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Public Service Commission

December 7, 2011

Law Offices of Gene D. Brown
Gene D. Brown, Esquire
250 John Knox Road, #4
Tallahassee, Florida 32303

Re: Docket No. 110200-WU - Application for increase in water rates in Franklin County by Water Management Services, Inc.

Dear Mr. Brown:

We have reviewed the minimum filing requirements (MFRs) submitted on November 7, 2011, on behalf of Water Management Services, Inc. (WMSI or Utility). After reviewing this information, we find the MFRs to be deficient. The specific deficiencies are identified below:

1. Regarding MFR Schedule E-14, Billing Analysis Schedules: The Utility is required to provide a billing analysis for each class of service by meter size. If a rate change occurred during the test year, provide a billing analysis which coincides with each period. According to the Utility's current tariffs on file at the Commission, the three rate periods for this test year would be January 1, 2010 to February 20, 2010, February 21, 2010 to September 19, 2010, and September 20, 2010 to December 31, 2010.
 - a) The billing analysis for each rate period was not provided in E-14. Please provide a separate billing analysis for each of the three rate periods.
2. Test year gallons sold in Schedule E-2 do not match the test year gallons sold in Schedule E-14. Please provide the number of gallons sold in E-2 based on the information in E-14.
3. Regarding MFR Schedule E-2, Revenue Schedule at Present and Proposed Rates:
 - a) The Utility is required to provide a calculation of revenues at the three rate periods, present and proposed rates using the billing analysis. According to the Utility's current tariffs on file at the Commission, the three rate periods for this test year would be January 1, 2010 to February 20, 2010, February 21, 2010 to September 19, 2010, and September 20, 2010 to December 31, 2010. Separate E-2 calculations must be provided and summed in order to present the appropriate amount of revenues.

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- b) The test year gallons are not separated by customer class or rate period. Please provide the number of gallons sold by customer class within each rate period.
 - c) The test year bills are not separated by rate period. Please provide the number of bills by customer class within each rate period.
4. The gallons sold as reflected in Schedule F-1 (145,874,000 gallons) of the MFRs, do not reconcile with the total amount compiled from residential, commercial, public, and multi family gallons sold (150,874, 000 gallons.) as reflected in Schedule E-2 of the MFRs. The total gallons sold in both of these schedules should be similar.
5. Rule 25-30.437, F.A.C., requires that each Class A utility applying for a rate increase shall provide the information required by Commission Form PSC/ECR 19-W (11/93), titled "Class A Water and/or Wastewater Utilities Financial, Rate and Engineering Minimum Filing Requirements." MFR Schedules B-7, as filed, do not comply with Rule 25-30.437, F.A.C.
- a) The instruction for MFR Schedules B-7 require a comparison "of the applicant's current and prior test year O&M Expenses before this Commission." The information for the prior test year provided in MFR Schedule B-7 is for the test year 12/31/09 is based on the Utility's 2009 Annual Report O&M expenses of \$1,057,195 not for the applicant's approved O&M expenses of \$938,426 in WMSI's last rate case test year before the Commission.
 - b) The instruction for MFR Schedules B-7 require an explanation for differences which are not attributable to the change in customer growth and the CPI-U. WMSI failed to provide an explanation for Contractual Services – Engineering, Advertising, and Bad Debt Expense.
6. Pursuant to Rule 25-30.440, F.A.C., requires a list of chemicals used for water and wastewater treatment, by type, showing the dollar amount and quantity purchased, the unit prices paid and the dosage rates utilized. In Volume III of WMSI's MFRs, the Utility states that it purchased \$12,611.36 of chlorine Gas, \$212.31 of calcium hypochlorite, and \$28.92 of sodium hypochlorite which equates to total test year chemical purchases of \$12,852.59. However, on MFR Schedule B-5, the Utility has reflected chemicals totaling \$12,879. Because both of these MFRs require WMSI to reflect the test year chemicals, any difference results in a deficiency.

Mr. Gene D. Brown

Page 3

December 7, 2011

If any above corrections require a corresponding change to any other MFR schedules, those corrected schedules must also be submitted. Your petition will not be deemed filed until the deficiencies identified in this letter have been corrected. These corrections should be submitted no later than January 7, 2012.

Sincerely,

A handwritten signature in black ink, appearing to read "Marshall Willis". The signature is written in a cursive, somewhat stylized font.

Marshall Willis
Director

MW/ao

cc: Division of Economic Regulation (Maurey, Fletcher, Daniel, Stallcup, Thompson)
Office of the General Counsel (Jaeger)
Office of Commission Clerk (Docket No. 110200-WU)