No. 920834-WS; Utilities Inc. of Florida (Pasco County), Limited proceeding to increase rates to recover cost of purchased assets, 1992.

Sponsor: Utilities Inc. of Florida

Purpose: Prepare Original Cost Study and design rates to recover costs.

Florida

Case: Docket No. 921293-SU; Mid-County Services, Inc. (Pinellas County), Application to increase rates and service availability (SAC) charges.

Sponsor: Mid-County Services, Inc.

Purpose: In response to protest of SACs, prepare analysis of requested charges and evaluate compliance with PSC rules.

Florida

Case: Docket No. 930770-WU; St. George Island Utility Company, Ltd, Rate Application, 1993.

Sponsor: St. George Island Utility

Purpose: Prepare all MFRs and supporting testimony

Florida

Case: Docket No. 940109-WU; St. George Island Utility Company, Ltd, Rate Application, 1994.

Sponsor: St. George Island Utility

Purpose: Prepare all MFRs and supporting testimony

Florida

Case: Docket No. 930570-WS; Lake Placid Utilities, Inc., Application for certificate transfer.

Sponsor: Lake Placid Utilities, Inc.

Purpose: Prepare original cost study.

Florida

Case: Undocketed; Sailfish Point Utility Corporation, 1994

Sponsor: Sailfish Point Utility Corporation

Purpose: Prepare Market Valuation

Florida

Case: 1994-5; Undocketed [THIS IS NOT A RATE APPLICATION]

Sponsor: Miami-Dade Water and Sewer Department [Subcontractor to Millian, Swain & Associates]

Purpose: Subcontracted to prepare billing analysis and design rates to recover five year projected cost of service.

Florida

Case: 1994-5; UNDOCKETED Rulemaking on Used & Useful and Petition to Adopt Rules

Sponsor: Florida Waterworks Association

Purpose: Develop position, draft proposed rule, participate in workshops and consult re Petition to Adopt Rules regarding margin reserve and imputation of CIAC.

Florida

Case: Docket No. 951056-WS; Palm Coast Utility Corporation; Application for Increase in Rates

Sponsor: Palm Coast Utility Corporation

Purpose: Prepare MFRs and supporting testimony; prepare rebuttal testimony; participate in hearing and post hearing procedures.

Florida

Case: Docket No. 951593-WS; Palm Coast Utility Corporation; Application for Revision in Service Availability Charges

Sponsor: Palm Coast Utility Corporation

Purpose: Prepare application; prepare response to staff recommendation; participate in Commission agenda conference.

Florida

Case: Docket No. 960258-WS; Petition to adopt Rules on Margin Reserve and Imputation of CIAC

Sponsor: Florida Waterworks Association

Purpose: Develop position, draft proposed rule, participate in studies to support position; prepare testimony; prepare responses to testimony; participate in hearings. Testify in subsequent DOAH rule challenge.

Florida

Case: Docket No. 970076-WS; Sailfish Point Utility Corporation, Joint Application to transfer assets to Sailfish Point Service Corporation, 1997

Sponsor: Sailfish Point Utility Corporation

Purpose: Assist with Application

Florida

Case: Docket No. 960283-WS; Wedgefield Utilities, Inc., Application for Transfer of Certificates from Econ Utilities Corp. to Wedgefield, 1997

Sponsor: Wedgefield Utilities, Inc.

Purpose: Testify re Acquisition Adjustment and Policy

Florida

Case: Docket No. 960444-WU; Lake Utility Services, Inc., Application for Rate Increase and for increase in Service Availability Charges, 1997

Sponsor: Lake Utility Services, Inc.

Purpose: File Testimony re Used & Useful and Future Connections for SAC.

Florida

Case: Undocketed - Challenge at DOAH of PSC Rule 25-30.431, 1997-98

Sponsor: Florida Waterworks Association

Purpose: Assist with strategy and discovery; appear as expert witness re regulation and policy issues.

Florida

Case: Undocketed - Market value appraisal, 1997,8 & 2000

Sponsor: Water Management Services, Inc.

Purpose: Prepare market value appraisal and update for re-financing.

Florida

Case: Docket No. 980483-WU; Lake Utility Services, Inc., Investigation re overcollection of AFPI, 1998

Sponsor: Lake Utility Services, Inc.

Purpose: Participate in preparation of testimony.

Florida

Case: Docket No. 971220-WS; Cypress Lakes Utilities, Inc., Application for certificate transfer, 1999

Sponsor: Cypress Lakes Utilities, Inc.

Purpose: Prepare testimony re acquisition adjustment.

Florida

Case: Docket No. 971065-SU; Mid-County Services, Inc., Application for increase in rates, 1999
Sponsor: Mid-County Services, Inc.
Purpose: Prepare testimony re used and useful, margin reserve and imputation of CIAC.

Florida

Case: Undocketed; PSC Annual Reports, 1999
Sponsor: AquaSource, Inc.
Purpose: Prepare annual reports for newly acquired multi-system
Crystal River Utilities, Inc.

Florida

Case: Undocketed; Market Valuation, 1999
Sponsor: Northern Trust Bank of Naples
Purpose: Prepare market valuation for defaulted utility, Bonita Country Club Utilities, Inc.

Florida

Case: Docket No. 990975-SU; Application for Certificate Transfer, 1999,2000
Sponsor: Realnor Hallandale, Inc..
Purpose: Participate in preparation of application to transfer Certificate from Bonita Country Club Utilities, Inc. provide consulting re utility operations, prepare PSC annual reports.

Florida

Case: Docket No. 000154-SU; Proposed Rule 25-30.432 re used and useful, 2000
Sponsor: Florida Water Works Association
Purpose: Represent FWWA at PSC Staff workshop; prepare presentation.

Florida

Case: Undocketed; Water and wastewater rates and charges Analysis, 2000
Sponsor: North Miami Beach, City of
Purpose: Through Milian Swain and Associates, Inc. prepare analysis and recommendation for all charges.

Florida

Case: Docket No. 991437-WU; Application for increase in Water rates, 1997-2001
Sponsor: Wedgefield Utilities, Inc.
Purpose: Prepare testimony re used and useful and acquisition adjustment; provide consulting re entire case and issues.

Florida

Case: Docket No. 000694-WU; Application for limited proceeding for increase in rate to recover cost of replacing supply mains on new bridge, 2000
Sponsor: Water Management Services, Inc.
Purpose: Prepare schedules supporting increase; participate in preparation of State Revolving Fund loan application.

Florida

Case: Docket No. 990696-WS; Application for original certificate in Duval and St. Johns counties, 2000-01
Sponsor: Nocatee Utility Corp.
Purpose: Through Milian Swain and Associates, Inc. provide analysis of intervenor studies, assist with case analysis, preparation, discovery and hearings.

Florida

Case: Docket No. 001502-WS; Proposed Rule 25-30.0371, Acquisition Adjustments, 2001
Sponsor: Utilities, Inc.
Purpose: Represent UI and present position at PSC workshop.

Florida

Case: Docket No. 001820-SU; Application for certificate Transfer, 2001
Sponsor: Utilities, Inc. of Eagle Ridge
Purpose: Prepare original cost study of newly acquired Cross Creek system.

Florida

Case: Undocketed; Application for original rates and charges and tariffs in St. Johns County, 2000-01
Sponsor: St. Joe Utility Co.
Purpose: Prepare supporting schedules for rates and charges.

Florida

Case: Undocketed; PSC Annual Reports, 2001
Sponsor: Harbor Hills Utilities, Inc.
Purpose: Prepare annual reports and reconcile records in accordance with PSC staff requests.

Florida

Case: Undocketed; Prepare Cost of Service Study, 2002.
Sponsor: CWS - Palm Valley
Purpose: Prepare cost study to support mobile home park conversion from to direct utility billing from rent inclusion.

Florida

Case: Undocketed; Application for original franchise certificate in Flagler County, 2002
Sponsor: MHC, Inc. - Bulow Village
Purpose: Prepare application and supporting documents - application put on hold.

Florida

Case: Docket No. 020006-WS; Reestablishment of Authorized Rate of Return for Water and Wastewater Utilities, 2002
Sponsor: Florida Water Services Corp.
Purpose: Prepare expert testimony on effect of rule change proposal.

Florida

Case: Docket No. 020071-WS; Application for increase in rates and charges, 2002
Sponsor: Utilities Inc. of Florida
Purpose: Prepare Used & Useful analysis and MFR engineering schedules for six county rate application.

Florida

Case: Docket No. 020407-WS; Application for increase in rates and charges, 2002
Sponsor: Cypress Lakes Utilities, Inc.
Purpose: Prepare complete MFR supporting rate increase.

Florida

Case: Docket No. 020409-SU; Application for increase in rates and charges, 2002
Sponsor: Utilities, Inc. of Sandalhaven
Purpose: Prepare complete MFR supporting rate increase.

Florida

Case: Docket No. 020408-SU; Application for increase in rates and charges, 2002
Sponsor: Alafaya Utilities, Inc.
Purpose: Prepare Used & Useful analysis, MFR engineering schedules and original cost study for purchased assets.

Florida

Case: Docket No. 030443-WS; Application for increase in rates and charges, 2003
Sponsor: Labrador Utilities, Inc.
Purpose: Prepare Used & Useful analysis and MFR engineering schedules.

Florida

Case: Docket No. 030444-WS; Application for increase in rates and charges, 2003
Sponsor: Bayside Utility Services, Inc.
Purpose: Prepare complete MFR supporting rate increase.

Florida

Case: Docket No. 030445-SU; Application for increase in rates and charges, 2003
Sponsor: Utilities, Inc. of Eagle Ridge
Purpose: Prepare complete MFR supporting rate increase.

Florida

Case: Docket No. 030446-SU; Application for increase in rates and charges, 2003
Sponsor: Mid-County Utility Services, Inc.
Purpose: Prepare complete MFR supporting rate increase.

Florida

Case: Undocketed - Hillsborough County; Application for increase in rates and charges, 2003
Sponsor: East Lake Water Services, Inc.
Purpose: Prepare Used & Useful Analysis.

Florida

Case: Docket No. 040247-WS; Application for original water and wastewater certificates, rates and charges and tariffs in Franklin County, 2004
Sponsor: St. James Island Utility Company.
Purpose: Prepare application, tariffs and supporting schedules for rates and charges.

Florida

Case: Docket No. 040358-SU; Application for original wastewater certificate, rates and charges and tariffs in Bay County, 2004
Sponsor: Crooked Creek Utility Company.
Purpose: Prepare application, tariffs and supporting schedules for rates and charges.

Florida

Case: Undocketed - Sarasota County; Application for increase in rates and charges, 2004
Sponsor: Siesta Key Utilities Authority.
Purpose: Prepare application and supporting schedules.

Florida

Case: Docket No. 040450-WS; Application for increase in rates and charges, 2004
Sponsor: Indiantown Co., Inc.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Undocketed - Certificate Application, 2005 (never filed)
Sponsor: MHC, Inc.
Purpose: Prepare application and supporting rates and charges.

Florida

Case: Docket No. 050281-WS; Application for increase in rates and charges, 2005
Sponsor: plantation Bay Utility Co.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 050587-WS; Application for increase in rates and charges, 2005
Sponsor: MSM Utilities
Purpose: Assist w/SARC; prepare annual report.

Florida

Case: Docket No. 980876-WS; Application for certificate (update), 2005
Sponsor: Ocala Springs Utility, Inc.
Purpose: Prepare updated analysis.

Florida

Case: Undocketed (Collier County) Applicaton for change in meter installation charges, 2006
Sponsor: Indiantown Co., Inc.
Purpose: Prepare application.

Florida

Case: Docket No. 060246-WS; Application for increase in rates and charges, 2006
Sponsor: Gold Coast Utility Corp.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 060256-WS; Application for increase in rates and charges, 2006
Sponsor: Alafaya Utilities Inc.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 060257-WS; Application for increase in rates and charges, 2004
Sponsor: Cypress Lakes Utilities, Inc.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 060260-WS; Application for increase in rates and charges, 2006
Sponsor: Lake Placid Utilities, Inc.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 060254-SU; Application for increase in rates and charges, 2006
Sponsor: Mid-County Services, Inc.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 060255-WS; Application for increase in rates and charges, 2006

Sponsor: Tierra Verde Utilities, Inc.

Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 060253-WS; Application for increase in rates and charges, 2006

Sponsor: Utilities, Inc. Of Florida

Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 060261-WS; Application for increase in rates and charges, 2006

Sponsor: Utilities, Inc. of Pennbrooke

Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 060285-WS; Application for increase in rates and charges, 2006

Sponsor: Utilities, Inc. of Sandalhaven

Purpose: Prepare Used & Useful analysis and Projected TY MFR.

Florida

Case: Docket No. 080247-SU; Application for increase in rates and charges, 2007

Sponsor: Utilities, Inc. of Eagle Ridge

Purpose: Prepare complete MFR supporting rate increase.

Florida

Case: Docket No. 080248-SU; Application for increase in rates and charges, 2007

Sponsor: Tierra Verde Utilities, Inc.

Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 080249-WS; Application for increase in rates and charges, 2007

Sponsor: Labrador Utilities, Inc.

Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 080250-WS; Application for increase in rates and charges, 2007

Sponsor: Mid-County Services, Inc.

Purpose: Prepare complete MFR supporting rate increase.

Florida

Case: Undocketed -Sarasota Co., Application for increase in rates and charges, 2007

Sponsor: Southgate Utilities, Inc.

Purpose: Prepare Used & Useful analysis.

Florida

Case: Undocketed -Hillsborough Co., Application for increase in rates and charges, 2007

Sponsor: Pebble Creek Utilities, Inc.

Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 090392-WS; Application for increase in rates and charges, 2008
Sponsor: Utilities, Inc. of Pennbrooke
Purpose: Prepare complete MFR supporting rate increase.

Florida

Case: Docket No. 090349-WS; Application for increase in rates and charges, 2008
Sponsor: Cypress LaKes Utilities, Inc.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 090402-WS; Application for increase in rates and charges, 2008
Sponsor: Sanlando Utilities, Inc.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 090381-SU; Application for increase in rates and charges, 2008
Sponsor: Utilities, Inc. Of Longwood
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 090462-WS; Application for increase in rates and charges, 2008
Sponsor: Utilities, Inc. Of Florida
Purpose: Prepare Used & Useful analysis.

Michigan

Case: Northern Michigan Water; Rate Case, 1972
Sponsor: Northern Michigan Water Co.
Purpose: Prepare Rate Case and present testimony re Appropriate Rate of Return.

North Carolina

Case: Carolina Water Service, Inc. of North Carolina; Rate Case, 1992.
Sponsor: Carolina Water Service, Inc. of North Carolina
Purpose: Prepare and present rebuttal testimony regarding the concept of used and useful for a regulated utility.

**EXHIBIT (FS-2) _____ IS THE MFRs,
VOLUMES I, II AND III,
WHICH HAVE BEEN PROVIDED
HEREWITH.**

*[Consists of DNS
04384-10, 04385-10, & 04386-10]*

EXHIBIT (FS-3)_____

Water Management Services, Inc.

Docket No. 100104-WU

APPLICATION FOR REVISED SERVICE AVAILABILITY CHARGES



Test Year Ended: December 31, 2009

Information Required by 25-30.565(4)

1 25-30.565(4)c - Commission Order in which SACs were last Considered
 Service availability charges were previously set by Order No.PSC-94-1383-FOF-WU, issued 11/14/94.

2 25-30.565(4)d - Basis for Requested Changes
 Since the SACs were last set in 1994, Plant in Service has increased from approximately \$2.5 million to \$9 million by the end of 2009 and will increase to \$11.2 million with pro forma additions. The net CIAC balance has not kept up with the net Plant balance and the overall CIAC level is approaching PSC guideline minimum. In addition, the increased charges will help mitigate the level of rates for existing customers. The Charges, present and proposed are:

	<u>Present</u>	<u>Proposed</u>
Plant Capacity Charge:	\$ 845.00	\$ 4,058.35
Main Extension Charge:	525.00	525.00
Meter Installation Charge:	<u>250.00</u>	<u>250.00</u>
Total	\$ 1,620.00	\$ 4,833.35

3 25-30.565(4)e - Original Cost and Capacities
 See SAC Schedule 2 for Original Cost

Capacity of Treatment Plant
 714,000 gpd permitted @ 350 gpd/ERC = 2,040 ERCs

Capacity of Transmission & Distribution Plant

Indeterminate. No change is being requested in the main extension charge.

4 25-30.565(4)f - Accumulated Depreciation
 See SAC Schedule 3

5 25-30.565(4)g - Active Customers and ERCs
 See SAC Schedule 4

6 25-30.565(4)h - Treatment Plant Capacity Used in Developing SAC
 See SAC Schedule 4

7 25-30.565(4)i - Transmission & Distribution Capacity Used in Developing SAC
 See SAC Schedule 4

8 25-30.565(4)j& k - List of Outstanding Developer Agreements and CIAC Terms

None

Information Required by 25-30.565(4)

9 25-30.565(4)l & m - CIAC and Accumulated Amortization of CIAC
See SAC Schedule 5

10 25-30.565(4)n - Construction & Operating Permits
See SAC Schedule 6

11 25-30.565(4)o & p - State by Registered Professional Engineer re Propose Plant Expansion
See SAC Schedule 7

12 25-30.565(4)q - Orders by Reulatory Authorities Mandating Comstruction

Not Applicable

13 25-30.565(4)q - Projected Growth Rate of Existing & Future Plant Capacities
See SAC Schedule 4

14 25-30.565(4)s -Calculation of Proposed Service Availability Charges
See SAC Schedule 8

15 25-30.565(4)t -Data Regarding the Cost of Meters & Meter Installations

Not Applicable - No change in meter & meter cost installion charges is being requested.

16 25-30.565(4)u -Existing & Proposed on-site and off-site main installation charges & policy.

Existing & Proposed: \$525.00 per Residential ERC; all others \$1.50 per front foot.

17 25-30.565(4)v -Existing & Proposed Capital Rate Structure
See SAC 9

18 25-30.565(4)v -Proposed Tariff Sheets
See SAC 10

25-30.565(4)e - Original Cost of Plant

No.	(1) Line Account No. and Name	(2) Test Year 12/31/09	(3) ProForma Adjustments	(4) Adjusted Year End TY
1	INTANGIBLE PLANT			
2	301.1 Organization	-	-	-
3	302.1 Franchises	-	-	-
4	399.1 Other Plant & Misc. Equipment	-	-	-
5	SOURCE OF SUPPLY AND PUMPING PLANT			
6	303.2 Land & Land Rights	67,443		67,443
7	304.2 Structures & Improvements	73,471		73,471
8	305.2 Collect. & Impound. Reservoirs	-		-
9	306.2 Lake, River & Other Intakes	-		-
10	307.2 Wells & Springs	405,021	(4,349)	400,672
11	308.2 Infiltration Galleries & Tunnels	-		-
12	309.2 Supply Mains	3,984,508	31,018	4,015,526
13	310.2 Power Generation Equipment	113,061		113,061
14	311.2 Pumping Equipment	224,689	287,151	511,840
15	339.2 Other Plant & Misc. Equipment	-		-
16	WATER TREATMENT PLANT			
17	303.3 Land & Land Rights	-		-
18	304.3 Structures & Improvements	134,122		134,122
19	320.3 Water Treatment Equipment	73,403	264,851	338,254
20	339.3 Other Plant & Misc. Equipment	-		-
21	TRANSMISSION & DISTRIBUTION PLANT			
22	303.4 Land & Land Rights	20,151	450,000	470,151
23	304.4 Structures & Improvements	-		-
24	330.4 Dist. Reservoirs & Standpipes	362,073	970,900	1,332,973
25	331.4 Trans. & Distribution Mains	2,524,926	22,500	2,547,426
26	333.4 Services	235,616		235,616
27	334.4 Meters & Meter Installations	212,013		212,013
28	335.4 Hydrants	129,640		129,640
29	339.4 Other Plant & Misc. Equipment	-		-
30	GENERAL PLANT			
31	303.5 Land & Land Rights	3,400		3,400
32	304.5 Structures & Improvements	148,735		148,735
33	340.5 Office Furniture & Equipment	76,667		76,667
34	341.5 Transportation Equipment	103,927		103,927
35	342.5 Stores Equipment	-		-
36	343.5 Tools, Shop & Garage Equipment	36,433		36,433
37	344.5 Laboratory Equipment	-		-
38	345.5 Power Operated Equipment	64,551		64,551
39	346.5 Communication Equipment	-		-
40	347.5 Miscellaneous Equipment	-		-
41	348.5 Other Tangible Plant	-		-
42	TOTAL	\$ 8,993,851	\$ 2,022,072	\$ 11,015,923
	Land Only			540,994

Company: Water Management Services, Inc.

Schedule SAC 3

Docket No.: 100104-WU

Page 1 of 1

Test Year Ended: December 31, 2009

Preparer: F. Seidman

25-30.565(4)f - Accumulated Depreciation of Plant

Line No.	(1) Account No. and Name	(2) Test Year 12/31/09	(3) ProForma Adjustments	(4) Adjusted Year End TY
1	<u>INTANGIBLE PLANT</u>			
2	301.1 Organization	-	-	-
3	302.1 Franchises	-	-	-
4	399.1 Other Plant & Misc. Equipment	-	-	-
5	<u>SOURCE OF SUPPLY AND PUMPING PLANT</u>			
6	303.2 Land & Land Rights	-	-	-
7	304.2 Structures & Improvements	22,033		22,033
8	305.2 Collect. & Impound. Reservoirs	-	-	-
9	306.2 Lake, River & Other Intakes	-	-	-
10	307.2 Wells & Springs	190,293	(4,349)	185,944
11	308.2 Infiltration Galleries & Tunnels	-	-	-
12	309.2 Supply Mains	863,306	(122,907)	740,399
13	310.2 Power Generation Equipment	82,567		82,567
14	311.2 Pumping Equipment	157,079	(35,257)	121,822
15	339.2 Other Plant & Misc. Equipment	-	-	-
16	<u>WATER TREATMENT PLANT</u>			
17	303.3 Land & Land Rights	-	-	-
18	304.3 Structures & Improvements	40,221		40,221
19	320.3 Water Treatment Equipment	40,980	(1,211)	39,768
20	339.3 Other Plant & Misc. Equipment	-	-	-
21	<u>TRANSMISSION & DISTRIBUTION PLANT</u>			
22	303.4 Land & Land Rights	-	-	-
23	304.4 Structures & Improvements	-	-	-
24	330.4 Dist. Reservoirs & Standpipes	242,272	12,136	254,409
25	331.4 Trans. & Distribution Mains	1,200,241	262	1,200,503
26	333.4 Services	145,068		145,068
27	334.4 Meters & Meter Installations	153,734		153,734
28	335.4 Hydrants	70,997		70,997
29	339.4 Other Plant & Misc. Equipment	-	-	-
30	<u>GENERAL PLANT</u>			
31	303.5 Land & Land Rights	-	-	-
32	304.5 Structures & Improvements	44,604		44,604
33	340.5 Office Furniture & Equipment	26,579		26,579
34	341.5 Transportation Equipment	33,070		33,070
35	342.5 Stores Equipment	-	-	-
36	343.5 Tools, Shop & Garage Equipment	17,022		17,022
37	344.5 Laboratory Equipment	-	-	-
38	345.5 Power Operated Equipment	31,939		31,939
39	346.5 Communication Equipment	-	-	-
40	347.5 Miscellaneous Equipment	-	-	-
41	348.5 Other Tangible Plant	-	-	-
42	TOTAL	\$ 3,362,005	\$ (151,326)	\$ 3,210,679

25-30.565(4)g - Active Customers as of 12/31/09 by Meter Size, Customer Class & ERCs

CUSTOMER & ERCs BASED ON METER EQUIVALENCY

	Customers	Meter Equiv.	Meter Equiv. ERCs
Res 5/8"	1,547	1.0	1,547
Res 3/4"	106	1.5	159
Res 1"	24	2.5	60
Res 1.5"	<u>4</u>	5.0	<u>20</u>
	1,681		1,786
GS 5/8"	51	1.0	51
GS 3/4"	2	1.5	3
GS 1"	21	2.5	53
GS 1.5"	7	5.0	35
GS 2"	5	8.0	40
GS 3"	<u>2</u>	15.0	<u>30</u>
	88		212
Public 5/8"	1	1.0	1
Public 1"	1	2.5	3
Public 6"	1	62.5	63
	3		66
Multi 5/8"	23	1.0	23
Multi 1"	7	2.5	18
Multi 1.5"	2	5.0	10
Multi 4"	<u>1</u>	25.0	<u>25</u>
	33		76
Total	1,805		2,139

25-30.565(4)h - ERC CAPACITY OF TREATMENT PLANT For DEVELOPING SAC

For developing SAC, ERCs are based on the design demand of 350 gpd/ERC.

	<u>ADF</u>	<u>ERCs</u>
Permitted Capacity	714,000	2,040
Test Year Flows	520,273	<u>1,486</u>
Remaining ERC Capacity		554

It is projected that it will take 12 years to buildout. This is an average of 46 ERCs per year. This is well below average annual growth prior to the recent economic slowdown (60+/yr) and new shallow well policy. It is anticipated that annual growth over the next five years will be below the 46 ERC/yr average; then it will increase annually, getting back to about the 60+ /yr historical average near the end of the 12 year period. There is an expressed demand for 34 additional ERCs in 2010 for the Plantation CC. It is hoped that the proposed change in rate structure will act as an incentive for customers to remain on line and not change to shallow wells, and that, in conjunction with economic recovery will support the the projected rate of growth over the 12 year period.

25-30.565(4)i - ERC CAPACITY OF TRANSMISSION & DISTRIBUTION PLANT For DEVELOPING SAC

WMSI is not requesting a change in the existing \$525.00 main extension fee. The area served and the related investment have not substantially changed since the main extension charge was set.

Application for Revised Service Availability Charges

Florida Public Service Commission

Schedule SAC 5

Company: Water Management Services, Inc.

Page 1 of 1

Docket No.: 100104-WU

Preparer: F. Seidman

Test Year Ended: December 31, 2009

25-30.565(4) & m - CIAC and Accumulated Amortization of CIAC

Line No.	Description	CIAC 12/31/09	Accum. Amort CIAC 12/31/09
WATER			
1	Plant Capacity Fees	\$ 1,262,657	\$ 535,426
2	Line/Main Extension Fees	964,980	409,197
3	Meter Installation Fees	554,664	235,204
4	Contributed Property	375,659	159,297
5	Contributed Services	9,497	4,027
6	Contributed Fire Hydrants	68,556	29,071
7	Contributed Fire Sprinkler Systems	3,500	1,484
8	Total	\$ 3,239,514	\$ 1,373,707

There is no prepaid CIAC

Application for Revised Service Availability Charges

**Florida Public Service Commission
Schedule SAC 6**

Company: Water Management Services, Inc.

Page 1 of 7

Docket No.: 100104-WU

Preparer: F. Seidman

Test Year Ended: December 31, 2009

25-30.565(4)n - Construction & Operating Permits

Northwest Florida Water Management District Individual Water Use Permit

Application for Revised Service Availability Charges

Florida Public Service Commission

Schedule SAC 7

Page 1 of 1

Preparer: F. Seidman

Company: Water Management Services, Inc.

Docket No.: 100104-WU

Test Year Ended: December 31, 2009

25-30.565(4) o & p - Statement by Registered Professional Engineer re Proposed Plant Expansion

Proposed Plant Improvements	Account No.	Installed Cost
1 Supply Main Extension Relocate portion of 12" Supply Main from bridge main to island. This portion is exposed to the elements and subject to sea water contamination.	309	\$ 156,156
2 Water plant Process Improvements Install new high service pumps, controls, improve chlorination system, relocate generator & fuel storage tank	320	272,250
3 Concrete Ground Storage Tank Land required for building new Tank & WTP Replace existing ground storage tank and aerators. The existing tank has reached end of useful life and is subject to catastrophic failure.	303 330	450,000 970,900
4 Replace and/or Rehabilitate electrical equipment	311	330,675
5 Upgrade distribution system	331	<u>22,500</u>
Subtotal - Adjustments for Proforma Plant Additions		\$ 2,202,481

The proposed improvements are necessary for the utility to maintain safe, efficient and sufficient service to existing customers. They do no add to the capacity of the system.

The projected construction time is 12 months after approval.

Registered Professional Engineer

P.E. No. _____ State of _____

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT
INDIVIDUAL WATER USE PERMIT**
(NWFWM Form No. A2-E)

Permit granted to: Water Management Services, Inc. Permit No.: 20040013 Renewal/Modification
3200 Commonwealth Blvd. Date Permit Granted: June 22, 2006
Tallahassee, Florida 32303 Permit Expires On: July 1, 2011
(Legal Name and Address) Source Classification: Floridan Aquifer
Use Classification: Public Supply
County: Franklin Area: B Location: Section 30, 31 1/4 Section _____
Application No.: I06687 Township 8 South Range 6 West

Terms and standard conditions of this Permit are as follows:

1. That all statements in the application and in supporting data are true and accurate and based upon the best information available, and that all conditions set forth herein will be complied with. If any of the statements in the application and in the supporting data are found to be untrue and inaccurate, or if the Permittee fails to comply with all of the conditions set forth herein, then this Permit shall be revoked as provided by Chapter 373.243, Florida Statutes.
2. This Permit is predicated upon the assertion by the Permittee that the use of water applied for and granted is and continues to be a reasonable and beneficial use as defined in Section 373.019(4), Florida Statutes, is and continues to be consistent with the public interest, and will not interfere with any legal use of water existing on the date this Permit is granted.
3. This Permit is conditioned on the Permittee having obtained or obtaining all other necessary permit(s) to construct, operate and certify withdrawal facilities and the operation of water system.
4. This Permit is issued to the Permittee contingent upon continued ownership, lease or other present control of property rights in underlying, overlying, or adjacent lands. This Permit may be assigned to a subsequent owner as provided by Chapter 40A-2.351, Florida Administrative Code, and the acceptance by the transferee of all terms and conditions of the Permit.

5. This Permit authorizes the Permittee to make a combined average annual withdrawal of 714,000 gallons of water per day, a maximum combined withdrawal of 1,240,000 gallons during a single day, and a combined monthly withdrawal of 32,700,000 gallons. Withdrawals for the individual facilities are authorized as shown in the table below in paragraph six. However, the total combined amount of water withdrawn by all facilities listed in paragraph six shall not exceed the amounts identified above.
6. Individual Withdrawal Facility Authorization

WITHDRAWAL POINT ID NO.	LOCATION SEC,TWN,RNG	GALLONS/DAY AVERAGE	GALLONS/DAY MAXIMUM
WMS #1/AAA5300	Sec. 31, T8S, R6W		360,000
WMS #2/AAA5299	Sec. 31, T8S, R6W		360,000
WMS #3/AAA5297	Sec. 31, T8S, R6W		720,000
WMS #4/AAD9754	Sec. 30, T8S, R6W		720,000
WMS-MO #1/AAB0501	Sec. 31, T8S, R6W		-0-
WMS-MO #2/To Be Assigned	Sec. 30, T8S, R6W		-0-

7. The use of the permitted water withdrawal is restricted to the use classification set forth by the Permit. Any change in the use of said water shall require a modification of this Permit.
8. The District's staff, upon proper identification, will have permission to enter, inspect and observe permitted and related facilities in order to determine compliance with the approved plans, specifications and conditions of this Permit.
9. The District's staff, upon providing prior notice and proper identification, may request permission to collect water samples for analysis, measure static and/or pumping water levels and collect any other information deemed necessary to protect the water resources of the area.
10. The District reserves the right, at a future date, to require the Permittee to submit pumpage records for any or all withdrawal points(s) covered by this Permit.
11. Permittee shall mitigate any significant adverse impact caused by withdrawals permitted herein on the resource and legal water withdrawals and uses, and on adjacent land use, which existed at the time of permit application. The District reserves the right to curtail permitted withdrawal rates if the withdrawal causes significant adverse impact on the resource and legal uses of water, or adjacent land use, which existed at the time of permit application.
12. Permittee shall not cause significant saline water intrusion or increased chloride levels. The District reserves the right to curtail permitted withdrawal rates if withdrawals cause significant saline water intrusion or increased chloride levels.

13. The District, pursuant to Section 373.042, Florida Statutes, at a future date, may establish minimum and/or management water levels in the aquifer, aquifers, or surface water hydrologically associated with the permitted withdrawals; these water levels may require the Permittee to limit withdrawal from these water sources at times when water levels are below established levels.
14. Nothing in this Permit should be construed to limit the authority of the Northwest Florida Water Management District to declare water shortages and issue orders pursuant to Section 373.175, Florida Statutes, or to formulate and implement a plan during periods of water shortage pursuant to Section 373.246, Florida Statutes, or to declare Water Resource Caution Areas pursuant to Chapters 40A-2.801, and 62-40.41, Florida Administrative Code
 - (a) In the event of a declared water shortage, water withdrawal reductions shall be made as ordered by the District.
 - (b) In the event of a declared water shortage or an area as a Water Resource Caution Area, the District may alter, modify or inactivate all or parts of this permit.
15. The Permittee shall properly plug and abandon any well determined unsuitable for its intended use, not properly operated and maintained, or removed from service. The well(s) shall be plugged and abandoned to District Standards in accordance with Section 40A-3.531, Florida Administrative Code.
16. Any Specific Permit Condition(s) enumerated in Attachment A are herein made a part of this Permit.



Authorized Signature

Northwest Florida Water Management District

ATTACHMENT A
Water Management Services, Inc.

Individual Water Use Permit No. 20040013
Individual Water Use Application No. I06318

1. The Permittee shall reference the utility's production and monitoring wells by their Florida Unique Well Identification Number (FLUWID AAA####) when corresponding with the District. All water quality and water level data submitted shall clearly identify, by FLUWID #, the well associated with the data.
2. The Permittee shall maintain, in working order, in-line totaling flow meters on all production wells.
3. The Permittee shall limit the combined withdrawal amounts from wells WMS #1 (AAA5300), WMS #2 (AAA5299), and WMS #3 (AAA5297) to no more than 50 percent of its total annual withdrawal. The Permittee shall not withdraw at a rate of more than 250 gpm from either well WMS #1 (AAA5300) or WMS #2 (AAA5299), nor withdraw at a rate of more than 500 gpm from either well WMS #3 (AAA5297) or WMS #4 (AAD9754). The Permittee, by January 31 of each year, shall submit certification and documentation to the District that the utility has complied with this condition.
4. The Permittee, by January 31, April 30, July 31, and October 31 of each year, shall report the following information.
 - a. The data required on Water Use Summary Reporting Form NFWFMD A2-I for each production well for the preceding three months even if no water is used.
 - b. Static water level data for all all production and monitor wells during the first two weeks of each month. The Permittee shall use a District-approved method and shall not withdraw water from the wells for as long as possible (preferably 24 hours but at least four hours) prior to measuring the water level. All measurements shall be taken from the same measuring point. If the measuring point elevation is different from land surface, the Permittee shall provide the difference between these two elevations. All measurements shall reflect the depth to water from land surface elevation.

The Permittee, if preferred, may submit the report electronically by e-mailing it to compliance@nwfwm.d.state.fl.us.

5. The Permittee, during the first two weeks of January, April, July and October, shall conduct water quality sampling from all production and monitor wells. The water-quality analyses shall test for the following parameters: chloride, sodium and total-dissolved solids. Prior to sampling, the Permittee shall purge a minimum of three to five well volumes from the wells, and shall report with each set of test results, the duration of

purging, purge volume, and purge rates used. The Permittee shall submit the results by the last day of the following month (e.g., data for samples collected in January are due by February 28). The Permittee, if preferred, may submit the report electronically by e-mailing it to compliance@nwfwmnd.state.fl.us.

6. The Permittee, by July 31 of each year, shall report on the progress of implementation of the following water conservation/efficiency measures. The Permittee shall:
 - a. Provide an account of the amount of water withdrawn, the actual amount of water accounted for through the billing system, and an estimate of unaccounted for water by suspected cause (e.g., leaks, line breaks, inaccurate meters, unmetered users, line flushing, etc.). The Permittee shall also submit a progress report, including documentation, to the District of the unaccounted for totals and the actions taken to account for and reduce system water losses to less than ten percent of the water withdrawn during the previous year (amount withdrawn verses amount delivered).
 - b. Submit a copy of the present rate structure and tap fees.
 - c. Consider revising existing membership and/or tap fees (non-rate) fees to promote the installation of minimally sized connections/meters to meet non-discretionary water demand and discourage wasteful, discretionary use (e.g., irrigation, aesthetic use). The Permittee shall report to the District any recommended revisions and any actions undertaken as part of the required evaluation.
 - d. Provide documentation to the District that WMS have formally requested that Franklin County adopt a Florida Friendly Landscape Ordinance that, at a minimum, meets the provisions of Chapter 373.185, Florida Statutes, and an Irrigation Efficiency Ordinance that provides for year-round enhanced irrigation efficiency hours of before 10 a.m. and after 4 p.m. and irrigation for a maximum number of days each week (e.g. two days).
 - e. Provide updated status of its plumbing fixtures retrofit program designed to enhance water use efficiency. The Permittee, at a minimum, shall promote and make available to its customer's toilet tank displacement and faucet and showerhead aerators/flow-restrictors. The customers' kits shall provide sufficient units to retrofit all faucets and showerheads within a household or business establishment. The Permittee shall provide special assistance to hotels, motels and condominiums.
 - f. Provide updated status of a comprehensive public education and information campaign to promote water conservation and efficiency. The campaign shall consist of newspaper notices and articles, periodic radio and television announcements, periodic mail-outs to customers and the posting of signs and informational brochures in the rooms of hotels, motels and rental property. The campaign shall be oriented to emphasize the program being implemented and water conservation in general. The campaign shall be designed to regularly reach permanent and part-time residents and tourists.

7. The Permittee, by April 30 of each year, shall submit the following information for the previous year:
 - a. The total amount of water being billed to each type of customer (e.g., residential, commercial) within its service area and each total divided by the number of meters of each customer type. This analysis will be used to identify trends in total water use and water conservation/efficiency within the service area. The Permittee may submit additional analytical information in support of its water conservation and efficiency initiatives.
 - b. A summary of per-capita demands within its service area for each year and how the demands were calculated. The method utilized to estimate per capita demands shall be sufficiently documented that the calculated demands can be used to measure water efficiency/conservation progress within the WMS service area. The method of estimating the population served shall also be provided.
 - c. The number of active service connections.
8. The Permittee shall mitigate any adverse impact caused by withdrawals permitted herein on the water resources of the area or on domestic or other legal water withdrawals and uses. The Permittee shall report the occurrence of any such impacts to the District and shall identify the mitigation action undertaken to address the impacts or provide for the user to be connected to a water-supply system.

Application for Revised Service Availability Charges

Florida Public Service Commission

Schedule SAC 7

Page 1 of 1

Preparer: F. Seidman

Company: Water Management Services, Inc.

Docket No.: 100104-WU

Test Year Ended: December 31, 2009

25-30.565(4)j & p - Statement by Registered Professional Engineer re Proposed Plant Expansion

Proposed Plant Improvements	Account No.	Installed Cost
1 Supply Main Extension	309	\$ 156,156
Relocate portion of 12" Supply Main from bridge main to island. This portion is exposed to the elements and subject to sea water contamination.		
2 Water plant Process Improvements	320	272,250
Install new high service pumps, controls, improve the chlorination system and relocate generator and fuel storage tank		
3 Concrete Ground Storage Tank		
Land required for building new Tank & WTP	303	450,000
Replace existing ground storage tank and aerators. The existing tank has reached end of useful life and is subject to catastrophic failure.	330	970,900
4 Replace and/or Rehabilitate electrical equipment	311	330,675
5 Upgrade distribution system	331	<u>22,500</u>
Subtotal - Adjustments for Proforma Plant Additions		\$ 2,202,481

The proposed improvements are necessary for the utility to maintain safe, efficient and sufficient service to existing customers. They do no add to the capacity of the system.

The projected construction time is 12 months after approval.

Registered Professional Engineer
P.E. No. 40238 State of Florida

RICHARD A. SOISELLI
P.E. NO. 40238

Richard A. Soiselli
5/20/10

Application for Revised Service Availability Charges

Company: Water Management Services, Inc.
 Docket No.: 100104-WU
 Test Year Ended: December 31, 2009

Florida Public Service Commission
 Schedule SAC 8
 Page 1 of 1
 Preparer: F. Seidman

25-30.565(4)s - Calculation of Proposed Service Availability Charges

SERVICE AVAILABILITY CHARGE CALCULATION
 2009 TY

WATER

1	YEAR END GROSS BOOK VALUE	\$	8,993,851
2	LAND		90,994
3	YEAR END DEPRECIABLE ASSETS		8,902,857
4	YEAR END ACCUMULATED DEPRECIATION TO DATE		3,362,005
5	ACCUMULATED DEPRECIATION AT DESIGN CAPACITY		6,574,682
6	NET PLANT AT DESIGN CAPACITY	\$	2,419,169
7			
8	YEAR END TRANSMISSION & DISTRIBUTION LINES	\$	2,524,926
9	MINIMUM LEVEL OF C.I.A.C.		28.07%
10	YEAR END C.I.A.C. TO DATE	\$	3,239,514
	YEAR END ACCUMULATED AMORTIZATION OF C.I.A.C. TO		
11	DATE		1,373,707
12	NET C.I.A.C. TO DATE		1,865,807
13	YEAR END LEVEL OF C.I.A.C. TO DATE		33.13%
	ACCUMULATED AMORTIZATION OF C.I.A.C. AT DESIGN		
14	CAPACITY	\$	2,479,843
15	FUTURE CUSTOMERS (ERC) TO BE CONNECTED		554
16	COMPOSITE DEPRECIATION RATE		3.01%
17	COMPOSITE C.I.A.C. AMORTIZATION RATE		2.85%
18	NUMBER OF YEARS TO DESIGN CAPACITY		12
19	EXISTING SERVICE AVAILABILITY CHARGE PER ERC	\$	1,620.00
20	LEVEL OF C.I.A.C. AT DESIGN CAPACITY		62.12%
21	NET C.I.A.C. AT DESIGN CAPACITY	\$	1,502,864
23	REQUESTED SERVICE AVAILABILITY CHARGE PER ERC	\$	2,299.03
24	LEVEL OF C.I.A.C. AT DESIGN CAPACITY		75.00%
25	NET C.I.A.C. AT DESIGN CAPACITY	\$	1,814,377
26	MINIMUM SERVICE AVAILABILITY CHARGE PER ERC	\$	0
27	LEVEL OF C.I.A.C. AT DESIGN CAPACITY		28.07%
28	NET C.I.A.C. AT DESIGN CAPACITY	\$	759,671
29	MAXIMUM SERVICE AVAILABILITY CHARGE PER ERC	\$	2,299.03
30	LEVEL OF C.I.A.C. AT DESIGN CAPACITY		75.00%
31	NET C.I.A.C. AT DESIGN CAPACITY	\$	1,814,377

SERVICE AVAILABILITY CHARGE CALCULATION
 2009 TY w/ProForma Additions

WATER

1	YEAR END GROSS BOOK VALUE	\$	11,015,923
2	LAND		90,994
3	YEAR END DEPRECIABLE ASSETS		10,924,929
4	YEAR END ACCUMULATED DEPRECIATION TO DATE		3,210,679
5	ACCUMULATED DEPRECIATION AT DESIGN CAPACITY		7,046,555
6	NET PLANT AT DESIGN CAPACITY	\$	3,969,368
7			
8	YEAR END TRANSMISSION & DISTRIBUTION LINES	\$	2,547,426
9	MINIMUM LEVEL OF C.I.A.C.		23.12%
10	YEAR END C.I.A.C. TO DATE	\$	3,239,514
	YEAR END ACCUMULATED AMORTIZATION OF C.I.A.C. TO		
11	DATE		1,373,707
12	NET C.I.A.C. TO DATE		1,865,807
13	YEAR END LEVEL OF C.I.A.C. TO DATE		23.90%
	ACCUMULATED AMORTIZATION OF C.I.A.C. AT DESIGN		
14	CAPACITY	\$	2,479,843
15	FUTURE CUSTOMERS (ERC) TO BE CONNECTED		554
16	COMPOSITE DEPRECIATION RATE		2.93%
17	COMPOSITE C.I.A.C. AMORTIZATION RATE		2.85%
18	NUMBER OF YEARS TO DESIGN CAPACITY		12
19	EXISTING SERVICE AVAILABILITY CHARGE PER ERC	\$	1,620.00
20	LEVEL OF C.I.A.C. AT DESIGN CAPACITY		37.86%
21	NET C.I.A.C. AT DESIGN CAPACITY	\$	1,502,864
23	REQUESTED SERVICE AVAILABILITY CHARGE PER ERC	\$	4,833.35
24	LEVEL OF C.I.A.C. AT DESIGN CAPACITY		75.00%
25	NET C.I.A.C. AT DESIGN CAPACITY	\$	2,977,026
26	MINIMUM SERVICE AVAILABILITY CHARGE PER ERC	\$	344.94
27	LEVEL OF C.I.A.C. AT DESIGN CAPACITY		23.12%
28	NET C.I.A.C. AT DESIGN CAPACITY	\$	917,914
29	MAXIMUM SERVICE AVAILABILITY CHARGE PER ERC	\$	4,833.35
30	LEVEL OF C.I.A.C. AT DESIGN CAPACITY		75.00%
31	NET C.I.A.C. AT DESIGN CAPACITY	\$	2,977,026

25-30.565(4)v - Existing & Proposed Capital Structure

EXISTING CAPITAL STRUCTURE

Class of Capital	Prior Year 12/31/08	Test Year 12/31/09	Thirteen Month Average
Long-Term Debt	7,827,653	7,730,876	7,768,865
Short-Term Debt	-	-	-
Preferred Stock			
Common Equity	(1,723,754)	(2,055,446)	(1,857,218)
Customer Deposits	108,815	103,669	100,499
Tax Credits - Zero Cost			
Tax Credits - Wtd. Cost			
Accum. Deferred Income Tax	-	-	-
Accum Deferred Income Tax			
Total	6,212,714	5,779,100	6,012,146

PROPOSED CAPITAL STRUCTURE

Class of Capital	Prior Year 12/31/08	Test Year 12/31/09	2010 Proforma
Long-Term Debt	7,827,653	7,730,876	9,919,844
Short-Term Debt	-	-	-
Preferred Stock	-	-	-
Common Equity	(1,723,754)	(2,055,446)	(1,857,218)
Customer Deposits	108,815	103,669	100,499
Tax Credits - Zero Cost			
Tax Credits - Wtd. Cost			
Accum. Deferred Income Tax	-	-	-
Other (explain)			
Total	6,212,714	5,779,100	8,163,125

Application for Revised Service Availability Charges

Company: Water Management Services, Inc.

Docket No.: 100104-WU

Test Year Ended: December 31, 2009

25-30.565(4)w - Proposed Tariff Sheets

Florida Public Service Commission

Schedule SAC 10

Page 1 of 4

Preparer: F. Seidman

FIRST REVISED SHEET NO. 41.0
REPLACES ORIGINAL SHEET NO. 41.0

WATER MANAGEMENT SERVICES, INC.
WATER TARIFF

SCHEDULE OF FEES AND CHARGES

<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>SHEET NO.</u>
Plant Capacity Charge		
Residential-per ERC (350 gpd)	\$4,058.35	29.0
All Others Per Gallon	\$11.60	29.0
Main Extension Charge		
Residential-per ERC (350 gpd)	\$525.00	30.0
All Others Per Gallon	\$1.50	30.0
Meter Installation Fee		
5/8" x 3/4"	\$250.00	35.0
Over 5/8" x 3/4"	Actual Cost	
Plan Review Charge		
Refer to Rule 9.1	Actual Cost	32.0
Inspection Fee		
Refer to Rule 12.1	Actual Cost	35.0
Customer Connection (Tamp-in) Charge		
Refer to Rule 14.0	Actual Cost	36.0
Allowance for Funds Prudently Invested		
Refer to rule 20.0	Per Schedule	39.0
CIAC Tax Impact Charge		
Refer to Rule 21.0	Not Applicable	39.0

EFFECTIVE DATE: _____
TYPE OF FILING: Rate Increase

GENE D. BROWN
Issuing Officer
As its President

WATER MANAGEMENT SERVICES, INC.
WATER TARIFF

5.0 REQUIREMENT FOR PAYMENT OF CIAC

The utility requires the payment of contributions in aid of construction either by cash payments or through transfer of water distribution facilities and appurtenances thereto which have been installed by the contributor or through a combination of both cash payments and a transfer of such facilities to the utility.

For the purpose of this Policy, the term contributions in aid of construction shall include the on-site water distribution system contributed in cash, or in kind; payments to defray, in part or in total, the cost of the off-site lines and related facilities; payments to defray the cost of the treatment facilities; and meter installation fees.

6.0 CIAC - TREATMENT FACILITIES

Utility requires that all contributors pay contributions based in part on a pro rata share of the cost of treatment plant facilities, whether or not the facilities have been constructed or may be constructed to continue to render service. Such payments re herein defined as contributions in aid of construction and shall be made by all contributors upon approval of the governmental agency having jurisdiction of this Policy, where water service is available or agreed to be made available, in the territory.

Utility further declares that these contributions shall be uniform among all contributors notwithstanding provisions of prior developer agreements or the practices and procedures pertaining to such charges as established prior to the adoption of Chapter 25-30.585, F.A.C.

6.1 SCHEDULE OF CIAC FOR TREATMENT FACILITIES

CIAC for treatment facilities to be paid prior to the commencement of water service as a prerequisite for such service is \$4,058.35 per ERC or \$11.60 per gallon.

EFFECTIVE DATE: _____
TYPE OF FILING: Rate Increase

GENE D. BROWN
Issuing Officer
As its President

WATER MANAGEMENT SERVICES, INC.
WATER TARIFF

7.1 CONSTRUCTION OF OVERSIZED FACILITIES

Utility may require the installation of oversized off-site lines and facilities to provide service for other properties in accordance with the master plan of Utility. In this event, Contributor may be required to advance the cost and may then be the subject of a refundable advance agreement, as hereinafter provided, Rule 17.0.

8.0 CONTRIBUTION IN AID OF CONSTRUCTION - "ON-SITE" FACILITIES

Each developer and contributor shall be responsible for the design, installation, inspection and testing of the complete water distribution system located in the street or streets adjoining or within the boundaries of developer's property. The provisions of this Rule may be waived by the Utility at its sole option in situations involving single or individual connections to readily accessible utility mains or equipment.

An "on-site" water distribution system is defined to include all component parts of a water distribution system, including valves, fittings, laterals, hydrants and all appurtenances as shown upon the approved design of such water distribution system.

The Contributor shall pay a main extension charge of \$525.00 per ERC or \$1.50 per gallon.

8.1 DESIGN AND CONSTRUCTION OF "ON-SITE" FACILITIES

Contributor shall design and/or construct the on-site facilities provided, however, such design, installation and construction shall be subject to the prior approval of the Utility. In the alternative, the Utility may design and install on-site facilities and require contributors to pay the actual cost of design and construction, including all necessary fees.

8.2 TRANSFER OF "ON-SITE" FACILITIES

Contributor shall also be responsible for financing of the on-site facilities in such a manner as to permit transfer of ownership and control to the facilities to Utility free and clear of any impediment to the continuous unfettered enjoyment by the Utility. All transfers of on-site facilities shall be in form reasonably satisfactory to the Utility's attorney and shall be accompanied by satisfactory evidence of ownership free and clear of any liens and encumbrances.

EFFECTIVE DATE:
TYPE OF FILING: Rate Increase

GENE D. BROWN
Issuing Officer
As its President