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BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 140205-WS

PROPOSED ADOPTION OF RULE 25-30.091, F.A.C.,  
PETITION TO REVOKE WATER CERTIFICATE OF  
AUTHORIZATION, AND PROPOSED AMENDMENT OF RULE  
25-30.440, F.A.C., ADDITIONAL ENGINEERING  
INFORMATION REQUIRED OF CLASS A AND B WATER AND  
WASTEWATER UTILITIES IN AN APPLICATION FOR RATE  
INCREASE.

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PROCEEDINGS: COMMISSION CONFERENCE AGENDA  
ITEM NO. 15

COMMISSIONERS  
PARTICIPATING: CHAIRMAN ART GRAHAM  
COMMISSIONER LISA POLAK EDGAR  
COMMISSIONER RONALD A. BRISÉ  
COMMISSIONER EDUARDO E. BALBIS  
COMMISSIONER JULIE I. BROWN

DATE: Thursday, December 18, 2014

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

REPORTED BY: DEBRA R. KRICK  
Court Reporter and  
Notary Public in and for  
State of Florida at Large

PREMIER REPORTING  
114 W. 5TH AVENUE  
TALLAHASSEE, FLORIDA  
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1 P R O C E E D I N G S

2 CHAIRMAN GRAHAM: As I said before, 14 was  
3 withdrawn.

4 Item 15.

5 MS. GERVASI: Good afternoon, Commissioners,  
6 Rosanne Gervasi with the Office of Public Counsel.

7 Item 15 is staff's recommendation in docket  
8 140205-WS for the Commission to propose to adopt  
9 Rule 25-30.091, petition to revoke water  
10 certificate of authorization, and to amend Rule  
11 25-30.440, additional engineering information  
12 required of Class A and B water and wastewater  
13 utilities in an application for rate increase.

14 These rules implement Senate Bill 272, which  
15 was passed during the 2014 legislative session and  
16 has been codified in sections 367.072 and 367.0812  
17 Florida Statutes.

18 Interested persons here to address the  
19 Commission on this item include Patty Christiansen  
20 with the Office of Public Counsel, Troy Rendell,  
21 with U.S. Water Corp, and Marty Friedman  
22 representing Utilities, Inc.

23 Staff is available to answer questions.

24 MS. CHRISTIANSEN: Good afternoon, Patty  
25 Christiansen with the Office of Public Counsel.

1           We appreciate that, in reading staff's  
2           recommendation, they incorporated some of the  
3           suggestions and addressed some of the issues that  
4           we have with the proposed rule. However, there  
5           were two issues that we were wanting to address  
6           today before the Commission seeking further  
7           clarification, and I have two issues -- and I have  
8           a demonstrative example, or paper to go through on  
9           the second one, and I just, I guess, am seeking  
10          some clarification from the Commission whether you  
11          would like to address them separately or have me  
12          address them at the same time and how you would  
13          like to handle passing out that.

14                 CHAIRMAN GRAHAM: Well, let's do them  
15                 separately.

16                 MS. CHRISTIANSEN: Okay. The first issue for  
17                 which we don't need the hypothetical demonstrative  
18                 evidence relates to subsection (b)(7) of the rule,  
19                 and the form that was drafted and attached on page  
20                 25 of the staff recommendation.

21                 Currently you see the word sample is stamped  
22                 across the proposed form, and the rule indicates  
23                 that it will contain a hyperlink to the form, and  
24                 that would be if you want to reference page seven  
25                 of the recommendation, we also address this on page

1 two of our comments, but it says that it will  
2 contain in a hyperlink a copy of the sample form.

3 And our question, I guess for clarification is  
4 will the hyperlinked form have the word sample  
5 stamped across it? Because our concern is the  
6 rule, as it now states, you have to use -- or staff  
7 would like you to use a particular format, but then  
8 you can't use the one with the word sample on it.  
9 And our concern is that you have, you know, while  
10 customers are somewhat sophisticated, I am not sure  
11 that they could, and I'm not sure that I could get  
12 rid of the word sample if I wanted to start  
13 collecting signatures before time.

14 I mean, we do understand that staff is  
15 concerned about its time clock. We are also  
16 concerned that, you know, by the time you get to  
17 the point where you would be considering  
18 revocation, which is obviously a severe  
19 consequence, and we would hope that that would not  
20 come to that, but you may have customer bases that  
21 are wanting to be more proactive and start  
22 collecting those signatures earlier than the 90-day  
23 window. And Florida, as you are aware, have a lot  
24 of snowbirds, and so they may or may not be here in  
25 a six-month period of time, and that could create

1 an unnecessary complication as well.

2 So for clarification, we were, I guess, asking  
3 for clarification on whether or not that  
4 hyperlinked form would be available year round and  
5 whether it would have the word sample stamped on  
6 it. We of course would prefer that it not.

7 CHAIRMAN GRAHAM: Staff.

8 MS. GERVASI: The rule contemplates that the  
9 word sample would remain the a cross the page in  
10 the hyperlink, and the reason for that is so that  
11 the Commission can track the 90-day deadline, which  
12 is statutory.

13 Paragraph (7)(b) of the rule clearly states  
14 that a sample petition form is incorporated in the  
15 rule for informational purposes only, and that the  
16 sample petition form must not be used for the  
17 collection of signatures.

18 We did that very purposefully because the  
19 statute requires the 90-day time clock to start  
20 when the customers receive the instructions on how  
21 to petition, which will include the actual petition  
22 form with those instructions that will go to those  
23 customers who file a Notice of Intent to file a  
24 petition. We will send that information packet in  
25 the actual petition form via certified mail, return

1 receipt requested. And that return receipt will  
2 tell us when those customers received the petition  
3 form, the actual petition form, and that will start  
4 the 90-day time clock.

5 Ms. Christiansen said there may be customers  
6 who may want to have more than 90 days. The  
7 statute requires a 90-day time clock and the  
8 Commission has to track that, and so that's the  
9 reason for us designing it that way.

10 CHAIRMAN GRAHAM: Ms. Christiansen.

11 MS. CHRISTIANSEN: Well -- and I am not  
12 disputing that staff needs a way to track the  
13 90-day time clock, or that the certified mail can  
14 be the trigger for that. But I am not sure that  
15 the statute requires that the customers be bound by  
16 collecting signatures only within that 90-day  
17 window. And I think that's really, I think, where  
18 we have a disagreement on keeping the word sample  
19 on there, because I have absolutely no problem with  
20 the certified mail, sending the form with the  
21 explanation, but there will be customer groups that  
22 will want to collect.

23 And the other thing I think is if you look at  
24 the specific language, it says, which petition form  
25 the customer must copy and use for the collection

1 of signatures to be submitted to the Commission.

2 And then it goes on to say, but you can't use this  
3 sample copy.

4 So that was -- our concern is if you want to  
5 prescribe a form that they must collect the  
6 signatures on, if you have it available at the  
7 website that they could use it whenever they felt  
8 appropriate, that would, I think, help the process.  
9 And it doesn't put an unnecessary roadblock into  
10 this process, which will be complicated an  
11 difficult as it is, and create an artificially  
12 shortened timeframe for collecting all those  
13 signatures.

14 And like I said, we are not disputing staff's  
15 process on the 90 days, and starting the clock and  
16 sending that information to customers. If they  
17 want to wait for that, I think that would be fine,  
18 too. And it may be also, depending on the size of  
19 the customer base, a 90-day time clock may or may  
20 not be a reasonable timeframe. I mean, you could  
21 have a fairly large customer base and it just  
22 practically may take more than 90 days.

23 So that's why we would urge the Commission  
24 just to adopt, if you are going to have a  
25 hyperlinked, without the word sample on it, and I

1 think that remedies the problem without touching  
2 staff's concern about the time clock and the  
3 statutory timeframe.

4 CHAIRMAN GRAHAM: Staff, question for you, and  
5 this is just me thinking out loud, and that's  
6 always dangerous.

7 Is it possible to, after you get the request  
8 and the forms go out certified mail, to create a  
9 hyperlink specifically for that utility and that  
10 issue? So anybody can get on our website and can  
11 download that form, and that form will specifically  
12 say, ABC Utility, and so, therefore, it's not like  
13 somebody -- because the statute does say the 90-day  
14 window, and it's not our job to go back and change  
15 what's in the statute. But I understand what OPC  
16 is saying as far as accessibility and ease of  
17 effort. Is it possible to do something along that  
18 line or does that make sense?

19 MS. GERVASI: I think I understand.

20 The hyperlink that we are referencing in the  
21 rule is one that is created by the Department of  
22 State and that is actually included within the rule  
23 itself. That one I think should continue to say  
24 sample. But once a case is docketed after we  
25 receive a Notice of Intent, I don't see why we

1           couldn't put a hyperlink on the Commission's  
2           website. And again, I haven't discussed this with  
3           any other staff. I don't know if anybody is saying  
4           no. But I don't see why we couldn't do that for  
5           that specific utility, like we put other specific  
6           information on the Commission's website.

7           STAFF: The mailing will be in the docket file  
8           and customers can access it that way.

9           CHAIRMAN GRAHAM: Okay. Fellow Commissioners  
10          don't have any -- with the first issue, we can move  
11          to the second one.

12          Ms. Christiansen.

13          MS. CHRISTIANSEN: I have a demonstrative  
14          evidence. If I could have ask to have that handed  
15          out. If you want me to did it, I am happy to do  
16          that. I know sometimes you like to have your staff  
17          do that for you.

18          And as we are waiting for her to kind of pass  
19          that out. This was a hypothetical that was raised  
20          as part of our comments on page four of our  
21          comments, and it's an issue that's addressed at  
22          pages nine and 10 of the recommendation.

23          CHAIRMAN GRAHAM: Ms. Christiansen, just hold  
24          off for just a second so --

25          MS. CHRISTIANSEN: Certainly.

1           CHAIRMAN GRAHAM:  -- so everybody has that in  
2           front of them, and make sure that the other people  
3           at the table with you have them as well.  Okay.

4           MS. CHRISTIANSEN:  This was a hypothetical  
5           that we placed into the comments concerning the  
6           calculation, or the methodology that the Commission  
7           would use to calculate when the 65 percent  
8           threshold has been satisfied for a petition to go  
9           forward, and how you would determine whether or not  
10          65 percent of the customer base had approved a  
11          petition and wanted to move forward under the  
12          current statutory structure.

13          We have presented in our example two  
14          hypothetical situations, and essentially this  
15          addresses a concern where you have a customer base  
16          that concern -- that has master meters.  And the  
17          hypothetical, in kind of a shorthanded form, is  
18          assuming that you have 100 individual metered  
19          customers and you have a thousand customers on  
20          master meters, and 50 of the individually metered  
21          customers support a petition to revoke, and 700 of  
22          the master meter -- master metered customers  
23          support a petition to revoke.  And we presented two  
24          different ways that we believe that can be  
25          interpreted under the current statutory framework.

1 Under methodology one, you would say you had a  
2 total of 101 customers, and you would count just  
3 the individually metered customers plus weight the  
4 master meter customer as one. That would give you  
5 a total of 51 customers, which would only result in  
6 a 50.4 percent of those total customers who would  
7 approve the petition, and then, of course, by the  
8 language of the statute would fail and would not be  
9 allowed to go forward.

10 Under the possible second methodology, you  
11 would base your customers based on 1,100. And  
12 under that scenario, 750 of the customers would  
13 have supported the petition out of the 1,100, and  
14 that would result in a 62 -- or a 68.2 percent of  
15 the customers approving the petition and the  
16 petition could move forward.

17 We, of course, in the Office of Public  
18 Counsel, in our comments made it clear that we  
19 would support methodology number two. However, for  
20 our purposes, and the purposes of going forward and  
21 understanding how we would address this in the  
22 future should it come up, we were asking for  
23 clarification today on how the Commission, under  
24 the current statutory framework, which methodology  
25 the Commission thinks it would have to apply. And

1 that was what we were hoping to have clarified  
2 today.

3 CHAIRMAN GRAHAM: Mr. Friedman or Mr. Rendell,  
4 any comments?

5 MR. FRIEDMAN: Marty Friedman on behalf of  
6 Utilities, Inc. operating subsidiaries in Florida.

7 I think the staff got it right. I mean, the  
8 staff, the way they did it, I think the definition  
9 of customer deals with the individual customers,  
10 and you actually, I think, have to look at the  
11 customers behind the master meter, and I think that  
12 they would have to -- I don't think that you would  
13 have 101 customers under this scenario.

14 CHAIRMAN GRAHAM: Mr. Rendell.

15 MR. RENDELL: Troy Rendell.

16 I am here to support staff's recommendation.  
17 I think the statute is pretty clear on the master  
18 meter issue. I think the difficulty would become,  
19 is that the utilities don't know who is behind the  
20 master meter. They don't have the information to  
21 see who is on a lease in apartment complex, but we  
22 do know who our customer are, so there would be no  
23 way to verify that those people actually live in  
24 some type of apartment complex.

25 So I think the staff is correct in its

1 recommendation, and we are here to support it.

2 CHAIRMAN GRAHAM: Commissioners, any comments,  
3 questions of Ms. Christiansen's second issue?

4 Commissioner Balbis.

5 COMMISSIONER BALBIS: Thank you, Mr. Chairman.

6 And I have dealt personally with this same  
7 issue down in Palm Beach County whenever looking to  
8 extend service to a residential community with a  
9 master meter or with without, and there were  
10 certain provisions that required a percentage of  
11 the customers, and this exact debate had happened,  
12 and it is difficult.

13 On one hand, you can look at equivalent  
14 residential units, or connections, like you do from  
15 a design standpoint or from a flow standpoint. But  
16 in this case, we have petitions, and we have people  
17 signing it. And I could see the difficulty in  
18 trying to track, okay, we have X amount of ERUs,  
19 and we have X amount of customers, so that matches,  
20 but are those people the ones that are actually  
21 behind the meter?

22 So I agree, it's an imperfect solution, but I  
23 think moving forward, I see staff's recommendation  
24 as probably being the best way at this point,  
25 because I don't know how we can control who is a

1 customer and who is not -- behind a master meter,  
2 because, in essence, they are not.

3 CHAIRMAN GRAHAM: Any other Commissioners?

4 Ms. Christiansen, I have to tell you, I  
5 struggled with this one as well myself, and I have  
6 to agree with, I guess, staff and Commissioner  
7 Balbis. It's -- once you start diving in back mind  
8 that master meter, there is a lot of confusion and  
9 there is a lot of ambiguity, and I don't know a  
10 better answer than what staff has come up  
11 with.

12 MS. CHRISTIANSEN: And just for purposes of  
13 clarification, in my reading of staff's  
14 recommendation, I think they would weigh heavily in  
15 favor of methodology number one, which would just  
16 be resident equivalent connections and counting the  
17 master meter as single customer. That's the way I  
18 interpreted staff's recommendation.

19 CHAIRMAN GRAHAM: That's the way I interpreted  
20 it.

21 MS. GERVASI: And, yes, sir, that's the way we  
22 would -- we would agree that number one would be  
23 the way that the statute is written, because the  
24 statute clearly defines who a customer is, and it  
25 does not include persons whose property is serviced

1 by the master meter, so we believe the answer is  
2 number one.

3 CHAIRMAN GRAHAM: I think our hands are kind  
4 of tied with some of this stuff, and that's why God  
5 made glitch bills, to fix some of the things that  
6 kind of fell through the cracks.

7 MS. CHRISTIANSEN: And we appreciate that. We  
8 appreciate the Commissioner's taking the time to  
9 address it. And if it does -- I guess if it needs  
10 a statutory fix, then that it something that the  
11 Legislature will have to address, but it does help  
12 us understand how we need to proceed forward.  
13 Thank you.

14 CHAIRMAN GRAHAM: Were those your two issues?

15 MS. CHRISTIANSEN: Those were the two issues  
16 that I was seeking clarification, and I think we  
17 have gotten clarification on both. Thank you.

18 CHAIRMAN GRAHAM: Okay. Staff, do we need  
19 to -- and I haven't forgot about you guys yet.  
20 Does something need to be put into the motion to  
21 put that hyperlink on the PSC website, or just the  
22 fact that we talked about it it's sufficient?

23 MS. GERVASI: I don't think it needs to go in  
24 the rule, but we will certainly implement that  
25 directive.

1 CHAIRMAN GRAHAM: Okay. Mr. Friedman.

2 MR. FRIEDMAN: Also with me is Mr. John Hoy,  
3 who is the President of the operating subsidiaries  
4 of Utilities, Inc., to make a comment or two.

5 CHAIRMAN GRAHAM: Okay. Sir.

6 MR. HOY: Good afternoon. Thank you,  
7 Commissioners.

8 I'm pleased to be here and wanted to thank you  
9 for the opportunity to be part of the rule-making  
10 process, because I think the workshop that the  
11 staff held was very productive. I think the  
12 opportunity to add comments after to the proposed  
13 rule, again, helped us get through the process and  
14 come up with a very productive set of rules that  
15 accurately reflect the intention of the  
16 legislation.

17 That said, our goal is to never have to use  
18 them. You know, we don't want to have to be in  
19 this place, because if we get here, I think we  
20 failed, we have failed our customers and failed the  
21 improvements. So our intention is to do exactly  
22 what, Commissioner Balbis, you alluded to -- or  
23 talked about, the water industry in your earlier  
24 remarks, which is to work with our customers, come  
25 up with -- identify the issues, come up with

1 solutions that balance the need for improvement  
2 with the need for rate increases, and do a good job  
3 of that. We are doing that in a number of places  
4 and that's go to be our focusing go forward.

5 So again, we sport the staff recommendation  
6 but hope we never have to pull it out and use it.

7 CHAIRMAN GRAHAM: Anything else?

8 MR. RENDELL: No.

9 CHAIRMAN GRAHAM: I have to agree with you, if  
10 we get to the point where we actually have to use  
11 this, there is a problem. And I don't think  
12 staff's purpose, or any of the Commissioner's  
13 purpose is to -- because when you get to that  
14 point, you are going to need a big bat, and it's  
15 not our job to diminish the size of the bat. I  
16 think when you get to this problem, everything is  
17 kind of falling apart and, you know, I think that's  
18 the reason why this legislation was even put up  
19 there, because there needs to be an out and we had  
20 no out before.

21 Commissioners, any further discussion?

22 Commissioner Balbis.

23 COMMISSIONER BALBIS: Thank you, Mr. Chairman.

24 I agree with you completely. I mean, the fact  
25 that the Legislature responded so strongly and gave

1 us this tool, I think shows how important that they  
2 feel that this issue is. And I appreciate the  
3 comments from Utilities, Inc., and others, that  
4 they recognize that this commission is consistent  
5 and serious, and so is the Legislature, so  
6 hopefully we don't have to get to this point.

7 I am going to bring something up that  
8 hopefully doesn't throw a wrench into this whole  
9 process because we are almost there. But one of  
10 the concerns that I had is that in the staff's  
11 proposed rule -- well, let me back up.

12 The statute protects the utility in that if  
13 they are in a rate case proceeding then customers  
14 can't move forward with this petition process. And  
15 the proposed rule defines that proceeding starting  
16 with the filing of the test year letter, which, as  
17 we know, is the first stage of the process. And  
18 then there are a number of steps in place before we  
19 get to the point where it comes before us.

20 And I don't know if that process is too long.  
21 Will it result in, if the petition process is  
22 starting, a utility is going to just file a test  
23 year letter to eliminate that opportunity or not?  
24 And I just wanted to bring that up to my fellow  
25 colleagues here.

1           Some of the options that I thought about were,  
2           you know, maybe changing the definition of the rate  
3           case process proceeding, like maybe when their MFRs  
4           are finalized, or maybe when the Chairman's letter  
5           comes out, or something to that affect, but I think  
6           that may swing too much power on the other side;  
7           maybe eliminating the 30 days for a utility to  
8           certify a number of customers and you just use  
9           their annual reports, or eliminating the 14 days  
10          for the utility to respond because that's just,  
11          that's the process.

12           So I am not sure. I don't feel that strongly  
13          about it. I wanted to raise the issues, and maybe  
14          it's more appropriate with OPC, if those are issues  
15          that you had thought about, and my colleagues as  
16          well, or have we pretty much resolved all of OPC's  
17          issues?

18           MS. CHRISTIANSEN: I will take the  
19          opportunity, Commissioner Balbis, since you opened  
20          up the door.

21           We did address that as part of our comments on  
22          page one of our comments, and two, and staff didn't  
23          agree with us in their recommendation. We believed  
24          that the initiation of a rate case proceeding was  
25          governed by statute, statute section 367.021

1 subsection (9), which states, the official date of  
2 filing means the date upon which it has been  
3 determined pursuant to section 367.083 by the  
4 Commission that the utility has filed with the  
5 clerk the minimum filing requirements as  
6 established by the rule of the Commission. And  
7 that's what we were advocating needed to be the  
8 start -- the official start date for a rate case  
9 proceeding, because that is what it says in statute  
10 is the official filing date of a rate case. To be  
11 consistent, we thought they needed to follow that  
12 language.

13 So that is the comment that I will make on  
14 that. Staff obviously disagrees with us in their  
15 recommendation, but we stand by the comments that  
16 we made.

17 CHAIRMAN GRAHAM: Staff.

18 MS. GERVASI: As we state in the  
19 recommendation, the official date of filing for a  
20 rate case begins the statutory timeframe within  
21 which the Commission is required to make a ruling  
22 under the file and suspend rate case statute. It  
23 doesn't establish when the utility becomes the  
24 subject of a rate proceeding. And we believe that  
25 the utility becomes the subject of a rate

1 proceeding when it files its rate -- its test year  
2 request letter. That's when the docket is opened.  
3 That's when it's initiated.

4 CHAIRMAN GRAHAM: Commissioner Balbis.

5 COMMISSIONER BALBIS: I guess the question for  
6 staff, is there a discrepancy, then, in the  
7 definition of one statute where it's when the MFRs  
8 are officially filed versus the test year letter?  
9 And if so, why did you side on the other side of  
10 it, of being when the test year letter is filed?

11 MS. GERVASI: I don't see a discrepancy there,  
12 Commissioner. The official date of filing is for  
13 the purposes of tracking the statutory time clock.  
14 It doesn't establish when the case is initiated,  
15 and it can be several months after the utility has  
16 already become the subject of a rate proceeding,  
17 depending on how deficient the MFRs may be.

18 You know, there are different time periods  
19 that happen once a rate case is established. After  
20 the utility files its test year request letter, the  
21 Chairman has 30 days upon which to approve a test  
22 year. During that time, the staff looks to make  
23 sure that the company is earning outside of its  
24 range, or that its operations will be changing such  
25 that it will be earning outside of its range, and

1 make a determination as to, you know, whether the  
2 test year is representative.

3 Then once the Chairman approves the test year,  
4 now the utility knows what test year to base all of  
5 its MFRs on, and they file their initial MFRs. In  
6 the water and wastewater industry, typically there  
7 are going to be deficiencies, because the minimum  
8 filing requirements are extensive and the staff  
9 goes through that and. You know, then you have  
10 your official date of file, which is the date that  
11 the utility cures all of the MFR deficiencies.

12 I don't see that as being the same thing as  
13 when the case is initiated. Lots of work has  
14 happened by the time the utility has received its  
15 official date of filing.

16 COMMISSIONER BALBIS: No, and I agree. I  
17 understand all of the steps. And my concern is  
18 that a utility abuses this statute and just files a  
19 test year letter the minute they hear grumblings of  
20 a petition being passed around, if you will.

21 And so I guess my follow-up question would be,  
22 if this commission sees a situation where a utility  
23 is abusing the statute, we can either, A,  
24 reinitiate this proceeding, or take action on our  
25 own, correct?

1 MS. GERVASI: Yes, absolutely. And the  
2 company has to -- like I said, they have to  
3 substantiate why they want a test year. And if  
4 there is no substantial reason for it, then the  
5 Commission can certainly take action. The Chairman  
6 will deny the test year request. And if it looks  
7 like the company is trying to game the system or  
8 something, I think it would become evident.

9 COMMISSIONER BALBIS: Okay. Thank you.

10 CHAIRMAN GRAHAM: I think it's a -- the knife  
11 cuts both ways. You also don't want Florida  
12 residents to get wind that there is a request and  
13 then they file a petition because they don't want a  
14 rate increase, I mean, so it's -- enough said.

15 Is there a motion?

16 COMMISSIONER BROWN: Move staff.

17 CHAIRMAN GRAHAM: It's been moved and seconded  
18 staff recommendation on Item Number 15.

19 Any further discussion?

20 Seeing none, all in favor say aye.

21 (Chorus of ayes.)

22 CHAIRMAN GRAHAM: Any opposed?

23 (No response.)

24 CHAIRMAN GRAHAM: By your objection, you have  
25 approved staff recommendation on Item Number 15.

1           Before I adjourn, a couple of things.

2           First question, Mr. Baez, can we have IA in  
3 here or do we have a presentation?

4           MR. BAEZ: We can have it anywhere you want,  
5 Chairman. To my knowledge, there is no -- there is  
6 no AV presentation, if that was your question.

7           CHAIRMAN GRAHAM: Okay. So after we adjourn  
8 here, we will have IA in here in five, 10 minutes,  
9 five minutes after we adjourn, but we haven't  
10 adjourned yet.

11           I want to take this time to thank everybody  
12 for the length of this meeting and what we have  
13 accomplished. Also I want to wish everybody a  
14 Merry Christmas and Happy Holidays. I hope that  
15 everybody travels very save when they leave here  
16 and over the holidays, and I look forward to seeing  
17 everybody again in the new year.

18           Commissioner Balbis, I wish you all the best  
19 in your future endeavors. I am sure we will run  
20 into each other again. That's just the way this  
21 circular thing tends to work.

22           COMMISSIONER BALBIS: Thank you, Mr. Chairman.  
23 It's been a pleasure. And for those of you that  
24 want to continue to get angry at me and yell at me,  
25 on December 27th, if you are watching a certain

1 bowl game, there will be a guy that looks like just  
2 like me working in Annapolis, so --

3 CHAIRMAN GRAHAM: That all being said, we are  
4 adjourned and we will start here in five minutes.

5 Thank you.

6 (Agenda item concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA )  
COUNTY OF LEON )

I, DEBRA R. KRICK, Professional Court  
Reporter, do hereby certify that the foregoing  
proceeding was heard at the time and place herein  
stated.

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

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

DATED THIS 29th day of December, 2014.



DEBRA R. KRICK  
NOTARY PUBLIC  
COMMISSION #EE212307  
EXPIRES JULY 13, 2016

OPC'S DEMONSTRATIVE EXHIBIT FOR AGENDA CONFERENCE

DECEMBER 18, 2014, ITEM #15

CALCULATION OF 65% THRESHOLD- Rule 25-30.091(8)(c)

OPC ask the Commission for clarification in the draft rule regarding how the 65% threshold would be determined for a certificated water system that is made up of individual meters and master meters, and the customer base behind the master meter. OPC ask the Commission to address the hypothetical where a utility that has 100 individual metered customers and 1,000 customers on a master meter. Assume that 50 of the individually metered customers vote to support a petition to revoke and 700 of the master meter customers vote to support the petition. Under the current statutory framework, OPC asks which methodology the Commission would use for determining the 65% threshold:

1. Methodology 1: Under one possible interpretation in this example, you could say that there is a total of 101 "customers" (i.e., 100 individual metered customers plus one individual whose name appears on the master meter). Under this scenario, 51 "customers" support the petition which results in only 50.4% of total "customers;" thus, the petition would fail to meet the statutory requirement.
2. Methodology 2: Under a second possible interpretation in this example, you could say that there is a total of 1,100 "customers" (i.e., the total number of individual customers who receive water and wastewater service). Under this scenario, 750 customers support the petition which results in 68.2% of customers supporting the petition; thus, the petition could move forward.

Parties/Staff Handout  
Internal Affairs/Agenda  
on 12 / 18 / 14  
Item No. 15