

1 BEFORE THE
2 FLORIDA PUBLIC SERVICE COMMISSION

3 In the Matter of:

5 DOCKET NO. 140006-WS

6 WATER AND WASTEWATER INDUSTRY
7 ANNUAL REESTABLISHMENT OF
8 AUTHORIZED RANGE OF RETURN ON
9 COMMON EQUITY FOR WATER AND
 WASTEWATER UTILITIES PURSUANT
 TO SECTION 367.081(4) (F), F.S.

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12 PROCEEDINGS: COMMISSION CONFERENCE AGENDA
13 ITEM NO. 6

14 COMMISSIONERS
15 PARTICIPATING: CHAIRMAN ART GRAHAM
16 COMMISSIONER LISA POLAK EDGAR
17 COMMISSIONER RONALD A. BRISÉ
18 COMMISSIONER EDUARDO E. BALBIS
19 COMMISSIONER JULIE I. BROWN

20 DATE: Friday, May 9, 2014

21 PLACE: Betty Easley Conference Center
22 Room 148
23 4075 Esplanade Way
24 Tallahassee, Florida

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

P R O C E E D I N G S

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2 **CHAIRMAN GRAHAM:** Next is Item Number 6.

3 **MR. BUYS:** Good morning, Commissioners. I'm
4 Dale Buys with Commission staff.

5 Item 6 is staff's recommendation in Docket
6 Number 140006-WS, regarding the annual reestablishment
7 of the authorized range of returns on equity for water
8 and wastewater utilities pursuant to Section
9 367.081(4)(f) of the *Florida Statutes*.

10 Staff is recommending that the current
11 leverage formula authorized by the Commission in 2011
12 and again authorized in 2012 and '13 continue to be used
13 until the leverage formula is readdressed next year in
14 2015.

15 The range of returns on common equity
16 currently in place is 8.74 percent for a utility with a
17 capital structure consisting of 100 percent common
18 equity to 11.16 percent for a utility with a 40 percent
19 common equity ratio. In comparison, this year's
20 leverage formula produced a range of returns on common
21 equity of 8.24 percent to 11.74 percent. Staff believes
22 that the range of returns on common equity currently in
23 place is more reasonable than the range of returns on
24 common equity derived from this year's leverage formula
25 using the current financial data. We're available for

1 any questions you may have on this item.

2 **CHAIRMAN GRAHAM:** Commissioners, any questions
3 of staff on Item Number 6? Seeing none, could I get a
4 motion, please.

5 **COMMISSIONER EDGAR:** Move staff.

6 **COMMISSIONER BROWN:** Second.

7 **CHAIRMAN GRAHAM:** It's been moved and
8 seconded, staff recommendation on Item Number 6.

9 Any further discussion? Seeing none, all in
10 favor, signify by saying aye.

11 (Vote taken.)

12 Any opposed? By your action, you've approved
13 the staff recommendation on Item Number 6.

14 Thank you. Mr. Buys, I like that name tag
15 you've got up there.

16 (Agenda item concluded.)

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1 STATE OF FLORIDA)
2 COUNTY OF LEON)

CERTIFICATE OF REPORTER

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

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

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

18 DATED THIS 16th day of May, 2014.

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