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December 6, 2012

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COMMISSION
CLERK

Ms. Ann Cole, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket 110200-WU -- Application for increase in water rates in Franklin County by Water Management Services, Inc.

Dear Ms. Cole:

Enclosed for electronic filing is a REDACTED copy the Citizens' witness Helmut W. Schultz direct testimony and exhibits. Please note that a single electronic copy of Mr. Schultz's testimony and exhibits is being filed separately on a confidential basis with the appropriate request for Confidential Classification being submitted by the Utility at some later date. (See attached transmittal letter for the confidential testimony and exhibits). A small portion of Mr. Schultz's testimony and three exhibits contain Utility discovery responses which are currently subject to the Utility's October 25, 2012, motion for temporary protective order, and as such are being filed as confidential.

Once the Utility reviews the confidential version of testimony and exhibits, and makes a designation of confidentiality, if any, Citizens' will file at that time a redacted or fully public version of Mr. Schultz's testimony and exhibits as warranted.

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Reporters file

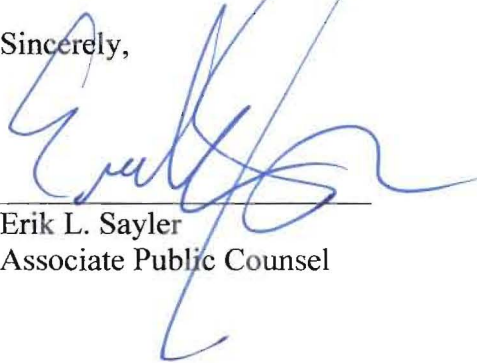
The Citizens are utilizing this process as matter of expedience, understanding that the Commission staff needs to begin reviewing Mr. Schultz's testimony and exhibits immediately. In doing so, we do not waive any objections we may have to any claim of confidentiality that the Utility may assert.
[CLK note: Schultz testimony & exhs not enclosed; Vandiver testimony enclosed on CD only.]
OPC will file Schultz testimony+exhs.
DOCUMENT NUMBER-DATE: 08012 DEC-6 09
FPSC-COMMISSION CLERK

December 6, 2012

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If you have any questions or concerns, please do not hesitate to contact me. Please indicate the time and date of receipt on the enclosed duplicate of this letter and return it to our office. Thank you for your assistance.

Sincerely,



Erik L. Saylor
Associate Public Counsel

ELS:bsr

Enclosure

cc: (letter only) Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Application for Increase in Water Rates)
In Franklin County by Water Management)
Services, Inc.)
_____)

Docket No. 110200-WU
Filed: December 6, 2012

DIRECT TESTIMONY

OF

DENISE N. VANDIVER, CPA

On Behalf of the Citizens of the State of Florida

J.R. Kelly
Public Counsel

Erik L. Saylor
Associate Public Counsel
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c/o The Florida Legislature
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Attorneys for the Citizens
Of the State of Florida

DOCUMENT NUMBER-DATE

08012 DEC -6 09

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2 **Of**

3 **DENISE N. VANDIVER, CPA**

4 On Behalf of the Office of Public Counsel

5 Before the

6 Florida Public Service Commission

7 Docket No. 110200-WU

8

9 **INTRODUCTION**

10 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

11 A. My name is Denise N. Vandiver. My business address is 111 West Madison Street,
12 Room 812, Tallahassee, FL 32399-1400.

13

14 **Q. BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR POSITION?**

15 A. I am a Certified Public Accountant licensed in the State of Florida and employed as a
16 Legislative Analyst with the Office of Public Counsel (OPC). I began my
17 employment with OPC in May 2009.

18

19 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**
20 **PROFESSIONAL EXPERIENCE.**

21 A. I received a Bachelor of Science degree from Jacksonville University in 1978 with a
22 major in accounting. I received a Master of Accountancy degree from the University
23 of North Florida in 1982. Previous to my work at OPC, I worked at the Florida
24 Public Service Commission (FPSC) from March 1983 until May 2009. I worked six
25 and a half years in the Division of Water and Wastewater as a Regulatory Analyst

1 performing accounting analyses of water and wastewater utilities. I then spent three
2 years in the Economic Regulatory Standards Control Section and the Division of
3 Research and Regulatory Review as an Economic Analyst and supervisor performing
4 various reviews in all industries regulated by the FPSC. I was appointed as Bureau
5 Chief of Auditing Services in January 1993, with the responsibility of managing all
6 the financial audits performed by the Commission's four district offices. Prior to my
7 work at the Commission, I worked at the City of Jacksonville Beach and Memorial
8 Medical Center in Savannah, Georgia.

9

10 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE FLORIDA PUBLIC**
11 **SERVICE COMMISSION (FPSC)?**

12 A. Yes. On behalf of the FPSC, I have testified in two rate cases: the Spring Hill
13 Utilities, a division of Deltona Utilities, Inc., rate case, Docket No. 830059-WS and
14 the Martin Downs Utilities, Inc. rate case, Docket No. 840315-WS. I have also
15 testified before the Division of Administrative Hearings in Case No: 97-002485RU;
16 Aloha Utilities, Inc., and Florida Waterworks Association, Inc., Petitioners, vs.
17 Florida Public Service Commission, Respondent, and Citizens of the State of Florida,
18 Office of Public Counsel, Intervenors. On behalf of the Office of Public Counsel, I
19 have testified in the Aqua Utilities Florida, Inc. rate case, Docket No. 100330-WS. A
20 summary of my experience is attached as DNV-1.

21

22 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

23 A. The purpose of my testimony is to discuss three issues. First, I discuss whether the
24 Commission should continue to allow Water Management Services, Inc. (WMSI or
25 Utility) to recover rate case expense approved in the last rate case. Second, I discuss

1 the appropriate amount of post-PAA protest rate case expense for recovery in the
2 current rate case. And lastly, I discuss the service availability charges that were
3 approved by the Commission's Proposed Agency Action Order No. PSC-12-0435-
4 PAA-WU, issued August 22, 2012 (hereinafter, PAA Order).

5

6 **Q. PLEASE PROVIDE A SUMMARY OF YOUR TESTIMONY.**

7 A. First, the Commission should continue to allow the Utility to recover only a portion
8 of the rate case expense approved in the last rate case. The Utility has already
9 demonstrated a willingness to cease making payments to its attorneys from its prior
10 rate case and there are no assurances the Utility will make full payment once this
11 PAA protest proceeding concludes. Second, the Commission should disallow all rate
12 case expense incurred that is not reasonably necessary in the pursuit of the post-PAA
13 protest hearing process. Third, I recommend that the increase in service availability
14 charges should be subject to the same escrow requirements and true-up provisions for
15 pro forma plant items that were required by the Commission's PAA Order.

16

17 **PRIOR RATE CASE EXPENSE**

18 **Q. HOW MUCH RATE CASE EXPENSE IS CURRENTLY INCLUDED IN**
19 **RATES FROM THE PRIOR RATE CASE?**

20 A. The Commission authorized \$229,180 in rate case expense by Order No. PSC-11-
21 0010-SC-WU, issued January 3, 2011. The order included \$114,590 of deferred rate
22 case expense in the working capital allowance as well as \$57,295 for the amortization
23 of this expense in the determination of customers' rates. The last order approved rate
24 case expense in the following amounts:

| | | |
|---|--|------------------|
| 1 | Radey, Thomas, Yon & Clark, PA (Radey) | \$150,423 |
| 2 | M & R Consultants, Inc. | \$ 65,428 |
| 3 | Post, Buckley, Schuh, & Jernigan, Inc. | \$ 2,879 |
| 4 | Barbara Withers | \$ 2,700 |
| 5 | Other | <u>\$ 7,750</u> |
| 6 | Total | <u>\$229,180</u> |

7

8 **Q. WHY DO YOU DISPUTE WHETHER THIS EXPENSE SHOULD CONTINUE**
9 **TO BE RECOVERED?**

10 A. Given the Utility's history of withholding payments to its attorneys from its prior rate
11 case and the lack of full payment to other rate case consultants, my primary concern
12 is whether the previously approved rate case expense being collected from customers
13 will actually be paid.

14

15 **Q. IS THE UTILITY CURRENT IN MAKING PAYMENTS ON RATE CASE**
16 **EXPENSE PREVIOUSLY AUTHORIZED?**

17 A. No, it appears that the Utility is significantly behind on paying the Radey firm, and
18 somewhat behind on making payments to two other consultants. Attached to my
19 testimony is Exhibit DNV-2, which is the Utility's response to OPC's First Set of
20 Interrogatories. As you can see in Exhibit A attached to the response to Interrogatory
21 No. 13, the Utility has only paid \$30,000 to the Radey law firm (or 20% of the
22 amount approved by the Commission) since the order was issued on January 3, 2011.
23 In addition, the Utility has only paid \$30,507.05 to M & R Consultants (or 47% of the
24 amount approved in the order) and \$1,500 to Post Buckley (or 52% of the amount
25 approved in the order.). Exhibit A reflects that the Utility has paid out approximately

1 32% of its previously approved rate case expense. By the time of this hearing, it will
2 be a full two years after the order was issued in the last rate case. Nearly half of the
3 previously approved rate case expense will have been collected from customers, yet
4 more than half the rate case expense remains to be paid out. Over 75% of the unpaid
5 rate case expense is due and payable to the Radey firm.

6

7 **Q. HOW DID YOU DETERMINE THE UTILITY HAD STOPPED MAKING**
8 **PAYMENTS TO THE RADEY LAW FIRM?**

9 A. On March 14, 2012, OPC served discovery, requesting that the Utility provide copies
10 of receipts, canceled checks, bank transfers, or other proof of payment for the rate
11 case expense approved in the last rate case. I have attached to my testimony as
12 Exhibit DNV-3, a summary schedule I created of the invoices from the Radey firm
13 that were provided in the Utility's response to OPC's March 14, 2012 Request for
14 Production of Documents No. 40. This exhibit also includes a copy of the invoices
15 provided. The last page of this exhibit is an invoice from the Radey firm showing a
16 balance of \$146,399.78 due as of March 7, 2012. Attached to my testimony as
17 Exhibit DNV-4 is the first page of the Utility's response to OPC's October 5, 2012
18 First Request for Production of Documents No. 30 that shows the Utility's payment
19 history from January 2010 through October 2012. According to this response, the
20 Utility stopped making payments to its law firm after its last payment dated
21 November 30, 2010 during the pendency of the last rate case. The Utility appears to
22 have only resumed making payments to the Radey law firm on April 16, 2012, just
23 one month after OPC requested that the Utility provide documentary proof it was
24 making its required rate case expense payments.

1 **Q. BESIDES THIS RESPONSE TO OPC DISCOVERY, DO YOU HAVE ANY**
2 **OTHER EVIDENCE THAT THE UTILITY HAD STOPPED MAKING**
3 **PAYMENTS TO THE RADEY FIRM?**

4 A. Yes. In response to OPC’s First Request for Production of Documents No. 31, which
5 was provided after an order by the Prehearing officer compelling the Utility’s
6 response, the Utility provided some but not all invoices from the Radey firm, a letter
7 from the Radey firm dated March 19, 2012 and WMSI’s response to the Radey letter
8 dated March 30, 2012. I have attached to my testimony as Exhibit DNV-5 a copy of
9 the Utility’s response to Request No. 31. These documents clearly indicate that the
10 Utility had stopped making payments to the Radey firm during the pendency of the
11 last rate case and that there was a billing dispute.

12 According to the March 19, 2012 letter, the Radey firm had sent WMSI
13 periodic reminders about the amount due and held at least one in-person meeting to
14 discuss the WMSI outstanding balance owed the firm. The letter also discussed
15 establishing a payment plan, but if an amicable payment arrangement could not
16 reached, it discussed having to consider alternatives as outlined in the firm’s
17 representation letter and agreement with WMSI. This representation letter and
18 agreement was provided in response to OPC’s First Request for Production of
19 Documents No. 32 and is attached to my testimony as Exhibit DNV-6.

20 WMSI’s March 30, 2012 response to the Radey firm indicated that it intended
21 to “negotiate a reasonable settlement of your bill” once the current rate case was
22 concluded. It went on to state:

23
24 The new case is basically a replay of the case your firm handled,
25 except that we now have an adverse final order to overcome. In
26 working with our new lawyers on the appeal, I have come to recognize
27 that several costly mistakes were made by RTCY [Radey firm] in the

1 handling of our case. Those mistakes and the horrible result that we
2 suffered will have to be taken into account when we talk about a
3 settlement of your bill. . . . Having said all that, I really do want to
4 work all this out to our mutual benefit so that WMSI can survive and
5 your firm can be paid a reasonable fee under these adverse
6 circumstances.

7 A review of WMSI's response in no way indicates that WMSI intended to
8 repay the Radey firm the full balance for services due. WMSI plainly sought a
9 negotiated reduction in the outstanding balance. Moreover, this letter from WMSI to
10 the Radey firm contradicts statements made by the Utility's Response to Staff's Sixth
11 Data Request, dated May 31, 2012.

12 Staff's Sixth Data Request, dated May 16, 2012, sought information on
13 whether the Utility disputed some or all of the approximately \$146,400 due to the
14 Radey firm for services billed during the last rate case. Attached to my testimony as
15 DNV-7 is the Utility's response to Staff's Sixth data request, filed in the docket file
16 on May 31, 2012. Staff's first question asked: "Does WMSI dispute this amount or
17 any part of it? If so, what portion does it dispute and on what basis?" To which the
18 Utility simply responded, "No." This is only two months after WMSI sent the letter
19 to the Radey firm referencing a settlement of their bill.

20
21 **Q. DOES THE UTILITY HAVE A WRITTEN AGREEMENT TO PAY THE**
22 **AMOUNT OWED?**

23 A. No, it does not. In response to Question 3 of Staff's Sixth data request, the Utility
24 stated that it had "entered into an agreement with Radey, Thomas, Yon and Clark to
25 pay the bill in full with installment payments." OPC's First Request for Production of
26 Documents No. 33 requested a copy of this agreement to repay the Radey firm in full.
27 The Utility's response to No. 33, stated: "There is no written agreement except as

1 noted under No. 32 above.” (I have attached to my testimony as Exhibit DNV-8, a
2 copy of the Response to No. 33.) The response to No. 32 referenced a copy of the six
3 page representation letter and agreement between WMSI and the Radey firm which I
4 referenced earlier in my testimony as Exhibit DNV-6. Paragraph 3 of the
5 representation letter and agreement states as follows:

6
7 The agreement contemplates the various types of professional
8 fee arrangements. In this instance, we understand that our firm will be
9 paid on an hourly basis at the rates indicated above. Our
10 representation will require the payment of a \$4,000 deposit to be
11 applied to the first invoice and a minimum payment of \$2,000 per
12 month for services rendered. Hourly fees in excess of the monthly
13 payments will accumulate and be payable no later than 10 days
14 following the grant of any rate increase by the Florida Public Service
15 Commission (interim or permanent) or the obtaining of an additional
16 loan by Water Management Services, Inc., whichever occurs first. Mr.
17 Gene D. Brown, President of Water Management Services, Inc. further
18 agrees to be personally liable for any fees remaining unpaid by Water
19 Management Services. Fees and costs are due regardless of the
20 outcome of the rate case and regardless of whether the commission
21 allows recovery of such fees and costs in rates.

22 Section 5 of the agreement addresses payment of invoices and collection activities
23 such as legal proceedings and arbitration.

24

25 **Q. DO YOU HAVE ANY COMMENTS CONCERNING THE CURRENT**
26 **PAYMENT ARRANGEMENTS BETWEEN WMSI AND THE RADEY FIRM?**

27 A. Yes. As noted in the Utility’s response to OPC’s Production Request No. 30, the
28 Utility resumed making \$1,000 monthly payments to the law firm in April 2012, and
29 recently increased the amount to \$2,000 per month starting on September 17, 2012.
30 See Exhibit DNV-4. Assuming that the Utility continues making the \$2,000 per
31 month payment, it will take the Utility approximately five years to repay the Radey
32 law firm the remaining balance due, which is well after the amortization period for

1 prior rate case expense concludes and rates are automatically reduced. Once this
2 contested proceeding concludes, my concern is whether the Utility will continue
3 making its payments.

4

5 **Q. SHOULD THE UTILITY HAVE DISCRETION HOW IT SPENDS THE**
6 **EXPENSE INCLUDED IN THE ORDER AS RATE CASE EXPENSE?**

7 A. No, I believe that rate case expense is different from other Operating Expenses, in
8 that Florida law specifically addresses how it shall be recovered. Section 367.0816,
9 Florida Statutes, states that the “. . . amount of rate case expense determined by the
10 commission pursuant to the provisions of this chapter to be recovered through a
11 public utilities rate shall be apportioned for recovery over a period of 4 years. At the
12 conclusion of the recovery period, the rate of the public utility shall be reduced
13 immediately by the amount of rate case expense previously included in rates.” I am
14 concerned that previously authorized rate case expense currently being collected from
15 WMSI’s customers is not being used for its authorized and statutorily intended
16 purpose. The action by the Utility to stop and start making rate case expense
17 payments at its discretion is contrary to the statutory intent of Sections 367.081(7)
18 and 367.0816, Florida Statutes. I believe that if a utility knowingly chooses not to
19 make rate case expense payments, and fails to provide some evidence to the
20 Commission supporting that full payment will be made, then the remaining
21 unamortized amount of the authorized rate case expense should not remain in rates.

22

23 **Q. WHAT DO YOU RECOMMEND THE COMMISSION SHOULD ADJUST**
24 **FOR THE PRIOR RATE CASE EXPENSE?**

25 A. I have two recommendations. First, I believe that the Utility has not provided

1 sufficient evidence that it will continue to make payment in full for the rate case
2 expense incurred in the prior case. At a minimum, I recommend that the rate case
3 expense embedded in current rates be removed and no longer collected from
4 ratepayers to reflect the amount of nonpayment and/or slow payment by the Utility.

5 My second recommendation may be a moot point, as the PAA Order¹ did not
6 allow any working capital allowance. However, if the Commission determines that a
7 working capital allowance should be included in rate base, I recommend that there be
8 no allowance made for the rate case expense from the prior case. Deferred rate case
9 expense is normally included in working capital to allow for the fact that a Utility has
10 paid the expense and is recovering it over the next four years. In this case, the Utility
11 has not paid the expense; therefore, there should be no deferred asset to include in
12 working capital.

13

14 **Q. ARE YOU AWARE OF ANY COMMISSION PRECEDENT TO DISALLOW**
15 **PREVIOUSLY APPROVED RATE CASE EXPENSE?**

16 A. No. I believe this is the first time the Commission has been required to address this
17 issue. In my nearly thirty years of working for the Commission and now Office of
18 Public Counsel, I do not think there has been a similar case where a utility filed back-
19 to-back rate cases, hired new consultants and attorneys for the second case, and
20 during the pendency of the second rate case it was discovered that the utility had
21 stopped making payments to its first attorneys, all the while collecting rate case
22 expense in rates from its customers. Rates which continue to recover expenses which
23 may never be expended would not meet the statutory directive under Section 367.081
24 to set reasonable and compensatory rates. In my opinion, there is more than enough

¹ PSC-12-0435-PAA-WU, issued August 22, 2012, pg. 16.

1 competent substantial evidence to support such an adjustment should the Commission
2 exercise its statutory discretion to do so.

3

4 **CURRENT RATE CASE EXPENSE**

5 **Q. WHAT COMMENTS DO YOU HAVE ON POST-PAA PROTEST RATE**
6 **CASE EXPENSE?**

7 A. Neither OPC nor the Utility protested the amount of the rate case expense included in
8 the PAA Order. However, the Utility requested “additional rate case expense
9 necessitated by OPC’s Protest.”² It is still very early in the hearing process and there
10 has been minimal discovery provided to document any rate case expense incurred
11 after the PAA Order. I have a few issues that I believe should be considered as the
12 Commission determines the reasonable and prudent rate case expense to complete
13 this docket.

14

15 **Q. DO YOU HAVE ANY INITIAL COMMENTS REGARDING POST-PAA**
16 **PROTEST RATE CASE EXPENSE?**

17 A. Yes. The Commission typically reviews rate case expense for costs that are
18 adequately documented as to the tasks performed, the amount of time spent on the
19 task, and the hourly rate charged. The Commission has consistently held that it is the
20 Utility’s burden to support its case.³ The Commission has stated that “in those cases
21 where rate case expense has not been supported by detailed documentation, our
22 practice has been to disallow some portion or remove all unsupported amounts.”⁴ I

² Docket No. 110200-WU, In re: Application for increase in water rates in Franklin County by Water Management Services, Inc., Cross-petition for a formal administrative hearing, pg. 3.

³ See Florida Power Corp. v. Cresse 413 So. 2d 1187, 1191 (Fla. 1982).

⁴ Docket No. 090392-WS, In re: Application for increase in water and wastewater rates in Lake County by Utilities Inc. of Pennbrooke, Order No. PSC-10-0400-PAA-WS, issued June 18, 2010, p. 22.

1 recommend that the Commission continue its detailed review and disallow any post-
2 PAA protest costs that the Utility fails to document consistent with past Commission
3 precedent.

4 Because of the issue regarding unpaid rate case expense from the prior rate
5 case, I recommend that the Commission should not only review the invoices
6 supporting the work performed in this rate case, but also the cancelled checks to
7 prove that the Utility is current for services rendered for the PAA portion of the rate
8 case through the start of the hearing in January 2013.

9

10 **Q. DO YOU HAVE ANY CONCERNS ABOUT THE AMOUNT OF POST-PAA**
11 **PROTEST RATE CASE EXPENSE?**

12 A. Yes. I am concerned that the amount of post-PAA protest rate case expense in this
13 case will be unusually high due to the litigation strategy which the Utility has
14 apparently undertaken to thwart OPC's participation in the post-PAA protest
15 proceeding. The Utility has filed numerous objections to legitimate requests for
16 discovery served by OPC which in turn necessitated OPC's filing two motions to
17 compel, as well as the Utility's motion to dismiss OPC's petition protesting portions
18 of the PAA order.

19 My first concern is with the objections and motions that have been filed in this
20 case as a result of the Utility's refusal to respond to discovery. The OPC served its
21 First Set of Discovery on October 5, 2012, and on October 15, 2012, the utility filed
22 its Objections to this discovery. The OPC served its Second Set of Discovery on
23 October 12, 2012 and the utility filed its Objections to this discovery on October 22,
24 2012. In my view the objections raised by the utility were made simply to avoid
25 providing responses to legitimate discovery. Many of the discovery questions that

1 were objected to were designed to determine the reasonableness of the Utility's
2 advancing approximately \$1.2 million to Mr. Brown and Associated Companies
3 through Account 123. While the Utility continues to argue that the \$1.2 million
4 amount of the Account is not at issue, I disagree. The numerous transactions and
5 specific amounts of those transactions which resulted in \$1.2 million advanced is a
6 critical and important issue in this case as well as whether the decisions to advance
7 this money was a prudent utility management decision. The discovery questions were
8 designed to determine among other things:

- 9 • how did the payments to the various entities relate to the value of BMG
- 10 • what was the value of BMG at the time of the stock transfer; and
- 11 • how were the payments used to benefit the Utility.

12 In addition to objecting to discovery regarding the \$1.2 million advanced to
13 the WMSI president and associated companies, the Utility further added to the
14 litigious nature of this case, and quite likely to the Utility's post-PAA protest rate
15 case expense, by objecting to discovery that was drafted to discern the nature of the
16 issues that were included in the Utility's cross petition, such as salary expense,
17 accounting expense, miscellaneous expenses, and transportation expenses.

18

19 **Q. WHAT DO YOU RECOMMEND FOR THE RATE CASE EXPENSE**
20 **INCURRED FOR WMSI'S OBJECTIONS TO OPC'S DISCOVERY?**

21 A. By Order No. PSC-12-0624-PCO-WU, issued November 20, 2012, the Commission
22 granted in part OPC's motions to compel responses to its first two sets of discovery.
23 Because the Utility succeeded in part in opposing OPC's motions to compel, I
24 recommend that the Utility should only be allowed to recover a pro rata amount of the
25 rate case expense incurred for its objections. An adjustment should be made to

1 remove expenses for filing objections to legitimate discovery as well as a pro rata
2 amount for its responses to OPC's motions to compel discovery. I recommend that a
3 pro rata adjustment be made to the extent that the Utility successfully opposed OPC's
4 request to compel specific responses.

5 The Commission has previously disallowed similar costs saying that the
6 ratepayers should not have to bear these costs⁵ and has removed legal costs related to
7 a utility motion that was denied.⁶ Thus, the Commission should follow its own
8 precedent and disallow costs related to Utility motions that were denied. By my
9 count, OPC succeeded in compelling 34 of 60 discovery responses to which the
10 Utility objected. That is a 57% success rate. Therefore, the Utility should only be
11 allowed 43% of its rate case expense associated with objecting to OPC discovery and
12 opposing OPC's motions to compel.

13

14 **Q. WHAT DO YOU RECOMMEND FOR THE RATE CASE EXPENSE**
15 **RELATED TO THE UTILITY'S MOTION TO DISMISS OPC'S PROTEST**
16 **OF PORTIONS OF THE PAA ORDER?**

17 A. I recommend that no rate case expense related to this motion be allowed. After filing
18 its objections to OPC's first two sets of discovery, on October 30, 2012, the Utility
19 filed a motion to dismiss OPC's petition protesting portions of the PAA Order. This
20 motion was filed after the parties agreed to have depositions for two Utility fact
21 witnesses, Mr. Brown and Mr. Mitchell, WMSI's controller, on November 6 and 7,

⁵ Docket No. 070293-SU, In re: Application for increase in wastewater rates in Monroe County by K W Resort Utilities Corp., Order No. PSC-09-0057-FOF-SU, issued January 27, 2009, p. 39.

⁶ Docket No. 100330-WS, In re: Application for increase in water/wastewater rates in Alachua, Brevard, DeSoto, Hardee, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and Washington Counties by Aqua Utilities Florida, Inc., Order No. PSC-12-0102-FOF-WS, issued March 5, 2012, p. 129.

1 2012.

2 Because the Commission flatly denied the Utility's motion to dismiss, all rate
3 case expense associated with the Utility's motion to dismiss should be disallowed.
4 Because the Utility's motion to dismiss was without merit, this serves as further
5 grounds for disallowing any rate case expense associated with this motion.

6

7 **Q. ARE YOU RECOMMENDING ANY DISALLOWANCE OF RATE CASE**
8 **EXPENSE RELATED TO THE COMPANY'S MOTION TO WITHDRAW**
9 **FUNDS FROM ESCROW SINCE NEITHER THE COMPANY NOR OPC**
10 **PROTESTED THIS?**

11 A. Yes. On September 21, 2012, the Utility filed a motion to allow withdrawals from
12 the interim escrow account or in the alternative from the PAA ordered escrow
13 account. On October 11, 2012, the Utility withdrew the portion of its original petition
14 that pertains to the interim escrow account. This Commission has previously
15 disallowed "legal costs associated with withdrawing a motion that was initially
16 presented by the Utility."⁷ Therefore, the Commission should continue to disallow all
17 costs associated with this and any similar withdrawals.

18 Because neither the Utility or OPC protested the PAA Order escrow account
19 requirements, the Commission should disallow any costs that the Utility may seek to
20 recover as post-PAA protest rate case expense associated with filing its September
21 21, 2012 motion, as well as any travel expenses related to attending the November 27,
22 2012 Commission Conference where the Utility addressed the Commission
23 concerning the escrow account. At this time, it is unknown whether the Utility will
24 attempt to seek any rate case expense associated with the PAA Order escrow account.

⁷ *ibid.* p. 128.

1 However, any costs associated with non-protested portions of the PAA Order should
2 not be attributed to the PAA-protest or recovered from customers.

3

4 **Q. ARE YOU RECOMMENDING ANY DISALLOWANCE OF POST-PAA**
5 **PROTEST RATE CASE EXPENSE RELATED TO WITHDRAWN**
6 **TESTIMONY?**

7 A. Yes. In a related issue, the Utility filed its MFRs and testimony of three individuals
8 (Gene Brown, Jeanne Allen, and Les Thomas) on November 7, 2011. On June 14,
9 2012, the Utility filed a Notice of withdrawal of testimony and exhibits of Gene D.
10 Brown. After the OPC protested the PAA Order, on September 13, 2012, the Utility
11 filed a Notice of withdrawal of testimony and exhibits of Jeanne Allen and Les
12 Thomas. On October 15, 2012, the Utility filed testimony in this case for Jeanne
13 Allen and John Guastella. I do not think that the Utility should be allowed to recover
14 the cost of filing testimony two separate times. If the Utility chooses to withdraw its
15 originally filed testimony and substitute a revised testimony, the ratepayers should not
16 have to pay twice for testimony on the same issues.

17

18 **Q. ARE YOU RECOMMENDING ANY DISALLOWANCE OF POST-PAA**
19 **PROTEST RATE CASE EXPENSE RELATED TO POTENTIALLY**
20 **DUPLICATIVE TESTIMONY?**

21 A. Yes. I am also concerned with the Utility's decision to file testimony for the two
22 witnesses on the same two issues: Jeanne Allen and John Guastella. OPC asked in its
23 Third Set of Interrogatories No. 27, why the utility deemed it necessary for the
24 Company to have both witnesses address the payroll adjustment and the working
25 capital adjustment. The Utility's response to this is attached to my testimony as

1 Exhibit DNV-9. In this response, the Utility stated the following:

2
3 Commission staff and the Commission did not accept the expert
4 accounting testimony of Jeanne Allen with regard to the protested
5 items, and the utility has no reason to believe that her testimony will
6 be any more persuasive at the final hearing than it was prior to the
7 PAA Order. Accordingly, the utility decided that it was prudent to
8 obtain the services of John Guastella, who has more expertise and
9 unquestioned credibility regarding the protested items, and other rate
10 setting questions.

11 I am concerned why the Utility filed testimony from a witness that it does not
12 appear to believe is competent to provide expert testimony. I do not believe that the
13 ratepayers should be required to pay rate case expense for both witnesses.

14

15 **Q. ARE YOU RECOMMENDING THAT ANY OTHER PORTION OF POST-**
16 **PAA RATE CASE EXPENSE BE DISALLOWED?**

17 A. Yes, in addition to the overall amount of rate case expense, I am concerned with the
18 rate case expense associated with the Utility's protest of issues. OPC protested four
19 discrete issues and WMSI cross protested eight issues of its own. The Utility in its
20 cross petition raised eight issues, six of which total approximately \$50,000 (or less
21 than three percent of the Revenue Requirement included in the PAA Order). The
22 remaining two issues are for an unstated amount of post-PAA protest rate case
23 expense to pursue this case through the hearing process and the increased level of
24 service availability charges. In my opinion, WMSI should only be awarded rate case
25 expense associated with the four issues protested by OPC and rate case expense
26 associated with Utility protested issues where it succeeds in securing an adjustment
27 which is better than what was approved in the PAA order.

1 **Q. WHY DO YOU RECOMMEND RATE CASE EXPENSE FOR ISSUES THAT**
2 **THE UTILITY PROTESTED AND WINS AS WELL AS THOSE THAT OPC**
3 **PROTESTED?**

4 A. A utility cannot help but defend its substantial interests if it is drawn into a protest by
5 another party. It would be unfair to disallow reasonable rate case expense for
6 defending issues and positions which the utility did not protest. However, there is no
7 requirement that a utility cross protest additional issues simply because another party
8 initiates a protest. If the utility succeeds on the issues it cross protested, then
9 reasonable rate case expense should be allowed. However, if a utility fails on one or
10 more of its cross protested issues, then a pro rata portion of rate case expense related
11 to those failed cross protested issues should be disallowed as unreasonable.

12 As a ratemaking policy matter, a utility should have some incentive to
13 minimize costs as it relates to issues it cross protests. To automatically allow rate
14 case expense for any and all utility cross protested issues whether or not those issues
15 have any merit would serve to encourage a utility to unreasonably incur additional
16 rate case expense for less than meritorious issues.

17

18 **Q. WHAT IS YOUR BASIS FOR RECOMMENDING THAT THE UTILITY NOT**
19 **BE AWARDED RATE CASE EXPENSE FOR ITS ISSUES IT FAILS TO**
20 **SUCCEED?**

21 A. I would like to reference Order No. PSC-94-0738-FOF-WU, issued June 15, 1994.⁸
22 In this case, the Commission addressed the utility's entitlement to rate case expense
23 associated with the cost of a partially successful appeal of a Commission decision.

⁸ Order No. PSC-94-0738-FOF-WU, issued June 15, 1994, in Docket No. 900386-WU, In re: Application for a rate increase in Marion County by Sunshine Utilities of Central Florida, Inc.

1 The utility raised five issues on appeal and succeeded on three. Id. In determining
2 what amount of rate case expense to award the utility, the Commission addressed this
3 question, “. . . is [a utility] entitled to recover all expenses related to any such
4 appeal?” Id. The Commission answered, stating “we do not believe that a utility has
5 a right to recover all rate case expenses associated with every appeal.” Id. The
6 Commission further stated:

7
8 . . . all such expenses are not inherently reasonable. Some appeals are
9 a prudent cost of doing business and some are not. In addition, and
10 perhaps most importantly, if the Commission took the position that
11 any appeal taken by a utility is inherently reasonable, then utilities
12 would be encouraged to appeal all orders as a matter of course to the
13 ultimate detriment of the ratepayers who would be paying the bill for
14 their lack of discrimination as to issues that truly should be appealed.⁹

15 After much discussion on determining how to calculate the amount of
16 reasonable rate case expense for the partially successful appeal, the Commission
17 concluded “. . . since Sunshine appealed five issues and was successful on at least
18 three of those issues, or sixty percent of its appeal, the appropriate reduction using the
19 loadstar method is forty percent.” Id. at 16.

20 While a cross petition may be different than an appeal of a Commission order,
21 I believe that the Commission’s reasoning, ratemaking policy decision, and
22 calculation of reasonable rate case expense is applicable to this case. Consistent with
23 the Commission’s decision in that case, a utility should not expect to recover rate case
24 expense on any and all issues that it protested, but only those issues in which it is
25 successful.

26 Therefore, based upon the precedent established by Order No. PSC-94-0738-
27 FOF-WU, the Commission should apportion rate case expense among the issues,

⁹ Id. at 8.

1 allow reasonable rate case expense for defending issues protested by another party,
2 and disallow the portion of rate case associated with all issues the utility unsuccessful
3 protested. In this case, between OPC and the Utility, 12 separate issues were raised.
4 After unreasonable rate case expense is deducted, the remaining rate case expense
5 should be divided among the 12 issues. The Utility should be allowed reasonable rate
6 case expense for defending the four issues protested by OPC as well as any Utility
7 issues where it succeeds. For example, if the Utility fails on 7 out of its 8 issues it
8 protested, then 7/12 of all remaining rate case expense should be disallowed.

9

10 **SERVICE AVAILABILITY CHARGES**

11 **Q. YOU ARE ALSO TESTIFYING ON SERVICE AVAILABILITY CHARGES.**
12 **WHAT ARE YOU ADDRESSING IN THIS AREA?**

13 A. I am testifying that the amount of the increase in service availability charges
14 established by the PAA Order was calculated consistent with the Commission's
15 methodology for calculating such charges. I am also testifying that the increase in the
16 charges should be placed in escrow and the final amounts should be subject to the
17 same escrow requirements and true-up provisions required by the PAA Order for pro
18 forma plant items.

19

20 **Q. WHAT ASPECT OF THE INCREASE SERVICE AVAILABILITY CHARGES**
21 **DID OPC PROTEST?**

22 A. OPC protested the service availability charges approved by the PAA Order in part
23 because the increased charges were based on future plant yet to be constructed and
24 placed in service. While I do not dispute the methodology used to calculate the
25 increase in the amount of the service availability charges, my concerns center on the

1 lack of any true-up mechanism, and the absence of any requirement to escrow the
2 increase in service availability charges.

3

4 **Q. WOULD YOU PLEASE EXPAND ON YOUR CONCERNS?**

5 A. First, since the PAA Order is requiring a true-up of the pro forma plant once it is
6 placed in service, I believe that the Commission should require that the service
7 availability charges be revised during the true-up phase to reflect the actual amount of
8 pro forma plant placed in service. Second, I am concerned that the service
9 availability charges were not made subject to the same escrow provisions as the
10 monthly service rates to ensure that the increase be retained within the Utility for
11 utility operations and not advanced for non-utility purposes. Because the service
12 availability charges were based in part on the requested pro forma plant, I recommend
13 that the increase in these charges be placed in escrow until the pro form plant is
14 completed.

15

16 **Q. WHAT ARE THE SERVICE AVAILABILITY CHARGES THAT WERE**
17 **APPROVED BY THE PAA ORDER?**

18 A. The Commission PAA Order¹⁰ approved a Plant Capacity Charge of \$3,387, a Main
19 Extension Charge of \$1,523, and a Meter Installation Charge of \$400 for a total
20 Service Availability Charge of \$5,310. The Utility requested increased service
21 availability charges based primarily on the proposed pro forma plant additions and
22 proposed that the charges be increased to \$10,004.47, a 517.56 percent increase over
23 the current charges. In my opinion, the methodology used by the Commission was
24 reasonable and calculated reasonable service availability charges that were included

¹⁰ PSC-12-0435-PAA-WU, issued August 22, 2012, pgs. 34-36.

1 in the PAA Order. The Commission's PAA Order concluded that Rule 25-30.580,
2 F.A.C., which sets out guidelines for setting service availability charges, is a
3 "guideline," and there is no mandatory requirement to set the level at 75 percent.
4

5 **Q. HAVE YOU REVIEWED THE UTILITY'S PROTEST REQUESTING TO**
6 **FURTHER INCREASE THE SERVICE AVAILABILITY CHARGE?**

7 A. Yes, I have reviewed the Utility's request and I do not believe the Utility's
8 methodology to calculate service availability charges is reasonable. As applied to this
9 Utility, the Commission calculated the average cost per ERC for both the treatment
10 plant and the transmission and distribution plant, and used the average costs per ERC
11 to determine reasonable charges. This calculation resulted in total service availability
12 charges per ERC of \$5,310, for a \$3,690 increase. I believe that the plant capacity,
13 main extension, and meter installation charges established by the PAA Order are
14 reasonable because they are based on a reasonable calculation of average costs per
15 ERC. I agree with the Commission's finding that the Utility's "level of an increase
16 per equivalent residential connection (ERC) is excessive and highly speculative, with
17 the potential to stunt future growth."¹¹ Thus, the Commission should reject the
18 Utility's request to increase the charges further.
19

20 **Q. WHAT IS YOUR OTHER ISSUE WITH THE SERVICE AVAILABILITY**
21 **CHARGES?**

22 A. The PAA Order stated, "WMSI's requested Service Availability Charges are based in
23 large part on pro forma plant additions that may, or may not, come to fruition..."¹²

¹¹ PSC-12-0435-PAA-WU, issued August 22, 2012, pg. 35.

¹² PSC-12-0435-PAA-WU, issued August 22, 2012, pg. 34.

1 The PAA Order authorized increase in service availability charges from \$1,620 to
2 \$5,310 was based on plant levels that included the requested pro forma plant that has
3 yet to be built and placed into service.

4 In the PAA Order, the Commission required that in order to “protect the
5 customers, to ensure that the pro forma projects are completed, and the DEP loan and
6 the financing are paid, WMSI shall set up an interest bearing escrow account.”¹³ The
7 order further required that the pro forma projects be completed within 18 months and
8 any refund would be based on a subsequent true-up of the actual costs. However, the
9 Commission did not include a similar escrow and true-up provision for the increase in
10 service availability charges despite the fact that these charges are also based, in part,
11 on the pro forma projects. I am concerned that if the pro forma plant is not fully
12 completed or is completed at a significantly lower cost, the increased service
13 availability charges will be overstated and may cause future ratepayers to pay more
14 than their reasonable share of utility plant in service costs through inflated service
15 availability charges.

16

17 **Q. WHAT DO YOU RECOMMEND?**

18 A. I recommend that the amount of the service ability charges should be trued-up and
19 based on actual pro forma plant placed in service during the true-up process
20 established by the PAA Order. I further recommend placing the increase in service
21 availability charges into escrow subject to the same escrow requirements established
22 by the PAA Order. Because the service availability charges are also based in part on
23 pro forma plant, they should be subject to the same escrow and true up provisions as
24 the monthly rates.

¹³ PSC-12-0435-PAA-WU, issued August 22, 2012, pg. 13.

1 **Q. IS THERE ANY PRECEDENT FOR REQUIRING ALL OR A PORTION OF**
2 **THE SERVICE AVAILABILITY CHARGE TO BE ESCROWED?**

3 A. Yes. By Order No. PSC-94-1383-FOF-WU, issued November 14, 1994, in Docket
4 No. 940109-WU, the Commission approved a rate increase for this Utility, revised its
5 service availability charges, and required the Utility to escrow its service availability
6 charges, so that those monies would be available for future capital improvements. Id.
7 at 65-66. To ensure that the increased service availability charges approved by the
8 PAA Order are available for future capital improvements, the Commission should
9 consider requiring all or the increased portion of the revised service availability
10 charges to be escrowed. This will not only benefit the Utility, but the customers as
11 well, by ensuring there are available funds necessary for future capital improvements.

12

13 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

14 A. Yes, it does.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing Direct Testimony of Denise N. Vandiver, CPA has been furnished by electronic mail and/or U.S. Mail to the following parties on this 6th day of December, 2012, to the following:

Michael Lawson
Martha Barrera
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Mr. Gene D. Brown
Water Management Services, Inc.
250 John Knox Road, #4
Tallahassee, FL 32303-4234

Martin S. Friedman, Esq.
Sundstrom, Friedman & Fumero, LLP
766 North Sun Drive
Suite 4030
Lake Mary, FL 32746



Erik L. Sayler

DENISE N. VANDIVER

RESUME

DNV-1

Denise N. Vandiver, CPA

Office of Public Counsel
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400

Phone: 850-487-8239
E-Mail: vandiver.denise@leg.state.fl.us

Professional Experience

Legislative Analyst 2009 – Present

Office of Public Counsel

In my current position, I perform financial and accounting analysis involving utility filings before the Florida Public Service Commission on behalf of the Citizens of the State of Florida. I work with attorneys in preparing discovery, preparing for formal presentations, and provide testimony, when needed.

Bureau Chief of Auditing 1993 – 2009

Florida Public Service Commission

In this position, I managed the Florida Public Service Commission field audit staff of 30 auditors located in four cities throughout Florida. The audit staff performed financial and billing audits of electric, gas, telecommunication, water, and wastewater companies. These audits typically addressed rate cases, cost recovery clauses, earnings reviews, customer complaints, affiliate transactions, construction contracts, and special investigations. I established and supervised compliance with operational guidelines, administrative policies and procedures for the conduct of field audits with particular attention to preserving an independent audit staff. I reviewed all audit reports for compliance with internal standards and resolved technical and administrative issues that adversely affected the completion of timely and professional audits. My other duties included authorizing staff travel, recommending new employee hiring, and reviewing employee performance evaluations.

Public Utilities Supervisor 1991 – 1993

Florida Public Service Commission

In this position, I supervised a staff of six in preparing research papers, set deadlines, and ensured that project objectives were met. Research papers covered all industries regulated by the Commission and generally addressed emerging issues and policies. I established performance criteria and evaluated employee performance. I also developed training programs and administered the policies and procedures of the Commission.

Economic Analyst 1989 – 1991

Florida Public Service Commission

In this position I analyzed data and prepared economic and statistical research reports. These reports typically involved coordination among multiple industries and addressed economic or accounting policy alternatives under consideration by the Commission.

Regulatory Analyst 1983 – 1989
Florida Public Service Commission

I was hired in the Division of Water and Wastewater as an Analyst II and was promoted to a level III in 1985 and a level IV in 1987. In this position I analyzed financial information filed by water and wastewater utilities in support of various filings with the Commission (such as rate increases, transfer applications, and certificate applications.) I prepared financial recommendations to the commissioners and prepared and presented expert testimony.

Director of Accounting 1982-1983
Memorial Medical Center Savannah, Georgia

In this position I supervised a staff of seven and was responsible managing the operations of the general accounting office. This included preparing the financial statements, maintaining the internal control procedures for the accounting department, authorizing all expenditures and transactions, maximizing cash investments and maintaining cash projections, participating in the internal and external audit process, and analyzing the results of financial operations and providing management information.

Accountant 1978 – 1982
City of Jacksonville Beach

In this position I supervised the accounting clerk and was responsible for preparing financial statements, reconciling and examining records for accuracy, maintaining audit controls for payroll and utility billing, and scheduling cash flow and investment analysis.

Education

Master of Accountancy 1979-1982
University of North Florida GPA: 3.58

Bachelor of Science 1974-1978
Jacksonville University GPA: 3.25
Major in accounting; minor in economics, financed expenses by full tuition scholarship and part-time work

Professional Licenses

CPA Certificate #10937 dated April 27, 1982
Member of FICPA

**WMSI RESPONSE TO CITIZENS' FIRST SET OF
INTERROGATORIES NOS. 13 – 16**

PRIOR RATE CASE EXPENSE: PAYMENTS MADE

DNV-2

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

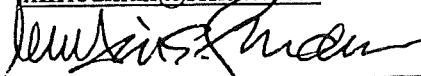
In re: Application for increase in water rates in
Franklin County by Water Management
Services, Inc. || DOCKET NO. 110200-WU

**WATER MANAGEMENT SERVICES, INC.'S RESPONSES TO
OFFICE OF PUBLIC COUNSEL'S FIRST SET OF INTERROGATORIES (NOS. 1-16)**

WATER MANAGEMENT SERVICES, INC., by and through its undersigned attorneys and pursuant to Rule 1.340, Florida Rules of Civil Procedure, hereby responds to the Office of Public Counsel's First Set of Interrogatories (Nos. 1-16) serve upon it on or about October 5, 2012.

Respectfully submitted this 25th day of
October, 2012, to:

SUNDSTROM, FRIEDMAN & FUMERO, LLP
766 N. Sun Drive, Suite 4030
Lake Mary, FL 32746
PHONE: (407) 830-6331
mfriedman@sfflaw.com



MARTIN S. FRIEDMAN
Florida Bar No.: 0199060
For the Firm

10. Brown Management Group, Inc. Because Brown Management Group, Inc., is wholly owned by WMSI, please describe Brown Management Group, Inc.'s annual budget process, including how the budget is approved and by whom, and how the budget can be amended once it is approved. This should include, but not be limited to, the capital budget, the operations budget and the cash flow budget.

ANSWER: Brown Management Group, Inc. has no budget process. All decisions are made by Gene Brown, as President of Brown Management

11. Brown Management Group, Inc. Does Brown Management Group, Inc. have any officers and/or board of directors?

- a. If yes, please explain how they were consulted prior to the transfer of Brown Management Group, Inc. to WMSI.

ANSWER. The sole officer and director is the same person, so there was no consultation.

- b. Please identify the officers and board of directors of Brown Management Group, Inc.

ANSWER: Gene brown is the sole officer and director of Brown Management Group, Inc.

13. Prior Rate Case Expense Being Collected in Rates. Regarding rate case expense approved by Order No. PSC-11-0010-SC-WU, dated January 3, 2010 in Docket No. 100104-WU, please explain how much of the \$229,180 in rate case expense approved in WMSI's last rate case has been paid out by WMSI to date for legal fees, consultant fees, and other; and as part of this response, please explain any differences

between the amount(s) approved by Order No. PSC-11-0010-SC-WU and the amount paid to date by WMSI.

ANSWER: WMSI has paid \$77,609.10 of the \$229,180 approved in Docket No. 100104-WU. The differences are shown by Exhibit "A" attached.

14. Prior Rate Case Expense Being Collected in Rates. Please refer to the attached invoice from Radey, Thomas, Yon, & Clark, dated March 7, 2012, that WMSI provided to OPC that shows a balance due in the amount of \$146,399.78.

a. Please explain or describe why WMSI has not made full payment to this law firm for services rendered in the last rate case.

ANSWER: WMSI does not have the money to pay the invoice in full.

b. Did WMSI at one time dispute any of this amount or any portion of the amount owed to this law firm?

ANSWER: At one time, WMSI indicated that a reduced amount that was still a reasonable fee would have to be considered if WMSI paid the entire fee in a lump sum. This was part of a negotiation before a settlement was reached.

c. Does WMSI currently dispute any of this amount due or any portion of the amount owed to this law firm?

ANSWER: No.

d. Were payments to the law firm contingent on what WMSI believed was a successful outcome of its prior rate case?

ANSWER: No.

e. What is the total amount of interest, if any, that has accrued on the balance due to the law firm?

ANSWER: WMSI does not know the total amount of interest, if any.

- f. Please explain why WMSI discontinued making payments to this law firm on or about November 30, 2010 during the pendency of the last rate case.

ANSWER. WMSI did not have sufficient cash to continue making payments at that time.

- g. Please explain what prompted WMSI to resume making payments to this law firm on or about April 16, 2012.

ANSWER. WMSI and the Radey Law Firm reached an agreement for monthly payments.

- h. When was the most recent payment made to the law firm and in what amount?

ANSWER. \$2,000 on October 10, 2012.

- i. When is the next payment due to the law firm and in what amount?

ANSWER. \$2,000 in November, 2012.

- j. Has WMSI entered into an agreement to repay the law firm for the remaining balance owed?

ANSWER. Yes.

- k. Please describe the details of payment arrangement(s) made with the law firm for services rendered to WMSI in the last rate case.

ANSWER. \$2,000 per month until WMSI is sold or until WMSI secures sufficient cash to pay the bill in full, whichever occurs first.

- l. What penalty, if any, will be assessed if WMSI stops making payments (or starts missing payments) to the law firm?

ANSWER. The law firm will have the option to sue.

- m. Has WMSI pledged any collateral, surety, ownership interest in WMSI, revenues, etc., to the law firm? And if yes, please describe those details of what was pledged and in what amount?

ANSWER. No.

- n. When does WMSI expect to pay off the remaining outstanding balance owed to the law firm?

ANSWER. See (k) above.

- o. Relating to the outstanding balance owed to the law firm of Radey, Thomas, Yon and Clark or services rendered, at any time in the past, did the law firm institute any type of legal action or complaints against WMSI or Mr. Gene Brown?

ANSWER. No.

- p. Relating to outstanding balance owed to the law firm of Radey, Thomas, Yon and Clark or services rendered, at any time in the past, did WMSI or Mr. Gene Brown institute any type of legal action or complaints against the law firm?

ANSWER. No.

15. Prior Rate Case Expense Being Collected in Rates. According to WMSI's May 30, 2012 response to Staff's Sixth Data Request, WMSI had paid \$45,274 of the \$65,428 owed to M&R Consultants-- Frank Seidman. Please explain or describe the following:

- a. Why are payments to Mr. Seidman still outstanding;

ANSWER. WMSI does not have the cash to pay the bill in full.

- b. Did or does WMSI dispute any amount or portion of the amount;

ANSWER: No.

- c. The details of any payment arrangements made for the remaining balance owed;

ANSWER: \$2,000 per month until the bill is paid in full.

- d. When was the last incremental payment to Mr. Seidman was made and in what amount;

ANSWER: \$2,000 on October 10, 2012.

- e. When will the remaining balance owed to Mr. Seidman be paid in full?

ANSWER: When WMSI is sold or when WMSI secures the cash to pay the bill in full, whichever occurs first.

16. Prior Rate Case Expense Being Collected in Rates. Besides payments due to the law firm of Radey, Thomas, Yon, and Clark and Mr. Frank Seidman for services rendered to WMSI in the last rate case, are there any outstanding bills, invoices, debts, etc., owed to any consultants, engineering firms, etc. from the last rate case?

- a. If yes, please explain the reason why payments are still outstanding.

ANSWER: WMSI does not have sufficient cash to pay all the bills in full.

- b. Please explain whether any payment arrangements have been made and the details of those payment arrangements.

ANSWER: WMSI has agreed to pay PBS&J (Atkins) at the rate of \$500 per month until their bill is paid in full.

- c. Please explain when WMSI expects to pay off the remaining outstanding balance owed to these consultants, engineering firms, etc. from the last rate case.

ANSWER: The PBS&J bill will be paid at \$500 per month, with the final payment during 2013. Any other bills will be paid as cash becomes available.


GENE BROWN

AFFIDAVIT

STATE OF FLORIDA

COUNTY OF LEON

BEFORE ME, the undersigned authority, personally appeared GENE BROWN, who deposed and stated that he provided the answers to the above interrogatories and that the responses are true and correct to the best of his information and belief.

SWORN TO AND SUBSCRIBED to before me this 25th day of October, 2012.

Sandra M. Chase
NOTARY PUBLIC - State of Florida

Printed Name: *Sandra M. Chase*

My Commission Expires



OPC's FIRST SET OF INTERROGATORIES (NOS. 1-16)

**WATER MANAGEMENT SERVICES, INC.
RATECASE EXPENSE PAYMENTS
2009 TEST YEAR**

| DATE | CHECK # | PAYEE | AMOUNT | PSC FILING FEE | FED-EX, COPIES, NOTICES, ETC | M & R CONSULTANTS (Frank Seidman) | BARBARA WITHERS, CPA | PBS & J (M. Scibelli) | ROSE, SUNDBLOM LAW FIRM | RADEY, THOMAS LAW FIRM |
|--------------------|-----------|--|------------------|-----------------|------------------------------|-----------------------------------|----------------------|-----------------------|-------------------------|------------------------|
| 07/10/09 | 1010 | ROSE, SUNDBLOM LAW FIRM | 5,000.00 | | | | | | 5,000.00 | |
| 12/11/09 | 1401 | FEDERAL EXPRESS | 31.44 | | 31.44 | | | | | |
| 2009 TOTAL | | | 5,031.44 | 0.00 | 31.44 | 0.00 | 0.00 | 0.00 | 5,000.00 | 0.00 |
| DATE | CHECK # | PAYEE | AMOUNT | | | | | | | |
| 01/12/10 | 1517 | FEDERAL EXPRESS | 11.50 | | 11.50 | | | | | |
| 01/12/10 | 1525 | RADEY LAW FIRM | 4,000.00 | | | | | | (1,893.00) | 4,000.00 |
| 02/01/10 | REFUND | ROSE, SUNDBLOM LAW FIRM | (1,893.00) | | | | | | | |
| 02/25/10 | 5816 | J. BLANKENSHIP-REIMBURSE MAPS | 335.40 | | 335.40 | | | | | |
| 03/15/10 | 5334 | RADEY LAW FIRM | 2,000.00 | | | | | | | 2,000.00 |
| 03/16/10 | 5359 | FEDERAL EXPRESS | 27.58 | | 27.58 | | | | | |
| 04/08/10 | 5908 | FEDERAL EXPRESS | 80.71 | | 80.71 | | | | | |
| 04/12/10 | 6918 | RADEY LAW FIRM | 2,000.00 | | | | | | | 2,000.00 |
| 05/10/10 | 6001 | FEDERAL EXPRESS | 25.47 | | 25.47 | | | | | |
| 05/13/10 | 8029 | M & R CONSULTANTS | 657.57 | | | 657.57 | | | | |
| 05/13/10 | 8028 | RADEY LAW FIRM | 2,000.00 | | | | | | | 2,000.00 |
| 05/10/10 | 8038 | CITY BLUE REPOROGRAPHICA-MAPS | 670.80 | | 670.80 | | | | | |
| 05/25/10 | 8056 | FLA PUBLIC SERVICE COMMISSION | 3,500.00 | 3,500.00 | | | | | | |
| 05/25/10 | 8057 | FLA PUBLIC SERVICE COMMISSION | 1,750.00 | 1,750.00 | | | | | | |
| 06/03/10 | 8090 | J. BLANKENSHIP-REIMBURSE MAPS | 10.50 | | 10.50 | | | | | |
| 09/07/10 | 8102 | M & R CONSULTANTS | 2,000.00 | | | 2,000.00 | | | | |
| 09/07/10 | 8103 | RADEY LAW FIRM | 2,000.00 | | | | | | | 2,000.00 |
| 09/10/10 | 8122 | FEDERAL EXPRESS | 61.05 | | 61.05 | | | | | |
| 09/17/10 | 8167 | J. BLANKENSHIP-REIMBURSE FED-EX | 140.48 | | 140.48 | | | | | |
| 09/17/10 | 2824 | THE TIMES | 184.28 | | 184.28 | | | | | |
| 07/02/10 | 8190 | AMERICAN EXPRESS | 259.01 | | 259.01 | | | | | |
| 07/10/10 | 8239 | J. BLANKENSHIP-REIMBURSE FED-EX | 102.74 | | 102.74 | | | | | |
| 07/28/10 | 8255 | U.S. BANK | 6.07 | | 6.07 | | | | | |
| 07/29/10 | 8271 | M & R CONSULTANTS | 2,000.00 | | | 2,000.00 | | | | |
| 07/30/10 | 8770 | RADEY LAW FIRM | 2,000.00 | | | | | | | 2,000.00 |
| 08/19/10 | 8385 | J. BLANKENSHIP-REIMBURSE MILEAGE PSC | 3.50 | | 3.50 | | | | | |
| 08/24/10 | 8387 | RADEY LAW FIRM | 2,000.00 | | | | | | | 2,000.00 |
| 08/25/10 | 8389 | M & R CONSULTANTS | 2,000.00 | | | 2,000.00 | | | | |
| 08/25/10 | POS10 | MINI CONVENIENCE STORE-MEETING | 11.97 | | 11.97 | | | | | |
| 08/26/10 | 8346 | U.S. BANK | 6.16 | | 6.16 | | | | | |
| 08/30/10 | 2871 | FRANKI IN CLERK OF CT-COPIES | 77.80 | | 77.80 | | | | | |
| 09/08/10 | 6405 | AMERICAN EXPRESS | 47.74 | | 47.74 | | | | | |
| 09/10/10 | 6421 | J. BLANKENSHIP-REIMBURSE MILEAGE PSC | 3.30 | | 3.30 | | | | | |
| 09/10/10 | 6421 | J. BLANKENSHIP-REIMBURSE MILEAGE PSC | 59.01 | | 59.01 | | | | | |
| 09/21/10 | POS11 | PAPA JOE'S OYSTER BAR-MEETING | 86.67 | | 86.67 | | | | | |
| 09/24/10 | 6458 | J. BLANKENSHIP-REIMBURSE MILEG/MAPS | 155.80 | | 155.80 | | | | | |
| 09/28/10 | 2999 | FRANKLIN COUNTY CHRONICLE | 218.38 | | 218.38 | | | | | |
| 09/29/10 | 6400 | M & R CONSULTANTS | 2,000.00 | | | 2,000.00 | | | | |
| 09/29/10 | 6467 | RADEY LAW FIRM | 2,000.00 | | | | | | | 2,000.00 |
| 10/05/10 | POS2 | SUBWAY-MEETING | 103.17 | | 103.17 | | | | | |
| 10/05/10 | POS3 | SUBWAY-MEETING | 110.93 | | 110.93 | | | | | |
| 10/07/10 | 6498 | J. BLANKENSHIP-REIMBURSE MILES/MAPS | 426.67 | | 426.67 | | | | | |
| 10/15/10 | 6533 | P. BOWES-PURCHASE POWER-POSTAGE | 1,200.00 | | 1,200.00 | | | | | |
| 10/27/10 | 6568 | RADEY LAW FIRM | 2,000.00 | | | | | | | 2,000.00 |
| 10/29/10 | 6570 | M & R CONSULTANTS | 2,000.00 | | | 2,000.00 | | | | |
| 11/10/10 | 6013 | FEDERAL EXPRESS | 36.85 | | 36.85 | | | | | |
| 11/17/10 | 6828 | M & R CONSULTANTS | 2,824.25 | | | 2,824.25 | | | | |
| 11/22/10 | 6647 | CHASE CREDIT CARD | 62.81 | | 62.81 | | | | | |
| 11/30/10 | 6660 | RADEY LAW FIRM | 2,000.00 | | | | | | | 2,000.00 |
| 2010 TOTAL | | | 43,524.27 | 5,250.00 | 4,486.45 | 13,881.82 | 0.00 | 0.00 | (1,893.00) | 22,000.00 |
| DATE | CHECK # | PAYEE | AMOUNT | | | | | | | |
| 01/21/11 | 6819 | M & R CONSULTANTS | 1,000.00 | | | 1,000.00 | | | | |
| 02/16/11 | 6467 | AMERICAN EXPRESS | 26.16 | | 26.16 | | | | | |
| 03/04/11 | 5500 | M & R CONSULTANTS | 1,000.00 | | | 1,000.00 | | | | |
| 05/05/11 | 5783 | M & R CONSULTANTS | 2,000.00 | | | 2,000.00 | | | | |
| 06/11/11 | 6066 | M & R CONSULTANTS | 1,825.23 | | | 1,825.23 | | | | |
| 11/03/11 | 6340 | M & R CONSULTANTS | 2,000.00 | | | 2,000.00 | | | | |
| 2011 TOTAL | | | 7,853.39 | 0.00 | 26.16 | 7,825.23 | 0.00 | 0.00 | 0.00 | 0.00 |
| DATE | CHECK # | PAYEE | AMOUNT | | | | | | | |
| 04/08/12 | 8772 | M & R CONSULTANTS | 2,000.00 | | | 2,000.00 | | | | |
| 04/16/12 | 6783 | RADEY LAW FIRM | 1,000.00 | | | | | | | 1,000.00 |
| 05/18/12 | 8879 | RADEY LAW FIRM | 1,000.00 | | | | | | | 1,000.00 |
| 07/13/12 | 7030 | BARBARA WITHERS, CPA | 2,700.00 | | | | 2,700.00 | | | |
| 08/13/12 | 8951 | M & R CONSULTANTS | 1,000.00 | | | 1,000.00 | | | | |
| 07/17/12 | 7044 | RADEY LAW FIRM | 1,000.00 | | | | | | | 1,000.00 |
| 08/10/12 | 7113 | RADEY LAW FIRM | 1,000.00 | | | | | | | 1,000.00 |
| 08/10/12 | 7114 | M & R CONSULTANTS | 2,000.00 | | | 2,000.00 | | | | |
| 08/10/12 | 7179 | M & R CONSULTANTS | 2,000.00 | | | 2,000.00 | | | | |
| 09/17/12 | 7209 | RADEY LAW FIRM | 2,000.00 | | | | | | | 2,000.00 |
| 2012 | VISA CARD | PBS&J (NOW ATKINS) (Drafted \$500 Monthly) | 1,500.00 | | | | | 1,500.00 | | |
| 10/10/12 | 7209 | M & R CONSULTANTS | 2,000.00 | | | 2,000.00 | | | | |
| 10/10/12 | 7274 | RADEY LAW FIRM | 2,000.00 | | | | | | | 2,000.00 |
| 2012 TOTAL | | | 21,200.00 | 0.00 | 0.00 | 9,000.00 | 2,700.00 | 1,500.00 | 0.00 | 8,000.00 |
| GRAND-TOTAL | | | 77,609.10 | 5,250.00 | 4,545.95 | 30,897.65 | 2,700.00 | 1,500.00 | 3,197.00 | 30,000.00 |

Exhibit
"A"

Docket No. 110200-WU
Prior Rate Case Expense: Payments Made
Exhibit DNV-2, Page 8 of 8

**WMSI RESPONSE TO CITIZENS' SECOND REQUEST TO
PRODUCE DOCUMENTS NO. 40**

**RADEY FIRM INVOICES AND
SCHEDULE OF BILLS AND PAYMENTS**

DNV-3

Water Management Services, Inc.
 Prior Rate Case Expense
 Invoices and Payments to Radey Law Firm

| Invoice Period | Invoice Date | Invoice Number | Invoice Amount | Prior Payments | Current Payments | Balance |
|----------------|--------------|----------------|----------------|----------------|------------------|------------------|
| January 2010 | 2/4/10 | 15138 | 7,274.00 | 4,000.00 | | 3,274.00 |
| February 2010 | 2/4/10 | 15138 | 7,274.00 | 4,000.00 | | 3,274.00 |
| | 3/5/10 | 15259 | 3,764.00 | | | 3,764.00 |
| | Total | | | | | <u>7,038.00</u> |
| March 2010 | 2/4/10 | 15138 | 7,274.00 | 4,000.00 | 2,000.00 | 1,274.00 |
| | 3/5/10 | 15259 | 3,764.00 | | | 3,764.00 |
| | 4/6/10 | 15448 | 5,365.88 | | | 5,365.88 |
| | Total | | | | | <u>10,403.88</u> |
| April 2010 | 2/4/10 | 15138 | 7,274.00 | 6,000.00 | | 1,274.00 |
| | 3/5/10 | 15259 | 3,764.00 | | 2,000.00 | 1,764.00 |
| | 4/6/10 | 15448 | 5,365.88 | | | 5,365.88 |
| | 5/7/10 | 15584 | 9,603.45 | | | 9,603.45 |
| | Total | | | | | <u>18,007.33</u> |
| May 2010 | 2/4/10 | 15138 | 7,274.00 | 6,000.00 | 1,274.00 | - |
| | 3/5/10 | 15259 | 3,764.00 | 2,000.00 | 1,764.00 | - |
| | 4/6/10 | 15448 | 5,365.88 | | 962.00 | 4,403.88 |
| | 5/7/10 | 15584 | 9,603.45 | | | 9,603.45 |
| | 6/7/10 | 15822 | 11,357.06 | | | 11,357.06 |
| | Total | | | | | <u>25,364.39</u> |
| June 2010 | 4/6/10 | 15448 | 5,365.88 | 962.00 | | 4,403.88 |
| | 5/7/10 | 15584 | 9,603.45 | | | 9,603.45 |
| | 6/7/10 | 15822 | 11,357.06 | | | 11,357.06 |
| | 7/7/10 | 15948 | 7,583.79 | | | 7,583.79 |
| | Total | | | | | <u>32,948.18</u> |
| July 2010 | 4/6/10 | 15448 | 5,365.88 | 962.00 | 2,000.00 | 2,403.88 |
| | 5/7/10 | 15584 | 9,603.45 | | | 9,603.45 |
| | 6/7/10 | 15822 | 11,357.06 | | | 11,357.06 |
| | 7/7/10 | 15948 | 7,583.79 | | | 7,583.79 |
| | 8/5/10 | 16157 | 19,679.00 | | | 19,679.00 |
| | Total | | | | | <u>50,627.18</u> |

Water Management Services, Inc.
 Prior Rate Case Expense
 Invoices and Payments to Radey Law Firm

| | | | | | | |
|----------------|---------|----------|-----------|----------|-------------------|------------------|
| August 2010 | 4/6/10 | 15448 | 5,365.88 | 2,962.00 | 2,000.00 | 403.88 |
| | 5/7/10 | 15584 | 9,603.45 | | | 9,603.45 |
| | 6/7/10 | 15822 | 11,357.06 | | | 11,357.06 |
| | 7/7/10 | 15948 | 7,583.79 | | | 7,583.79 |
| | 8/5/10 | 16157 | 19,679.00 | | | 19,679.00 |
| | 9/17/10 | 16266 | 21,554.87 | | | 21,554.87 |
| | Total | | | | | <u>70,182.05</u> |
| September 2010 | 4/6/10 | 15448 | 5,365.88 | 4,962.00 | 403.88 | - |
| | 5/7/10 | 15584 | 9,603.45 | | 1,596.12 | 8,007.33 |
| | 6/7/10 | 15822 | 11,357.06 | | | 11,357.06 |
| | 7/7/10 | 15948 | 7,583.79 | | | 7,583.79 |
| | 8/5/10 | 16157 | 19,679.00 | | | 19,679.00 |
| | 9/17/10 | 16266 | 21,554.87 | | | 21,554.87 |
| | 10/4/10 | 16334 | 33,475.96 | | | 33,475.96 |
| Total | | | | | <u>101,658.01</u> | |
| December 2010 | 5/7/10 | 15584 | 9,603.45 | 1,596.12 | 4,000.00 | 4,007.33 |
| | 6/7/10 | 15822 | 11,357.06 | | | 11,357.06 |
| | 7/7/10 | 15948 | 7,583.79 | | | 7,583.79 |
| | 8/5/10 | 16157 | 19,679.00 | | | 19,679.00 |
| | 9/17/10 | 16266 | 21,554.87 | | | 21,554.87 |
| | 10/4/10 | 16334 | 33,475.96 | | | 33,475.96 |
| | 1/7/11 | 16937 | 45,594.02 | | | 45,594.02 |
| Total | | | | | <u>143,252.03</u> | |
| January 2011 | 5/7/10 | 15584 | 9,603.45 | 5,596.12 | | 4,007.33 |
| | 6/7/10 | 15822 | 11,357.06 | | | 11,357.06 |
| | 7/7/10 | 15948 | 7,583.79 | | | 7,583.79 |
| | 8/5/10 | 16157 | 19,679.00 | | | 19,679.00 |
| | 9/17/10 | 16266 | 21,554.87 | | | 21,554.87 |
| | 10/4/10 | 16334 | 33,475.96 | | | 33,475.96 |
| | 1/7/11 | 16937 | 45,594.02 | | | 45,594.02 |
| 2/7/11 | 17086 | 3,147.75 | | | 3,147.75 | |
| Total | | | | | <u>146,399.78</u> | |

RADEY THOMAS YON & CLARK
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
POST OFFICE BOX 10967
TALLAHASSEE, FL 32302
(850) 425-6654
Federal Tax ID # 75-3101245

Bill Number 15138

Invoice Date February 4, 2010
Activity Billed through 01/31/2010

Gene D. Brown
Water Management Services, Inc.
250 John Knox Road
#4
Tallahassee, FL 32303

Petition for Rate Increase

738 01 TD

PAYMENT DUE UPON RECEIPT

FOR PROFESSIONAL SERVICES RENDERED

| | | | | |
|------------|-----|---|-----------|--------|
| 01/04/2010 | LCS | Research of Florida Public Service Commission orders regarding emergency rate relief subject to refund, in preparation for meeting with Mr. Brown | 0.50 hrs. | 130.00 |
| 01/05/2010 | LCS | Meeting with Mr. Brown to discuss possible representation | 1.70 hrs. | 442.00 |
| 01/05/2010 | TD | Initial consultation with Mr. Brown and Ms. Chase | 1.70 hrs. | 510.00 |
| 01/08/2010 | TD | Review notes from January 5, 2009 meeting with Mr. Brown and Ms. Chase | 0.30 hrs. | 90.00 |
| 01/12/2010 | TAE | Initial case management meeting with Mr. Brown and Ms. Chase | 0.80 hrs. | 208.00 |
| 01/12/2010 | LCS | Research regarding recent water cases and the client's previous rate increase filings | 1.30 hrs. | 338.00 |
| 01/13/2010 | TAE | Strategy conference for client; telephone call with Ms. Chase regarding preparation of the annual report filing | 1.00 hrs. | 260.00 |
| 01/13/2010 | TAE | Review 2007 and 2008 annual reports | 1.20 hrs. | 240.00 |
| 01/13/2010 | LCS | Confer for client regarding strategy moving forward with representation; review applicable statutes and rules and Florida Public Service Commission docketed materials; research regarding needed minimum filing requirements | 1.50 hrs. | 390.00 |
| 01/14/2010 | TAE | Review and analysis of statutes and rules regarding rate cases; conference for client | 3.50 hrs. | 910.00 |

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Client/Matter : 738 01
 Bill Number 15138

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| | | | | |
|------------|-----|--|-----------|----------|
| | | regarding annual reports and MFR's | | |
| 01/14/2010 | TD | Begin initial review of Class A Water Utility Financial, Rate and Engineering Minimum Filing Requirements | 1.00 hrs. | 300.00 |
| 01/15/2010 | TAE | Continue review of rules; review and analyze minimum filing requirements schedules | 1.20 hrs. | 312.00 |
| 01/15/2010 | TD | Meeting with Mr. J.R. Kelly | 0.90 hrs. | 270.00 |
| 01/15/2010 | TD | Continue review of Class A Water Utility Financial, Rate and Engineering Minimum Filing Requirements | 2.00 hrs. | 600.00 |
| 01/20/2010 | TAE | Strategy conference for client regarding delegation of duties in preparation for rate filing | 0.50 hrs. | 130.00 |
| 01/20/2010 | TD | Telephone call with Mr. Seidman to discuss technical support for the case and past orders | 0.70 hrs. | 210.00 |
| 01/20/2010 | TD | Telephone call with Ms. Chase to discuss Minimum Filing Requirements | 0.20 hrs. | 60.00 |
| 01/20/2010 | TD | Review docket file in Docket Nos. 940109-WU and 000694-WU and Order Nos. PSC-00-2227-PAA-WU, PSC-04-0791-AS-WU and PSC-1156-PAA-WU; review Water Management Service's 2007 and 2008 Annual Reports | 3.60 hrs. | 1,080.00 |
| 01/26/2010 | TD | Review preliminary estimate of earnings deficiency | 0.20 hrs. | 60.00 |
| 01/27/2010 | LCS | Email communications with Ms. Chase to request documents to provide background for filing of test year letter; review email communications from Mr. Seidman; confer for client regarding scheduling of meeting in late February 2010 | 0.20 hrs. | 52.00 |
| 01/27/2010 | TD | Telephone call with Mr. Brown to discuss structure and information needs for a test year letter; email correspondence with Mr. Seidman to discuss | 0.50 hrs. | 150.00 |
| 01/28/2010 | TD | Email correspondence to discuss preliminary scheduling | 0.20 hrs. | 60.00 |

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Client/Matter : 738 01
Bill Number 15138

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| | | | | |
|------------|-----|--|-----------|--------|
| 01/29/2010 | LCS | Review communications from Mr. Seidman regarding preliminary interim rate increase | 0.20 hrs. | 52.00 |
| 01/29/2010 | TD | Review memo and attachments from Mr. Brown dated January 29, 2010 regarding : rate case, capital improvements and other issues | 1.40 hrs. | 420.00 |

Total fees for this matter \$7,274.00

BILLING SUMMARY

| | |
|--|---------------|
| TOTAL FEES | \$7,274.00 |
| TOTAL CHARGES FOR THIS BILL | \$7,274.00 |
| LESS PREPAID CASH APPLIED TO THIS INVOICE* | \$4,000.00 CR |
| TOTAL BALANCE NOW DUE | \$3,274.00 |

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Federal Tax ID # 75-3101245

Bill Number 15259
Invoice Date March 5, 2010
Activity Billed through 02/28/2010

Gene D. Brown
Water Management Services, Inc.
250 John Knox Road
#4
Tallahassee, FL 32303

Petition for Rate Increase

738 01 TD

PAYMENT DUE UPON RECEIPT

FOR PROFESSIONAL SERVICES RENDERED

| | | | | |
|------------|-----|--|-----------|--------|
| 02/01/2010 | LCS | Begin review and analysis of Mr. Brown's correspondence of 1/29/10 and attachments, summarizing current circumstances and proposed capital improvements | 0.70 hrs. | 182.00 |
| 02/12/2010 | TD | Review facts and policies concerning appropriate test year and pro forma adjustments; review anticipated changes in cost of debt | 0.60 hrs. | 180.00 |
| 02/16/2010 | LCS | Begin review of filings and Florida Public Service Commission orders from the last rate case in 1994 and the subsequent request for increase in 2000, in preparation for drafting test year letter and petition; begin drafting test year letter | 2.50 hrs. | 650.00 |
| 02/16/2010 | TD | Conduct research and report findings on projected electricity costs | 0.40 hrs. | 120.00 |
| 02/17/2010 | LCS | Continue review of filings and Florida Public Service Commission orders from the last rate case in 1994 and the subsequent request for increase in 2000, in preparation for drafting test year letter and petition | 0.90 hrs. | 234.00 |
| 02/18/2010 | TD | Review preliminary estimates of interim and permanent revenue requirements and pro forma expenses; determine and provide estimate of rate case expense | 1.20 hrs. | 360.00 |
| 02/22/2010 | LCS | Review multiple correspondence between Mr. | 0.50 hrs. | 130.00 |

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Client/Matter : 738 01
 Bill Number 15259

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| | | | | |
|----------------------------|-----|--|-----------|------------|
| | | Seidman and Mr. Brown related to minimum filing requirements, refinancing and capital improvements | | |
| 02/25/2010 | LCS | Prepare for (1.0) and participate in conference call/meeting with Mr. Brown, Ms. Chase, Mr. Seidman, Mr. Gauck and Mr. Deason to discuss draft minimum filing requirements and issues related to upcoming rate case filing (2.3) | 3.30 hrs. | 858.00 |
| 02/25/2010 | TD | Preparation and participation in conference call to assess preliminary status of case, review anticipated financial results, discuss potential issues and plan for next steps; follow-up email correspondence with Mr. Seidman | 3.50 hrs. | 1,050.00 |
| Total fees for this matter | | | | \$3,764.00 |

BILLING SUMMARY

| | |
|-----------------------------|------------|
| TOTAL FEES | \$3,764.00 |
| TOTAL CHARGES FOR THIS BILL | \$3,764.00 |
| PLUS NET BALANCE FORWARD | \$3,274.00 |
| TOTAL BALANCE NOW DUE | \$7,038.00 |

BALANCE FORWARD SUMMARY

| <u>Bill Date</u> | <u>Bill Number</u> | <u>Billed Amount</u> | <u>Amount Due</u> |
|------------------|--------------------|----------------------|-------------------|
| 02/04/2010 | 15138 | \$7,274.00 | \$3,274.00 |

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TALLAHASSEE, FL 32302
(850) 425-6654
Federal Tax ID # 75-3101245

Bill Number 15448
Invoice Date April 6, 2010
Activity Billed through 03/31/2010

Gene D. Brown
Water Management Services, Inc.
250 John Knox Road
#4
Tallahassee, FL 32303

Petition for Rate Increase

738 01 TD

PAYMENT DUE UPON RECEIPT

FOR PROFESSIONAL SERVICES RENDERED

| | | | | |
|------------|-----|--|-----------|--------|
| 03/02/2010 | LCS | Research Florida Administrative Code and past Florida Public Service Commission dockets regarding whether interim rates and revisions to service availability charges can be included in a petition for general rate increase; receive, review and respond to email from Mr. Seidman related to service availability charges; continue drafting test year letter, including more detailed explanation in changes in operations and history and impact of shallow wells; revise tentative timeline; confer for client regarding draft test year letter and timeline | 2.90 hrs. | 754.00 |
| 03/03/2010 | LCS | Confer for client regarding revisions to draft test year letter; revise test year letter accordingly | 0.30 hrs. | 78.00 |
| 03/03/2010 | TD | Review information requirements for service availability charges; review draft test year letter; telephone call with Ms. Chase | 0.90 hrs. | 270.00 |
| 03/04/2010 | SFC | Review test year letter and discuss potential revisions | 0.20 hrs. | 80.00 |
| 03/04/2010 | LCS | Continue to revise draft test year letter; confer for client regarding changes; email communications with Mr. Brown and Mr. Seidman regarding test year letter and tentative timeline | 1.10 hrs. | 286.00 |

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Client/Matter : 738 01
Bill Number 15448

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| | | | | |
|------------|-----|--|-----------|--------|
| 03/04/2010 | TD | Telephone call with Ms. Chase; review revised test year letter and planning timeline | 0.60 hrs. | 180.00 |
| 03/05/2010 | LCS | Receive and review communications related to draft test year letter; revise letter accordingly; follow up communications with Mr. Brown and Mr. Seidman regarding revisions | 0.80 hrs. | 208.00 |
| 03/08/2010 | LCS | Review email communications from Mr. Seidman and Mr. Brown regarding revised test year letter; finalize test year letter and arrange delivery and filing of same | 0.50 hrs. | 130.00 |
| 03/09/2010 | LCS | Continue preparing list of topics to be covered in direct testimony and witnesses to address each topic and review testimony filed in client's last rate case | 0.80 hrs. | 208.00 |
| 03/10/2010 | LCS | Prepare list of topics to be covered in direct testimony by Mr. Brown, Mr. Seidman, Mr. Gauker and possibly others, including review of testimony filed in last rate case and relevant Florida Administrative Code as needed; confer for client regarding same; research regarding whether Public Service Commission can change a previous used and useful determination | 2.50 hrs. | 650.00 |
| 03/12/2010 | LCS | Finalize list of suggested topics and witnesses for direct testimony, to be discussed at 3/18/10 meeting; email information and summary of research regarding used and useful determinations to client | 0.30 hrs. | 78.00 |
| 03/12/2010 | TD | Review preliminary list of issues and areas to cover in direct testimony | 0.50 hrs. | 150.00 |
| 03/15/2010 | TD | Review Water Management Services Annual Report for changes impacting pending rate case; telephone call with Ms. Chase | 1.10 hrs. | 330.00 |
| 03/18/2010 | LCS | Prepare for conference call/meeting, including preparation of agenda and proposed timeline for direct testimony, petition and minimum filing requirements; email agenda and timeline to clients; participate in meeting/call with Mr. | 2.80 hrs. | 728.00 |

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Client/Matter : 738 01
Bill Number 15448

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| | | | | |
|------------|-----|---|-----------|------------|
| | | Brown, Ms. Chase, Mr. Seidman, Mr. Gauker and Mr. Deason regarding status of actions, timelines and issues to be covered by direct testimony | | |
| 03/18/2010 | TD | Prepare for and attend meeting with Mr. Brown, Ms. Chase, Mr. Seidman, Mr. Gauker and Ms. Scoles | 2.50 hrs. | 750.00 |
| 03/19/2010 | LCS | Revise deadline dates and testimony topics, based on the 3/18/10 conference call/meeting; email communications with Mr. Brown, Ms. Chase, Mr. Gauker and Mr. Seidman to recap call/meeting and send updated dates and topics to address in direct testimony | 0.50 hrs. | 130.00 |
| 03/23/2010 | LCS | Research to provide Mr. Brown with samples of direct testimony from officials of regulated utilities in other proceedings, to review in preparation for drafting of his direct testimony | 0.20 hrs. | 52.00 |
| 03/26/2010 | LCS | Review correspondence from Mr. Brown related to minimum filing requirements and send email communications regarding conference call scheduled for 04/15/10 to discuss draft testimony | 0.20 hrs. | 52.00 |
| 03/26/2010 | TD | Review revenue trends and impact on rates | 0.50 hrs. | 150.00 |
| | | Total fees for this matter | | \$5,264.00 |

DISBURSEMENTS

| | | |
|------------|-------------------------------------|----------|
| 03/31/2010 | Intercall phone conference | 79.88 |
| 03/31/2010 | Photocopies | 12.00 |
| 03/31/2010 | Messenger Charges | 10.00 |
| | Total disbursements for this matter | \$101.88 |

RADEY THOMAS YON & CLARK
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
POST OFFICE BOX 10967
TALLAHASSEE, FL 32302
(850) 425-6654
Federal Tax ID # 75-3101245

Client/Matter: 738 01
Bill Number 15448

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BILLING SUMMARY

| | |
|-----------------------------|-------------|
| TOTAL FEES | \$5,264.00 |
| TOTAL DISBURSEMENTS | \$101.88 |
| ----- | |
| TOTAL CHARGES FOR THIS BILL | \$5,365.88 |
| PLUS NET BALANCE FORWARD | \$5,038.00 |
| ----- | |
| TOTAL BALANCE NOW DUE | \$10,403.88 |

BALANCE FORWARD SUMMARY

| <u>Bill Date</u> | <u>Bill Number</u> | <u>Billed Amount</u> | <u>Amount Due</u> |
|------------------|--------------------|----------------------|-------------------|
| 02/04/2010 | 15138 | \$7,274.00 | \$1,274.00 |
| 03/05/2010 | 15259 | \$3,764.00 | \$3,764.00 |

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TALLAHASSEE, FL 32302
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Federal Tax ID # 75-3101245

Bill Number 15584

Invoice Date May 7, 2010
Activity Billed through 04/30/2010

Gene D. Brown
Water Management Services, Inc.
250 John Knox Road
#4
Tallahassee, FL 32303

Petition for Rate Increase

738 01 TD

PAYMENT DUE UPON RECEIPT

FOR PROFESSIONAL SERVICES RENDERED

| | | | | |
|------------|-----|---|-----------|----------|
| 04/05/2010 | LCS | Review relevant rules and statutes and begin drafting application for an increase in water rates to be filed with the Florida Public Service Commission | 0.40 hrs. | 104.00 |
| 04/06/2010 | LCS | Receive and review test year approval letter from the Florida Public Service Commission; email correspondence to Mr. Brown, Ms. Chase, Mr. Seidman and Mr. Gauck to send letter and highlight filing deadline of 5/25/10; follow up email communications with Mr. Seidman; phone communications with Florida Public Service Commission staff regarding directions specified in letter | 0.70 hrs. | 182.00 |
| 04/07/2010 | LCS | Update timeline and due dates based on date for filing of application and minimum filing requirements, as specified in the Chairman's approval letter; email communications with Mr. Brown regarding direct testimony; continue drafting application | 0.70 hrs. | 182.00 |
| 04/08/2010 | LCS | Continue drafting application, consulting relevant statutes and rules and other client filings as needed; email communications with Mr. Brown, Ms. Chase, Mr. Seidman, Mr. Deason and Mr. Gauker to send draft application and revised timeline | 5.70 hrs. | 1,482.00 |
| 04/09/2010 | LCS | Email communications with Mr. Seidman | 0.20 hrs. | 52.00 |

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Client/Matter : 738 01

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Bill Number 15584

| | | | | |
|------------|-----|---|-----------|----------|
| | | regarding timeline; revise timeline accordingly and distribute | | |
| 04/09/2010 | TD | Review initial draft of application | 0.50 hrs. | 150.00 |
| 04/12/2010 | LCS | Receive and review email communications with Mr. Seidman related to suggestions for application and from Mr. Brown regarding same | 0.30 hrs. | 78.00 |
| 04/13/2010 | LCS | Multiple email communications related to expenses and draft testimony, including providing examples of direct testimony to Mr. Gauker as a template; review and make suggestions to direct testimony of Mr. Seidman and Mr. Brown | 1.20 hrs. | 312.00 |
| 04/13/2010 | TD | Review Mr. Brown's initial draft of his direct testimony and references to Minimum Filing Requirement schedules; identify corrections and suggest edits; prepare estimates of rate case expense | 1.40 hrs. | 420.00 |
| 04/14/2010 | SFC | Review draft testimony; make suggestions for revisions and additions | 0.80 hrs. | 320.00 |
| 04/14/2010 | LCS | Make agreed upon revisions to direct testimony of Mr. Brown and Mr. Seidman; confer for client regarding same; review Mr. Seidman's suggestions for Mr. Brown's testimony; confer for client regarding call/meeting scheduled for 4/15/10 | 0.90 hrs. | 234.00 |
| 04/14/2010 | TD | Review Mr. Seidman's initial draft of his direct testimony and references to MFR schedules; identify corrections and suggest edits | 1.00 hrs. | 300.00 |
| 04/15/2010 | SFC | Review Mr. Gauker's testimony and suggest revisions and additions; conference with client and witnesses to review testimony, application and discuss further research and information needed for case | 2.50 hrs. | 1,000.00 |
| 04/15/2010 | LCS | Incorporate suggested changes into direct testimony and application and circulate same; draft agenda for conference call/meeting; email communications relating to same; | 5.50 hrs. | 1,430.00 |

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Client/Matter : 738 01
Bill Number 15584

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| | | | | |
|------------|-----|--|-----------|--------|
| | | review draft testimony of Mr. Gauker; prepare for and participate in call/meeting to discuss draft application and direct testimony; receive and review follow up email communications from Ms. Chase and Mr. Brown | | |
| 04/15/2010 | TD | Review Mr. Gauker's initial draft of his direct testimony; identify corrections and suggest edits; prepare for and attend meeting and conference call with Mr. Brown, Ms. Chase, Mr. Seidman, Mr. Gauker, Ms. Scoles and Ms. Clark | 0.40 hrs. | 120.00 |
| 04/16/2010 | LCS | Compose and send recap of call/meeting from 4/15/10 and subsequent tasks and deadlines; schedule call/meeting on 5/6/10; follow up phone communications with Ms. Chase | 0.40 hrs. | 104.00 |
| 04/16/2010 | LCS | Receive and review additional suggested changes to direct testimony and application from Mr. Seidman; follow up contact with Commission staff on relevant issues | 0.40 hrs. | 104.00 |
| 04/16/2010 | TD | Review notes and action items from 4/15/10 meeting/conference call; review schedules and calculations supporting service availability charges | 0.70 hrs. | 210.00 |
| 04/19/2010 | LCS | Review additional suggestions regarding direct testimony by Mr. Seidman; follow-up contact with Commission staff | 0.50 hrs. | 130.00 |
| 04/21/2010 | TD | Begin review of draft Minimum Filing Requirements, Volumes I, II and III | 1.30 hrs. | 390.00 |
| 04/23/2010 | LCS | Research of Commission orders and rules related to acceptable reconnection fees and the participation at agenda for interim rates; email communications with Mr. Brown, Ms. Chase, Mr. Seidman and Mr. Gauker summarizing recent activities, outcome of research and upcoming tasks to be accomplished | 0.90 hrs. | 234.00 |
| 04/26/2010 | LCS | Phone communications with Commission staff regarding audits and adjustments from Commission order establishing rate base; | 0.30 hrs. | 78.00 |

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Client/Matter : 738 01
 Bill Number 15584

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| | | | | |
|----------------------------|-----|---|-----------|------------|
| | | email communications to Mr. Brown and Ms. Chase regarding same | | |
| 04/26/2010 | TD | Continue review of draft Minimum Filing Requirements, Volumes I, II and III | 2.20 hrs. | 660.00 |
| 04/28/2010 | TD | Conclude review of draft Minimum Filing Requirements Volumes I, II and III | 1.10 hrs. | 330.00 |
| 04/29/2010 | LCS | Revise application based on 04/15/10 conference call and subsequent input; prepare notice for service availability charges; email communications with Mr. Brown, Ms. Chase, Mr. Seidman and Mr. Gauker regarding revised application and upcoming deadlines | 3.60 hrs. | 936.00 |
| Total fees for this matter | | | | \$9,542.00 |

DISBURSEMENTS

| | | |
|-------------------------------------|----------------------------------|---------|
| 04/30/2010 | Phone conference call on 3/18/10 | 54.95 |
| 04/30/2010 | Photocopies | 4.50 |
| 04/30/2010 | Facsimile Charges | 2.00 |
| Total disbursements for this matter | | \$61.45 |

BILLING SUMMARY

| | |
|-----------------------------|-------------|
| TOTAL FEES | \$9,542.00 |
| TOTAL DISBURSEMENTS | \$61.45 |
| <hr/> | |
| TOTAL CHARGES FOR THIS BILL | \$9,603.45 |
| PLUS NET BALANCE FORWARD | \$8,403.88 |
| <hr/> | |
| TOTAL BALANCE NOW DUE | \$18,007.33 |

BALANCE FORWARD SUMMARY

| | | | |
|------------------|--------------------|----------------------|-------------------|
| <u>Bill Date</u> | <u>Bill Number</u> | <u>Billed Amount</u> | <u>Amount Due</u> |
|------------------|--------------------|----------------------|-------------------|

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Client/Matter : 738 01
Bill Number 15584

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| | | | |
|------------|-------|------------|------------|
| 02/04/2010 | 15138 | \$7,274.00 | \$1,274.00 |
| 03/05/2010 | 15259 | \$3,764.00 | \$1,764.00 |
| 04/06/2010 | 15448 | \$5,365.88 | \$5,365.88 |

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Federal Tax ID # 75-3101245

Bill Number 15822
Invoice Date June 7, 2010
Activity Billed through 05/31/2010

Gene D. Brown
Water Management Services, Inc.
250 John Knox Road
#4
Tallahassee, FL 32303

Petition for Rate Increase

738 01 TD

PAYMENT DUE UPON RECEIPT

FOR PROFESSIONAL SERVICES RENDERED

| | | | | |
|------------|-----|--|-----------|--------|
| 05/03/2010 | LCS | Receive, review and respond to email communications with Mr. Seidman regarding rate base; research to obtain the Florida Public Service Commission's 2004 audit and distribute same; begin preparations for upcoming conference call/meeting on revised drafts; prepare public records request to obtain copies of Staff's work papers from 2004 audit | 0.80 hrs. | 208.00 |
| 05/04/2010 | LCS | Email communications with Mr. Seidman and Mr. Gauker regarding rate base and draft testimony, to be discussed on the 5/6/10 conference call; confer for client regarding same | 0.40 hrs. | 104.00 |
| 05/04/2010 | TD | Review final audit report in Docket No. 000694-WU; review revised draft Application for Interim and Permanent Increase in Rates and Charges and Increased Service Availability Charges | 1.80 hrs. | 540.00 |
| 05/05/2010 | LCS | Review email communications regarding draft testimony; receive and review audit work papers provided by Florida Public Service Commission; prepare for conference call on 5/6/10; circulate audit work papers | 0.60 hrs. | 156.00 |
| 05/05/2010 | TD | Review revised draft testimony of Frank Seidman and prepare proposed edits; review notes from previous review of draft Minimum | 2.10 hrs. | 630.00 |

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Client/Matter : 738 01
Bill Number 15822

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| | | | | |
|------------|-----|--|-----------|----------|
| | | Filing Requirements; telephone call with Mr. Seidman to discuss same; telephone call with Mr. Brown | | |
| 05/06/2010 | SFC | Review petition and testimony | 0.50 hrs. | 200.00 |
| 05/06/2010 | LCS | Prepare and circulate agenda for call/meeting; prepare and participate in call/meeting to discuss revised petition, testimony, work papers and other related issues | 2.90 hrs. | 754.00 |
| 05/06/2010 | TD | Review audit work papers in Docket No. 000694-WU; prepare for and participate on conference call with Mr. Brown, Ms. Chase, Mr. Seidman and Ms. Scoles | 4.20 hrs. | 1,260.00 |
| 05/10/2010 | LCS | Set up conference call/meeting for 5/19/10 and circulate information and related timelines to Mr. Brown, Ms. Chase, Mr. Seidman and Mr. Gauker | 0.20 hrs. | 52.00 |
| 05/11/2010 | LCS | Receive and review email communications from Mr. Seidman related to expenses | 0.20 hrs. | 52.00 |
| 05/14/2010 | LCS | Revise petition based on input received and discussion at 5/6/10 meeting/conference call; email communications to send revised petition and exhibit and to outline additional tasks needed to be accomplished for upcoming meeting/conference call; phone and email communications with Mr. Seidman related to information needed and timeline for completing MFRs; phone and email communications with Mr. Brown regarding cost information needed; email communications with Mr. Seidman and Mr. Brown regarding petition exhibits | 1.50 hrs. | 390.00 |
| 05/17/2010 | LCS | Email communications with Mr. Brown and Ms. Chase regarding petition exhibits; review and edit Mr. Brown's and Mr. Seidman's direct testimony; note exhibits needed; prepare for 5/19/10 conference call/meeting, including preparing agenda; email communications with Mr. Brown, Ms. Chase, Mr. Seidman and Mr. | 1.60 hrs. | 416.00 |

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Client/Matter : 738 01
Bill Number 15822

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| | | | | |
|------------|-----|--|-----------|----------|
| | | Gauker to circulate materials and agenda for call/meeting | | |
| 05/18/2010 | LCS | Receive and review emails from Mr. Brown, Ms. Chase and Mr. Seidman regarding upcoming conference call/meeting and filing | 0.20 hrs. | 52.00 |
| 05/19/2010 | LCS | Prepare for and participate in conference/call meeting regarding upcoming filing; begin final revisions on documents and arrange copying of same | 2.60 hrs. | 676.00 |
| 05/19/2010 | TD | Preparation and participation on conference call with Mr. Brown, Ms. Chase, Mr. Seidman, and Ms. Scoles | 1.60 hrs. | 480.00 |
| 05/20/2010 | LCS | Begin to finalize documents and exhibits for filing on 5/25/10; multiple email and/or phone communications with Mr. Seidman, Mr. Brown, Ms. Chase and Mr. Gauker regarding same; meet with Mr. Brown regarding same | 4.70 hrs. | 1,222.00 |
| 05/21/2010 | LCS | Continue to finalize documents and exhibits for filing on 5/25/10; review and note all noticing requirements and associated timelines; email communications with Ms. Chase regarding requirements and timelines | 2:20 hrs. | 572.00 |
| 05/24/2010 | LCS | Finalize cover letter to Florida Public Service Commission clerk and attachments; finalize distribution of copies of petition and supporting documents | 0.70 hrs. | 182.00 |
| 05/25/2010 | LCS | Finalize filing at Florida Public Service Commission; email communications with Mr. Brown, Ms. Chase, and Mr. Seidman regarding same; email communications with Ms. Chase regarding documents to make available at the service area location | 0.80 hrs. | 208.00 |
| 05/25/2010 | TD | Review final Application for Interim and Permanent Increase in Rates and Charges and Increased Service Availability Charges, Testimony and Minimum Filing Requirements | 1.40 hrs. | 420.00 |
| 05/26/2010 | LCS | Email communications with Florida Public Service Commission staff to follow up on the | 0.20 hrs. | 52.00 |

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Client/Matter : 738 01
 Bill Number 15822

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notice of service availability charges

Total fees for this matter \$8,626.00

DISBURSEMENTS

| | | |
|------------|--|------------|
| 05/17/2010 | Florida Public Service Commission public records request fee for audit records | 1.00 |
| 05/26/2010 | Miscellaneous expenses related to binding documents to file in rate case (95 documents bound), incurred 5/21/10-5/25/10 | 275.61 |
| 05/31/2010 | Conference call charges for calls on 5/06/10 and 5/19/10 with Mr. Brown, Ms. Chase, Mr. Seidman, Mr. Deason and Ms. Scoles | 111.20 |
| 05/31/2010 | Photocopies | 2,323.25 |
| 05/31/2010 | Messenger Charges | 20.00 |
| | Total disbursements for this matter | \$2,731.06 |

BILLING SUMMARY

| | |
|-----------------------------|-------------|
| TOTAL FEES | \$8,626.00 |
| TOTAL DISBURSEMENTS | \$2,731.06 |
| | ----- |
| TOTAL CHARGES FOR THIS BILL | \$11,357.06 |
| PLUS NET BALANCE FORWARD | \$14,007.33 |
| | ----- |
| TOTAL BALANCE NOW DUE | \$25,364.39 |

BALANCE FORWARD SUMMARY

| <u>Bill Date</u> | <u>Bill Number</u> | <u>Billed Amount</u> | <u>Amount Due</u> |
|------------------|--------------------|----------------------|-------------------|
| 04/06/2010 | 15448 | \$5,365.88 | \$4,403.88 |
| 05/07/2010 | 15584 | \$9,603.45 | \$9,603.45 |

RADEY THOMAS YON & CLARK

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

POST OFFICE BOX 10967
TALLAHASSEE, FL 32302
(850) 425-6654
Federal Tax ID # 75-3101245

Bill Number 15948

Invoice Date July 7, 2010
Activity Billed through 06/30/2010

Gene D. Brown
Water Management Services, Inc.
250 John Knox Road
#4
Tallahassee, FL 32303

Petition for Rate Increase

738 01 TD

PAYMENT DUE UPON RECEIPT

FOR PROFESSIONAL SERVICES RENDERED

| | | | | |
|------------|-----|---|-----------|--------|
| 06/02/2010 | LCS | Email communications with Florida Public Service Commission staff to follow up on approval of notice of proposed changes to service availability charges | 0.20 hrs. | 52.00 |
| 06/03/2010 | LCS | Multiple phone and email communications with Florida Public Service Commission staff and Ms. Chase regarding waiver of 60 day deadline for interim rates and the proposed notice for the service availability charges; revise timeline with new dates, including statutory deadlines; prepare letter to Public Service Commission waiving 60 day deadline for interim rates and electronically file same with Commission clerk; email communications with Mr. Brown, Ms. Chase and Mr. Seidman to provide update and circulate revised timeline | 2.00 hrs. | 520.00 |
| 06/03/2010 | TD | Review revised update of case timeline and staff's request for waiver of the 60 days for interim rates; conference on same | 0.30 hrs. | 90.00 |
| 06/16/2010 | LCS | Review email communications from Mr. Brown related to audit requests from Florida Public Service Commission staff | 0.20 hrs. | 52.00 |
| 06/16/2010 | TD | Review Audit Document/Record Requests submitted by Public Service Commission staff on June 14, 2010 and associated email | 0.90 hrs. | 270.00 |

002243

WHITE - CUSTOMER YELLOW - REMITTANCE

RADEY THOMAS YON & CLARK
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
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Client/Matter : 738 01
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| | | | | |
|------------|-----|--|-----------|--------|
| 06/17/2010 | LCS | correspondence with Mr. Brown Review multiple email communications from Mr. Brown regarding requests from Florida Public Service Commission staff and posing questions related to procedure and process; review relevant Florida Statutes; phone communications with Commission legal staff regarding requests and process; email communications to respond to Mr. Brown and Mr. Seidman | 0.50 hrs. | 130.00 |
| 06/17/2010 | TD | Review status of filing due dates, overall case scheduling and responses to audit requests; telephone call with Mr. Kelly | 0.70 hrs. | 210.00 |
| 06/18/2010 | LCS | Phone and email communications with Mr. Brown related to responses to Florida Public Service Commission staff's audit requests and intervention by the Office of Public Counsel; confer for client regarding same | 0.30 hrs. | 78.00 |
| 06/21/2010 | LCS | Phone communications with Florida Public Service Commission staff regarding the previously-supplied map; email communications with Mr. Brown regarding same and regarding communications with staff; multiple phone and email communications with Florida Public Service Commission legal staff regarding map, rate case synopsis and upcoming noticing requirements; begin drafting rate case synopsis, consulting relevant rules as needed | 3.50 hrs. | 910.00 |
| 06/22/2010 | LCS | Finish drafting rate case synopsis; email and/or phone communications with Mr. Seidman, Ms. Chase, Mr. Brown and Mr. Deason regarding same; finalize rate case synopsis and email to Florida Public Service Commission staff for review and approval | 1.70 hrs. | 442.00 |
| 06/23/2010 | LCS | Draft filing requesting confidential treatment of documents provided to Florida Public Service Commission staff in response to audit | 1.90 hrs. | 494.00 |

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WHITE - CUSTOMER YELLOW - REMITTANCE

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Federal Tax ID # 75-3101245

Client/Matter : 738 01
Bill Number 15948

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request; email communications with Mr. Brown to request information regarding same; phone and email communications with Commission staff regarding revisions to rate case synopsis and key dates; revise and edit synopsis, adding key dates and making necessary corrections; email revised synopsis to Commission staff; email communications with Mr. Brown, Ms. Chase and Mr. Seidman regarding schedule; prepare and circulate updated timeline based on the schedule

| | | | | |
|------------|-----|--|-----------|----------|
| 06/24/2010 | LCS | Phone and email communications with Florida Public Service Commission staff regarding rate case synopsis; finalize synopsis; draft cover letter to send synopsis to Franklin County Commissioners; phone and email communications with Ms. Chase regarding distribution of synopsis; begin to draft initial customer notice | 1.80 hrs. | 468.00 |
| 06/24/2010 | TD | Review Rate Case Synopsis and schedule for case | 0.40 hrs. | 120.00 |
| 06/25/2010 | LCS | Receive and review letter from the Florida Public Service Commission establishing filing date as 5/25/10; continue drafting customer notice and email communications with client regarding draft; conferences for client regarding minimum filing requirements filed with the clerk's office; phone and/or email communications with Mr. Brown, Ms. Chase and Mr. Seidman regarding same; phone communications with the Florida Public Service Commission legal staff regarding same | 3.90 hrs. | 1,014.00 |
| 06/25/2010 | TD | Review and compare MFR's with Petition, Testimony and the draft Customer Notice to identify points for updating; review draft Customer Notice | 2.20 hrs. | 660.00 |
| 06/28/2010 | LCS | Prepare and finalize cover letter to Florida Public Service Commission Clerk to accompany updated pages of Volume I of the | 1.20 hrs. | 312.00 |

002245

WHITE - CUSTOMER YELLOW - REMITTANCE

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Client/Matter : 738 01
Bill Number 15948

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minimum filing requirements and arrange delivery of same; email communications with Mr. Brown and Ms. Chase regarding filing to request confidentiality; draft affidavit for Mr. Brown regarding compliance with noticing requirements; confer with Mr. Brown regarding revisions to customer notice; email customer notice to Commission legal staff for approval

| | | | | |
|------------|-----|---|-----------|--------|
| 06/28/2010 | TD | Telephone calls and emails with Ms. Merchant | 0.40 hrs. | 120.00 |
| 06/29/2010 | LCS | Multiple phone and email communications with the Office of Public Counsel, staff of the Florida Public Service Commission and the utility related to the Office of Public Counsel's concern with the schedule; receive discovery requests from the Office of Public Counsel; email communications regarding discovery requests to utility | 1.50 hrs. | 390.00 |
| 06/29/2010 | TD | Review email from Mr. McGlothlin; review proposed case schedule and concerns expressed by Mr. McGlothlin; discuss with Ms. Scoles | 0.50 hrs. | 150.00 |
| 06/30/2010 | MMG | Review documents received from Mr. Seidman with an assessment of their format and responsiveness to discovery received from the Office of Public Counsel | 1.20 hrs. | 180.00 |
| 06/30/2010 | LCS | Email communications from Mr. Seidman related to interrogatories and request for documents from the Office of Public Counsel; review initial interrogatory and production responses from Mr. Seidman; multiple email and phone communications with Florida Public Service Commission staff and the Office of Public Counsel regarding schedule, meeting on 7/2/10 and audit responses; email and phone communications with client to discuss same; prepare for meeting on 7/1/10 with client and 7/2/10 with Commission staff | 1.30 hrs. | 338.00 |
| 06/30/2010 | TD | Prepare for meeting with Mr. Brown, Ms. | 1.50 hrs. | 450.00 |

002246

WHITE - CUSTOMER YELLOW - REMITTANCE

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Client/Matter : 738 01
Bill Number 15948

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Chase, Mr. Seidman and Ms. Scoles; initial
review of pending discovery requests from the
Office of Public Counsel

Total fees for this matter \$7,450.00

DISBURSEMENTS

| | | |
|------------|--------------------------------------|-------|
| 05/06/2010 | Intercall Conference call on 5/6/10 | 57.49 |
| 05/19/2010 | Intercall conference call on 5/19/10 | 37.57 |
| 06/30/2010 | Photocopies | 25.00 |
| 06/30/2010 | Messenger Charges | 10.00 |
| 06/30/2010 | Postage | 3.73 |

Total disbursements for this matter \$133.79

BILLING SUMMARY

| | |
|-----------------------------|-------------|
| TOTAL FEES | \$7,450.00 |
| TOTAL DISBURSEMENTS | \$133.79 |
| ----- | |
| TOTAL CHARGES FOR THIS BILL | \$7,583.79 |
| PLUS NET BALANCE FORWARD | \$25,364.39 |
| ----- | |
| TOTAL BALANCE NOW DUE | \$32,948.18 |

BALANCE FORWARD SUMMARY

| <u>Bill Date</u> | <u>Bill Number</u> | <u>Billed Amount</u> | <u>Amount Due</u> |
|------------------|--------------------|----------------------|-------------------|
| 04/06/2010 | 15448 | \$5,365.88 | \$4,403.88 |
| 05/07/2010 | 15584 | \$9,603.45 | \$9,603.45 |
| 06/07/2010 | 15822 | \$11,357.06 | \$11,357.06 |

002247

WHITE - CUSTOMER YELLOW - REMITTANCE

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PROFESSIONAL ASSOCIATION
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POST OFFICE BOX 10967
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(850) 425-6654
Federal Tax ID # 75-3101245

Bill Number 16157

Invoice Date August 5, 2010
Activity Billed through 07/31/2010

Gene D. Brown
Water Management Services, Inc.
250 John Knox Road
#4
Tallahassee, FL 32303

Petition for Rate Increase

738 01 TD

PAYMENT DUE UPON RECEIPT

FOR PROFESSIONAL SERVICES RENDERED

| | | | | |
|------------|-----|--|-----------|--------|
| 07/01/2010 | LCS | Prepare for and participate in meeting with Mr. Brown, Ms. Chase, Mr. Seidman and Mr. Deason to discuss the proposed schedule changes, customer notice, discovery and confidential information; follow email communications with Mr. Seidman regarding discovery responses; prepare for 7/2/10 meeting with Office of Public Counsel and Public Service Commission staff; email communications regarding customer noticing requirements and proposed schedules from the Office of Public Counsel | 2.30 hrs. | 598.00 |
| 07/01/2010 | TD | Attend meeting with Mr. Brown, Ms. Chase Mr. Seidman and Ms. Scoles concerning case scheduling, customer notice, pending discovery, and confidential information; prepare for 7/2/10 meeting with the Office of Public Counsel and Commission Staff | 2.30 hrs. | 690.00 |
| 07/02/2010 | LCS | Begin drafting responses to the Office of Public Counsel's interrogatories; prepare for and participate in meeting with staff of the Florida Public Service Commission and the Office of Public Counsel related to the schedule in the case; confer for client regarding meeting; phone communications with Mr. Brown and Mr. Seidman regarding | 2.70 hrs. | 702.00 |

002248

WHITE - CUSTOMER YELLOW - REMITTANCE

RADEY THOMAS YON & CLARK
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
POST OFFICE BOX 10967
TALLAHASSEE, FL 32302
(850) 425-6654
Federal Tax ID # 75-3101245

Client/Matter : 738 01
Bill Number 16157

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| | | | | |
|------------|-----|--|-----------|----------|
| 07/02/2010 | TD | meeting Research case schedules for File and Suspend Rate Cases; attend meeting with Commission staff and Office of Public Counsel; make telephone calls to check personnel availability; prepare and forward report on today's meeting | 2.70 hrs. | 810.00 |
| 07/06/2010 | LCS | Review request to inspect utility facilities from the Office of Public Counsel; email communications with Mr. Brown and Ms. Chase regarding same; confer for client regarding same; phone communications with the Office of Public Counsel regarding same; revise and finalize draft request for confidential classification; email communications with Mr. Brown and Ms. Chase regarding same; continue reviewing and coordinating responses to the Office of Public Counsel's interrogatories; phone communications with Mr. Brown regarding same | 4.10 hrs. | 1,066.00 |
| 07/06/2010 | TD | Review Office of Public Counsel's Request to Permit Entry Upon Land and Property for Inspection of System; discuss with Ms. Scoles and Ms. Chase; review Request for Confidential Classification and redacted documents | 0.80 hrs. | 240.00 |
| 07/07/2010 | LCS | Multiple email communications with Mr. Brown and Ms. Chase regarding request for confidentiality and discovery responses; email communications with the Office of Public Counsel regarding the inspection date; review the Office of Public Counsel's request for production of documents and begin preparing responses thereto; revise the request for confidentiality per Mr. Brown's additional information; finalize request and attachments and arrange filing and service of same; draft client's response to the Office of Public Counsel's request to permit entry upon land | 4.30 hrs. | 1,118.00 |

002249

WHITE - CUSTOMER YELLOW - REMITTANCE

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Client/Matter : 738 01
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|------------|-----|--|-----------|--------|
| 07/08/2010 | LCS | and notice regarding same; file notice with the Florida Public Service Commission; serve response and notice to the Office of Public Counsel and Commission staff Email and phone communications with Ms. Chase regarding discovery responses to the Office of Public Counsel; confer for client regarding same; email communications with Office of Public Counsel staff regarding inspection date; email communications with Florida Public Service Commission staff regarding case schedule | 0.70 hrs. | 182.00 |
| 07/08/2010 | TD | Review response to Office of Public Counsel's Request to Permit Entry and make plans to attend the inspection; review pending interrogatories from the Office of Public Counsel | 1.00 hrs. | 300.00 |
| 07/09/2010 | LCS | Phone and email communications with Ms. Chase regarding discovery responses, scheduling and customer notice requirements; phone communications with Florida Public Service Commission staff regarding same | 0.40 hrs. | 104.00 |
| 07/12/2010 | LCS | Review all documents received from client responsive to the Office of Public Counsel's first request for production of documents; multiple email communications with client regarding discovery responses, customer notice and schedule; revise responses to production requests accordingly; prepare privilege log for privileged documents; phone and email communications with Florida Public Service Commission staff regarding schedule; revise initial customer notice, rate case synopsis and timeline to include new dates; email initial customer notice and revised rate case synopsis to Commission staff for approval prior to distribution; draft cover letter to Franklin County Commissioners | 2.90 hrs. | 754.00 |
| 07/13/2010 | LCS | Multiple email communications with Florida | 1.40 hrs. | 364.00 |

002250

WHITE - CUSTOMER YELLOW - REMITTANCE

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Client/Matter : 738 01
Bill Number 16157

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Public Service Commission staff regarding customer notice and updated rate case synopsis; multiple email communications with the Office of Public Counsel regarding the inspection date; finalize customer notice, updated rate case synopsis and cover letter to Franklin County Commissioners; multiple email communications with Ms. Chase regarding same; receive and review order establishing procedure

| | | | | |
|------------|-----|---|-----------|----------|
| 07/13/2010 | TD | Review Order Establishing Procedure | 0.20 hrs. | 60.00 |
| 07/14/2010 | LCS | Confer for client regarding date for the Office of Public Counsel's inspection of system and discovery responses; multiple phone communications with Ms. Chase regarding discovery responses and documents; phone communications with Florida Public Service Commission staff regarding assignment change and inspection date; phone and email communications with the Office of Public Counsel regarding inspection date; confer for client regarding documents to be produced | 2.30 hrs. | 598.00 |
| 07/14/2010 | TD | Review documents to be produced in response to Citizens' First Request to Produce Documents, Nos. 1, 2, 4-12, 17-20, 24, 26, 27, 30, 32, 34, 35, 37, 39-40, 44, 45 and 48 | 3.00 hrs. | 900.00 |
| 07/15/2010 | LCS | Begin list of issues to discuss with client related to discovery responses; email communications to schedule a conference call/meeting regarding interim rates; outline additional steps needed to finalize discovery responses; multiple email and phone communications related to discovery responses; review and revise responses to the Office of Public Counsel's interrogatories and requests for production of documents | 6.60 hrs. | 1,716.00 |
| 07/15/2010 | TD | Review draft responses to Citizens' First Set of Interrogatories Nos. 1-64 and documents to be produced in response to Citizens First Request | 3.60 hrs. | 1,080.00 |

002251

WHITE - CUSTOMER YELLOW - REMITTANCE

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Client/Matter : 738 01
Bill Number : 16157

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|------------|-----|--|-----------|----------|
| 07/16/2010 | LCS | to Produce Documents, Nos. 28, 31, 36 and 47 Continue to review, edit and refine responses to the Office of Public Counsel's interrogatories and requests for production; phone communications with Mr. Brown, Ms. Chase and Mr. Seidman regarding same | 5.70 hrs. | 1,482.00 |
| 07/17/2010 | LCS | Multiple phone and email communications with Mr. Brown regarding exhibits to interrogatories; confer for client regarding same | 0.90 hrs. | 234.00 |
| 07/19/2010 | PLK | Prepare Notice of Service; telephone conferences and emails with Ms. Chase regarding discovery responses; office conference with Mr. Brown and Ms. Chase; conference regarding same; revise responses | 0.90 hrs. | 135.00 |
| 07/20/2010 | PLK | Conference with Ms. Chase regarding additions to documents to be produced; telephone conference with Mr. Jaeger regarding cancellation of site visit | 0.30 hrs. | 45.00 |
| 07/21/2010 | TD | Coordinate change in Office of Public Counsel's site visit from 7/22/10 to 7/30/10 | 0.30 hrs. | 90.00 |
| 07/26/2010 | LCS | Review Florida Public Service Commission's recommendation regarding interim rates; review email communications from Mr. Seidman and Ms. Chase regarding same; draft, finalize, serve and file amended response to the Office of Public Counsel's request for inspection and notice of same; confer for client regarding production of documents and staff recommendation | 1.20 hrs. | 312.00 |
| 07/27/2010 | LCS | Continue to review the recommendation of the Florida Public Service Commission staff and concerns regarding same; conference for client regarding same; legal research related to interim rates; phone communications with Commission staff; prepare for 7/29/10 meeting/conference call, including preparation of draft agenda for issues to be covered | 1.80 hrs. | 468.00 |

002252

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Client/Matter : 738 01
Bill Number . 16157

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|------------|-----|---|-----------|----------|
| 07/27/2010 | TD | Review and analyze staff recommendations on interim rates; review emails from Mr. Brown and Mr. Seidman concerning same | 1.20 hrs. | 360.00 |
| 07/28/2010 | LCS | Multiple phone communications with Florida Public Commission legal staff regarding inspection, discovery responses and agenda conference; email communications with client regarding items for discussion at 7/29/10 meeting; confer for client regarding bates labeling; email communications with the Office of Public Counsel regarding inspection; prepare for 07/29/10 meeting | 1.40 hrs. | 364.00 |
| 07/29/2010 | SFC | Review of and conference regarding interim rates recommendation and preparation for Agenda Conference | 2.00 hrs. | 800.00 |
| 07/29/2010 | LCS | Prepare for and participate in meeting/call with Mr. Brown, Ms. Chase, Mr. Seidman, Mr. Deason and Ms. Clark; follow up communications with the Office of Public Counsel and Florida Public Service Commission staff; confer regarding 7/30/10 inspection | 3.30 hrs. | 858.00 |
| 07/29/2010 | TD | Participation in meeting with Mr. Brown, Ms. Chase, Mr. Seidman, Ms. Clark and Ms. Scoles regarding interim rates recommendation and Agenda Conference | 2.00 hrs. | 600.00 |
| 07/29/2010 | TD | Preparation and participation at the Office of Public Counsel's inspection of Water Management Services' plant and facilities on St. George Island and wells in Franklin County; meet with Mr. Brown and Water Management Services' staff following the inspection | 5.00 hrs. | 1,500.00 |
| 07/30/2010 | LCS | Email communications with the Office of Public Counsel and Mr. Brown regarding proposed deposition dates; email communications with Mr. Seidman regarding rate of return figures; prepare and arrange | 3.10 hrs. | 806.00 |

002253

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Client/Matter : 738 01
Bill Number 16157

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filing of correspondence to Florida Public Service Commission clerk to provide publication of service availability charges notice; draft comments for agenda conference if allowed to participate; prepare, review, finalize and serve first request for production of documents and first set of interrogatories to the Office of Public Counsel; prepare notice of service and file same with Commission; review the Office of Public Counsel's second request for production of documents and distribute same

Total fees for this matter \$19,336.00

DISBURSEMENTS

07/31/2010 Photocopies 293.00
07/31/2010 Messenger Charges 50.00

Total disbursements for this matter \$343.00

BILLING SUMMARY

TOTAL FEES \$19,336.00
TOTAL DISBURSEMENTS \$343.00

TOTAL CHARGES FOR THIS BILL \$19,679.00
PLUS NET BALANCE FORWARD \$30,948.18

TOTAL BALANCE NOW DUE \$50,627.18

BALANCE FORWARD SUMMARY

| <u>Bill Date</u> | <u>Bill Number</u> | <u>Billed Amount</u> | <u>Amount Due</u> |
|------------------|--------------------|----------------------|-------------------|
| 04/06/2010 | 15448 | \$5,365.88 | \$2,403.88 |

002254

WHITE - CUSTOMER YELLOW - REMITTANCE

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PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
POST OFFICE BOX 10967
TALLAHASSEE, FL 32302
(850) 425-6654
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Client/Matter : 738 01
Bill Number 16157

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| | | | |
|------------|-------|-------------|-------------|
| 05/07/2010 | 15584 | \$9,603.45 | \$9,603.45 |
| 06/07/2010 | 15822 | \$11,357.06 | \$11,357.06 |
| 07/07/2010 | 15948 | \$7,583.79 | \$7,583.79 |

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TALLAHASSEE, FL 32302
(850) 425-6654
Federal Tax ID # 75-3101245

Bill Number 16157
Invoice Date August 5, 2010
Activity Billed through 07/31/2010

Gene D. Brown
Water Management Services, Inc.
250 John Knox Road
#4
Tallahassee, FL 32303

Petition for Rate Increase

738 01 TD

PAYMENT DUE UPON RECEIPT

FOR PROFESSIONAL SERVICES RENDERED

| | | | | |
|------------|-----|--|-----------|--------|
| 07/01/2010 | LCS | Prepare for and participate in meeting with Mr. Brown, Ms. Chase, Mr. Seidman and Mr. Deason to discuss the proposed schedule changes, customer notice, discovery and confidential information; follow email communications with Mr. Seidman regarding discovery responses; prepare for 7/2/10 meeting with Office of Public Counsel and Public Service Commission staff; email communications regarding customer noticing requirements and proposed schedules from the Office of Public Counsel | 2.30 hrs. | 598.00 |
| 07/01/2010 | TD | Attend meeting with Mr. Brown, Ms. Chase Mr. Seidman and Ms. Scoles concerning case scheduling, customer notice, pending discovery, and confidential information; prepare for 7/2/10 meeting with the Office of Public Counsel and Commission Staff | 2.30 hrs. | 690.00 |
| 07/02/2010 | LCS | Begin drafting responses to the Office of Public Counsel's interrogatories; prepare for and participate in meeting with staff of the Florida Public Service Commission and the Office of Public Counsel related to the schedule in the case; confer for client regarding meeting; phone communications with Mr. Brown and Mr. Seidman regarding | 2.70 hrs. | 702.00 |

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Client/Matter : 738 01
Bill Number 16157

Page 2

| | | | | |
|------------|-----|--|-----------|----------|
| 07/02/2010 | TD | meeting Research case schedules for File and Suspend Rate Cases; attend meeting with Commission staff and Office of Public Counsel; make telephone calls to check personnel availability; prepare and forward report on today's meeting | 2.70 hrs. | 810.00 |
| 07/06/2010 | LCS | Review request to inspect utility facilities from the Office of Public Counsel; email communications with Mr. Brown and Ms. Chase regarding same; confer for client regarding same; phone communications with the Office of Public Counsel regarding same; revise and finalize draft request for confidential classification; email communications with Mr. Brown and Ms. Chase regarding same; continue reviewing and coordinating responses to the Office of Public Counsel's interrogatories; phone communications with Mr. Brown regarding same | 4.10 hrs. | 1,066.00 |
| 07/06/2010 | TD | Review Office of Public Counsel's Request to Permit Entry Upon Land and Property for Inspection of System; discuss with Ms. Scoles and Ms. Chase; review Request for Confidential Classification and redacted documents | 0.80 hrs. | 240.00 |
| 07/07/2010 | LCS | Multiple email communications with Mr. Brown and Ms. Chase regarding request for confidentiality and discovery responses; email communications with the Office of Public Counsel regarding the inspection date; review the Office of Public Counsel's request for production of documents and begin preparing responses thereto; revise the request for confidentiality per Mr. Brown's additional information; finalize request and attachments and arrange filing and service of same; draft client's response to the Office of Public Counsel's request to permit entry upon land | 4.30 hrs. | 1,118.00 |

002257

WHITE - CUSTOMER YELLOW - REMITTANCE

RADEY THOMAS YON & CLARK

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Client/Matter : 738 . 01
Bill Number 16157

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|------------|-----|--|-----------|--------|
| | | and notice regarding same; file notice with the Florida Public Service Commission; serve response and notice to the Office of Public Counsel and Commission staff | | |
| 07/08/2010 | LCS | Email and phone communications with Ms. Chase regarding discovery responses to the Office of Public Counsel; confer for client regarding same; email communications with Office of Public Counsel staff regarding inspection date; email communications with Florida Public Service Commission staff regarding case schedule | 0.70 hrs. | 182.00 |
| 07/08/2010 | TD | Review response to Office of Public Counsel's Request to Permit Entry and make plans to attend the inspection; review pending interrogatories from the Office of Public Counsel | 1.00 hrs. | 300.00 |
| 07/09/2010 | LCS | Phone and email communications with Ms. Chase regarding discovery responses, scheduling and customer notice requirements; phone communications with Florida Public Service Commission staff regarding same | 0.40 hrs. | 104.00 |
| 07/12/2010 | LCS | Review all documents received from client responsive to the Office of Public Counsel's first request for production of documents; multiple email communications with client regarding discovery responses, customer notice and schedule; revise responses to production requests accordingly; prepare privilege log for privileged documents; phone and email communications with Florida Public Service Commission staff regarding schedule; revise initial customer notice, rate case synopsis and timeline to include new dates; email initial customer notice and revised rate case synopsis to Commission staff for approval prior to distribution; draft cover letter to Franklin County Commissioners | 2.90 hrs. | 754.00 |
| 07/13/2010 | LCS | Multiple email communications with Florida | 1.40 hrs. | 364.00 |

002258

WHITE - CUSTOMER YELLOW - REMITTANCE

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TALLAHASSEE, FL 32302
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Client/Matter : 738 01
Bill Number 16157

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|------------|-----|---|-----------|----------|
| | | Public Service Commission staff regarding customer notice and updated rate case synopsis; multiple email communications with the Office of Public Counsel regarding the inspection date; finalize customer notice, updated rate case synopsis and cover letter to Franklin County Commissioners; multiple email communications with Ms. Chase regarding same; receive and review order establishing procedure | | |
| 07/13/2010 | TD | Review Order Establishing Procedure | 0.20 hrs. | 60.00 |
| 07/14/2010 | LCS | Confer for client regarding date for the Office of Public Counsel's inspection of system and discovery responses; multiple phone communications with Ms. Chase regarding discovery responses and documents; phone communications with Florida Public Service Commission staff regarding assignment change and inspection date; phone and email communications with the Office of Public Counsel regarding inspection date; confer for client regarding documents to be produced | 2.30 hrs. | 598.00 |
| 07/14/2010 | TD | Review documents to be produced in response to Citizens' First Request to Produce Documents, Nos. 1, 2, 4-12, 17-20, 24, 26, 27, 30, 32, 34, 35, 37, 39-40, 44, 45 and 48 | 3.00 hrs. | 900.00 |
| 07/15/2010 | LCS | Begin list of issues to discuss with client related to discovery responses; email communications to schedule a conference call/meeting regarding interim rates; outline additional steps needed to finalize discovery responses; multiple email and phone communications related to discovery responses; review and revise responses to the Office of Public Counsel's interrogatories and requests for production of documents | 6.60 hrs. | 1,716.00 |
| 07/15/2010 | TD | Review draft responses to Citizens' First.Set of Interrogatories Nos. 1-64 and documents to be produced in response to Citizens First Request | 3.60 hrs. | 1,080.00 |

002259

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Client/Matter : 738 01
Bill Number : 16157

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|------------|-----|--|-----------|----------|
| 07/16/2010 | LCS | to Produce Documents, Nos. 28, 31, 36 and 47 Continue to review, edit and refine responses to the Office of Public Counsel's interrogatories and requests for production; phone communications with Mr. Brown, Ms. Chase and Mr. Seidman regarding same | 5.70 hrs. | 1,482.00 |
| 07/17/2010 | LCS | Multiple phone and email communications with Mr. Brown regarding exhibits to interrogatories; confer for client regarding same | 0.90 hrs. | 234.00 |
| 07/19/2010 | PLK | Prepare Notice of Service; telephone conferences and emails with Ms. Chase regarding discovery responses; office conference with Mr. Brown and Ms. Chase; conference regarding same; revise responses | 0.90 hrs. | 135.00 |
| 07/20/2010 | PLK | Conference with Ms. Chase regarding additions to documents to be produced; telephone conference with Mr. Jaeger regarding cancellation of site visit | 0.30 hrs. | 45.00 |
| 07/21/2010 | TD | Coordinate change in Office of Public Counsel's site visit from 7/22/10 to 7/30/10 | 0.30 hrs. | 90.00 |
| 07/26/2010 | LCS | Review Florida Public Service Commission's recommendation regarding interim rates; review email communications from Mr. Seidman and Ms. Chase regarding same; draft, finalize, serve and file amended response to the Office of Public Counsel's request for inspection and notice of same; confer for client regarding production of documents and staff recommendation | 1.20 hrs. | 312.00 |
| 07/27/2010 | LCS | Continue to review the recommendation of the Florida Public Service Commission staff and concerns regarding same; conference for client regarding same; legal research related to interim rates; phone communications with Commission staff; prepare for 7/29/10 meeting/conference call, including preparation of draft agenda for issues to be covered | 1.80 hrs. | 468.00 |

002260

WHITE - CUSTOMER YELLOW - REMITTANCE

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Client/Matter : 738 01
Bill Number . 16157

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| | | | | |
|------------|-----|---|-----------|----------|
| 07/27/2010 | TD | Review and analyze staff recommendations on interim rates; review emails from Mr. Brown and Mr. Seidman concerning same | 1.20 hrs. | 360.00 |
| 07/28/2010 | LCS | Multiple phone communications with Florida Public Commission legal staff regarding inspection, discovery responses and agenda conference; email communications with client regarding items for discussion at 7/29/10 meeting; confer for client regarding bates labeling; email communications with the Office of Public Counsel regarding inspection; prepare for 07/29/10 meeting | 1.40 hrs. | 364.00 |
| 07/29/2010 | SFC | Review of and conference regarding interim rates recommendation and preparation for Agenda Conference | 2.00 hrs. | 800.00 |
| 07/29/2010 | LCS | Prepare for and participate in meeting/call with Mr. Brown, Ms. Chase, Mr. Seidman, Mr. Deason and Ms. Clark; follow up communications with the Office of Public Counsel and Florida Public Service Commission staff; confer regarding 7/30/10 inspection | 3.30 hrs. | 858.00 |
| 07/29/2010 | TD | Participation in meeting with Mr. Brown, Ms. Chase, Mr. Seidman, Ms. Clark and Ms. Scoles regarding interim rates recommendation and Agenda Conference | 2.00 hrs. | 600.00 |
| 07/29/2010 | TD | Preparation and participation at the Office of Public Counsel's inspection of Water Management Services' plant and facilities on St. George Island and wells in Franklin County; meet with Mr. Brown and Water Management Services' staff following the inspection | 5.00 hrs. | 1,500.00 |
| 07/30/2010 | LCS | Email communications with the Office of Public Counsel and Mr. Brown regarding proposed deposition dates; email communications with Mr. Seidman regarding rate of return figures; prepare and arrange | 3.10 hrs. | 806.00 |

002261

WHITE - CUSTOMER YELLOW - REMITTANCE

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Client/Matter : 738 01
Bill Number 16157

Page 7

filing of correspondence to Florida Public Service Commission clerk to provide publication of service availability charges notice; draft comments for agenda conference if allowed to participate; prepare, review, finalize and serve first request for production of documents and first set of interrogatories to the Office of Public Counsel; prepare notice of service and file same with Commission; review the Office of Public Counsel's second request for production of documents and distribute same

Total fees for this matter \$19,336.00

DISBURSEMENTS

07/31/2010 Photocopies 293.00
07/31/2010 Messenger Charges 50.00

Total disbursements for this matter \$343.00

BILLING SUMMARY

TOTAL FEES \$19,336.00
TOTAL DISBURSEMENTS \$343.00

TOTAL CHARGES FOR THIS BILL \$19,679.00
PLUS NET BALANCE FORWARD \$30,948.18

TOTAL BALANCE NOW DUE \$50,627.18

BALANCE FORWARD SUMMARY

| <u>Bill Date</u> | <u>Bill Number</u> | <u>Billed Amount</u> | <u>Amount Due</u> |
|------------------|--------------------|----------------------|-------------------|
| 04/06/2010 | 15448 | \$5,365.88 | \$2,403.88 |

002262

WHITE - CUSTOMER YELLOW - REMITTANCE

RADEY THOMAS YON & CLARK
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(850) 425-6654
Federal Tax ID # 75-3101245

Client/Matter : 738 01
Bill Number 16157

Page 8

| | | | |
|------------|-------|-------------|-------------|
| 05/07/2010 | 15584 | \$9,603.45 | \$9,603.45 |
| 06/07/2010 | 15822 | \$11,357.06 | \$11,357.06 |
| 07/07/2010 | 15948 | \$7,583.79 | \$7,583.79 |

RADEY THOMAS YON & CLARK

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

POST OFFICE BOX 10967
TALLAHASSEE, FL 32302
(850) 425-6654
Federal Tax ID # 75-3101245

Bill Number 16266

Invoice Date September 17, 2010
Activity Billed through 08/31/2010

Gene D. Brown
Water Management Services, Inc.
250 John Knox Road
#4
Tallahassee, FL 32303

Petition for Rate Increase

738 01 TD

PAYMENT DUE UPON RECEIPT

FOR PROFESSIONAL SERVICES RENDERED

| | | | | |
|------------|-----|---|-----------|--------|
| 08/01/2010 | LCS | Email communications with the Office of Public Counsel providing clarification on discovery request and regarding dates for Mr. Brown's deposition; email communications with Mr. Brown regarding deposition dates | 0.20 hrs. | 52.00 |
| 08/02/2010 | MMG | Finalizing WMSI's 1st document production to Office of Public Counsel and Public Service Commission | 0.60 hrs. | 90.00 |
| 08/02/2010 | LCS | Email communications with Mr. Brown and Ms. Chase related to an Office of Public Counsel discovery request; confer for client regarding 7/30/10 inspection; revise comments and prepare for 8/3/10 agenda conference; email communications with Mr. Brown and Ms. Chase regarding depositions to be addressed at deposition; phone communications with Florida Public Service Commission staff regarding interim rates item on 8/3/10 agenda; email communications with client regarding same | 2.60 hrs. | 676.00 |
| 08/02/2010 | TD | Brief Ms. Scoles on the Office of Public Counsel's inspection of Water Management Service's plant and facilities; review comments on staff's recommendation on interim rates; review Office of Public Counsel's Second Request to Produce Documents | 1.00 hrs. | 300.00 |

002264

WHITE - CUSTOMER YELLOW - REMITTANCE

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Client/Matter : 738 01
Bill Number 16266

Page 2

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|------------|-----|--|-----------|--------|
| 08/03/2010 | LCS | Phone communications with Florida Public Service Commission staff regarding agenda conference; email communications with Mr. Brown and Ms. Chase regarding same; prepare for and attend the agenda conference regarding interim rates; receive and review notice of deposition of Mr. Brown; multiple email communications with Mr. Brown regarding deposition; email communications with the Office of Public Counsel staff regarding confidential documents | 1.60 hrs. | 416.00 |
| 08/04/2010 | LCS | Confer for client regarding 8/3/10 agenda conference; review email communications from the Office of Public Counsel regarding confidential documents; prepare cover letter for compact disc of documents provided to the Office of Public Counsel with a copy to Florida Public Service Commission staff; multiple phone communications with Office of Public Counsel staff regarding confidential information; multiple phone and email communications with Mr. Brown regarding same | 0.90 hrs. | 234.00 |
| 08/05/2010 | LCS | Prepare for and meet with Office of Public Counsel staff to review confidential document; begin drafting responses to the Office of Public Counsel's second request for production of documents; phone and email communications with Mr. Seidman regarding interrogatory responses and Mr. Brown's deposition; phone communications with Ms. Chase regarding additional documents requested by the Office of Public Counsel; begin to prepare for deposition of Mr. Brown on 8/10/10; email communications with Mr. Brown and Ms. Chase regarding deposition preparation; phone and multiple email communications with Florida Public Service Commission staff regarding deposition of Mr. | 2.40 hrs. | 624.00 |

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| | | Brown and production documents | | |
| 08/06/2010 | MMG | Assessment and numbering of documents responsive to discovery requests | 0.50 hrs. | 75.00 |
| 08/06/2010 | LCS | Multiple phone communications with Florida Public Service Commission staff regarding documents produced; meet with Ms. Chase and receive additional documents; confer for client regarding bates labeling of documents; receive and review request for production from Commission staff; begin responses to staff's first request for production; email communications with Mr. Brown regarding same; review responses to the Office of Public Counsel's second request for production and email communications with Ms. Chase regarding documents needed; prepare supplemental response to the Office of Public Counsel's first request for production related to request number 23; prepare notice regarding same; organize documents responsive to same; finalize and arrange service of supplemental response to the Office of Public Counsel and staff | 2.40 hrs. | 624.00 |
| 08/09/2010 | LCS | Email communications with the Florida Public Service Commission staff regarding supplemental discovery response; review comments from Mr. Seidman; email communications with Commission staff regarding Mr. Brown's deposition; receive, review and organization for production documents related to the Office of Public Counsel's second request for production; confer for client regarding Mr. Brown's deposition; prepare for Mr. Brown's deposition; phone communications with Office of Public Counsel staff regarding deposition | 1.60 hrs. | 416.00 |
| 08/09/2010 | TD | Review Staff's First Request for Production of Documents; review interrogatory responses to assist Mr. Brown in deposition preparation | 1.00 hrs. | 300.00 |

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| 08/10/2010 | LCS | Prepare for and defend deposition of Mr. Brown by the Office of Public Counsel and the Florida Public Service commission staff; receive and review notice regarding issue identification meeting | 10.30 hrs. | 2,678.00 |
| 08/10/2010 | TD | Pre-deposition meeting with Mr. Brown, Ms. Chase and Ms. Scoles; attendance at the deposition of Mr. Brown by the Office of Public Counsel and Commission Staff | 7.50 hrs. | 2,250.00 |
| 08/11/2010 | MMG | Assessment of production sets and creation of production log with reference to documents identification and responsive paragraphs | 2.10 hrs. | 315.00 |
| 08/11/2010 | LCS | Email communications with the Office of Public Counsel regarding settlement agreement; email communications with Mr. Brown and Ms. Chase regarding late-filed exhibits; research regarding Florida Public Service Commission practice regarding capital improvements; email communications with client regarding research; confer for client regarding same; schedule meeting to discuss intervenor testimony and issue identification | 1.90 hrs. | 494.00 |
| 08/11/2010 | TD | Review Commission orders referenced by Commission Staff during the August 10, 2010 deposition of Mr. Brown. Research other relevant orders and provide comments on same | 1.30 hrs. | 390.00 |
| 08/12/2010 | LCS | Confer for client regarding issue identification; preliminary review of staff audit report; conference call with Mr. Brown and Ms. Chase related to audit report, outstanding discovery responses and late-filed exhibits to Mr. Brown's deposition; finalize notice and responses to the Office of Public Counsel's second request for production; file notice with Florida Public Service Commission and arrange service of responses; receive and review Commission order authorizing interim rates and distribute to clients | 2.80 hrs. | 728.00 |

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| 08/12/2010 | TD | Conference call with Mr. Brown, Ms. Chase and Ms. Scoles to discuss outstanding discovery requests, late-filed deposition exhibits and schedule for issue identification; review Order suspending Rates and Approving Interim Revenue Increase, Order No. PSC-10-0513-PCO-WU; review Commission Staff's Financial Audit Report and attached schedules; review responses to the Office of Public Counsel's Second Request for Production of Documents | 2.90 hrs. | 870.00 |
| 08/13/2010 | LCS | Continue review of order on interim rates; draft customer notice regarding interim rates | 1.00 hrs. | 260.00 |
| 08/13/2010 | TD | Review draft customer notice for interim rates | 0.20 hrs. | 60.00 |
| 08/16/2010 | LCS | Multiple email and phone communications with Mr. Brown and Ms. Chase regarding documents to be provided to the Office of Public Counsel and Florida Public Service Commission staff; multiple email communications with Commission staff regarding escrow agreement; receive staff's discovery requests; receive and respond to inquiry from the Office of Public Counsel regarding late-filed exhibits | 0.80 hrs. | 208.00 |
| 08/17/2010 | LCS | Phone and email communications with Ms. Chase regarding interim rates and documents to produce; phone and email communications with staff of the Florida Public Service Commission regarding timing of notice and implementation of interim rates and staff's second request for production of documents; email communications with the Office of Public Counsel regarding documentation | 1.00 hrs. | 260.00 |
| 08/18/2010 | MMG | Assessment and numbering of documents responsive to discovery requests | 0.20 hrs. | 30.00 |
| 08/18/2010 | LCS | Email communications with the Office of Public Counsel and the Florida Public Service Commission staff regarding late-filed exhibits; confer for client regarding same; multiple | 0.90 hrs. | 234.00 |

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phone communications regarding same; receive and review discovery responses from the Office of Public Counsel; receive and review late-filed exhibits; arrange for Bates numbering of same; email communications with court reporter, Office of Public Counsel and Commission staff to relay late-filed exhibits

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|------------|-----|--|-----------|--------|
| 08/18/2010 | TD | Review late-filed exhibits to Mr. Brown's deposition | 0.40 hrs. | 120.00 |
| 08/19/2010 | MMG | Assessment and numbering of documents responsive to discovery requests | 0.20 hrs. | 30.00 |
| 08/19/2010 | LCS | Email and phone communications with Ms. Chase and Mr. Brown regarding documents to be produced; email communications related to items to be discussed at 8/25/10 meeting; revise responses to Florida Public Service Commission staff's first request for production of documents and review responsive documents; email communications to send responses to staff's first request to produce and to file notice with Commission regarding same; receive and review staff's second set of interrogatories; email communications with Commission staff and the Office of Public Counsel regarding the notice and tariff sheets related to interim rates | 1.30 hrs. | 338.00 |
| 08/19/2010 | TD | Review Staff's First Set of Interrogatories and Staff's Second Request for Production of Documents; Review documents produced in response to Staff's First Request for Production of Documents | 0.80 hrs. | 240.00 |
| 08/20/2010 | TD | Review Staff's Second Set of Interrogatories | 0.20 hrs. | 60.00 |
| 08/23/2010 | LCS | Receive and review Florida Public Service Commission staff's draft list of issues; multiple email communications with Commission staff regarding site visit of utility; email communications with the Office of Public Counsel regarding obtaining a copy of | 1.60 hrs. | 416.00 |

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| | | testimony; review Commission staff's multiple discovery requests; prepare agenda and organize documents in preparation for 8/25/10 meeting with client and confer with client regarding same; receive and review the Office of Public Counsel's third request for production and second set of interrogatories; email communications regarding rescheduling of issue identification meeting; receive and begin review of intervenor testimony | | |
| 08/23/2010 | TD | Review Tentative Issues List distributed by Staff; review Staff's Third Set of Interrogatories and Third Request for Production of Documents; review Office of Public Counsel's Second Set of Interrogatories and Third Request for Production of Documents | 1.00 hrs. | 300.00 |
| 08/24/2010 | LCS | Email communications with Florida Public Service Commission staff regarding notice and security for interim rates; email communications with Commission and Office of Public Counsel staff regarding site visit and rescheduling of issue identification meeting; begin review testimony of Mr. Woodcock and Ms. Ramas | 0.90 hrs. | 234.00 |
| 08/24/2010 | TD | Review the prefiled direct testimony and attached exhibits of the Office of Public Counsel witness Andrew Woodcock | 0.90 hrs. | 270.00 |
| 08/25/2010 | LCS | Email and phone communications with client related to rescheduling meeting to discuss intervenor's testimony and issue identification; confer for client regarding same; email communications regarding Florida Public Service Commission staff's site visit; receive and review fourth interrogatories and request for production from Commission staff | 0.80 hrs. | 208.00 |
| 08/25/2010 | TD | Review Staff's Fourth Request for Production of Documents and Staff's Forth Set of Interrogatories | 0.30 hrs. | 90.00 |

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|------------|-----|---|-----------|----------|
| 08/26/2010 | LCS | Email communications with Mr. Seidman regarding 8/30/10 meeting; email communications with the Office of Public Counsel regarding possible deposition dates; review draft discovery response; continue reviewing testimony of Mr. Woodcock and Ms. Ramas; receive and review draft escrow agreement; email communications with Florida Public Service Commission staff regarding same | 1.60 hrs. | 416.00 |
| 08/27/2010 | LCS | Travel to/from St. George Island; participate in site visit of plant and facilities on St. George Island and Eastpoint | 7.00 hrs. | 1,820.00 |
| 08/27/2010 | TD | Review the prefiled direct testimony and attached exhibits of Office of Public Counsel witness, Donna Ramas; review Mr. Seidman's testimony in Docket No. 940109-WU; review Order No. PSC-94-1383-FOF-WU in Docket No. 940109-WU | 2.50 hrs. | 750.00 |
| 08/30/2010 | LCS | Email communications with Florida Public Service Commission staff regarding interim tariff sheets; prepare for and participate in meeting with Mr. Brown, Ms. Chase, Mr. Seidman and Mr. Deason regarding to issue identification and intervenor's testimony | 3.90 hrs. | 1,014.00 |
| 08/30/2010 | TD | Meeting with Mr. Brown, Ms. Chase, Mr. Seidman and Ms. Scoles to discuss testimony filed by the Office of Public Counsel, Staff's Audit Report, interim rates, pending interrogatories and production of documents, Staff's site visit, issue identification, and possible rebuttal testimony | 3.50 hrs. | 1,050.00 |
| 08/31/2010 | LCS | Email and phone communications with Florida Public Service Commission staff regarding initial customer notice; email communications regarding pension plan expert; review discovery responses related to vehicle travel records; review Order No. PSC-94-1383-FOF-WU related to vehicle | 2.30 hrs. | 598.00 |

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travel records; correspondence with the Commission staff and the Office of Public Counsel regarding the utility's changes to the issue list; email communications from Public Counsel staff regarding same; email communications to Mr. Brown, Ms. Chase and Mr. Seidman related to issues to be covered in rebuttal testimony; revise notice of interim rates and email to Commission staff with update on security; receive and review order revising schedule and email communications to clients regarding same; review Public Counsel's additional issues and review orders referenced therein; confer for client regarding issue identification meeting

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| 08/31/2010 | TD | Review Order No. PSC-04-0791-AS-WU and Order No. PSC-05-1156-PAA-WU | 0.70 hrs. | 210.00 |
|------------|----|---|-----------|--------|

Total fees for this matter \$20,748.00

DISBURSEMENTS

| | | |
|------------|--|--------|
| 08/05/2010 | Terry Deason; Ground Transportation - St. George Island for Site Inspection on 7/30/10 | 79.00 |
| 08/05/2010 | Terry Deason; Meals - St. George Island for Site Inspection on 7/30/10 | 14.53 |
| 08/30/2010 | Accurate Stenotype Reporters, Inc.- Copy of Deposition transcript and exhibits | 526.70 |
| 08/31/2010 | Photocopies | 143.00 |
| 08/31/2010 | Messenger Charges | 30.00 |
| 08/31/2010 | Postage | 13.64 |

Total disbursements for this matter \$806.87

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BILLING SUMMARY

| | |
|------------------------------|--------------------|
| TOTAL FEES | \$20,748.00 |
| TOTAL DISBURSEMENTS | \$806.87 |
| ----- | |
| TOTAL CHARGES FOR THIS BILL | \$21,554.87 |
| PLUS NET BALANCE FORWARD | \$48,627.18 |
| ----- | |
| TOTAL BALANCE NOW DUE | \$70,182.05 |

BALANCE FORWARD SUMMARY

| <u>Bill Date</u> | <u>Bill Number</u> | <u>Billed Amount</u> | <u>Amount Due</u> |
|------------------|--------------------|----------------------|-------------------|
| 04/06/2010 | 15448 | \$5,365.88 | \$403.88 |
| 05/07/2010 | 15584 | \$9,603.45 | \$9,603.45 |
| 06/07/2010 | 15822 | \$11,357.06 | \$11,357.06 |
| 07/07/2010 | 15948 | \$7,583.79 | \$7,583.79 |
| 08/05/2010 | 16157 | \$19,679.00 | \$19,679.00 |

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Bill Number 16266

Invoice Date September 17, 2010
Activity Billed through 08/31/2010

Gene D. Brown
Water Management Services, Inc.
250 John Knox Road
#4
Tallahassee, FL 32303

Petition for Rate Increase

738 01 TD

PAYMENT DUE UPON RECEIPT

FOR PROFESSIONAL SERVICES RENDERED

| | | | | |
|------------|-----|---|-----------|--------|
| 08/01/2010 | LCS | Email communications with the Office of Public Counsel providing clarification on discovery request and regarding dates for Mr. Brown's deposition; email communications with Mr. Brown regarding deposition dates | 0.20 hrs. | 52.00 |
| 08/02/2010 | MMG | Finalizing WMST's 1st document production to Office of Public Counsel and Public Service Commission | 0.60 hrs. | 90.00 |
| 08/02/2010 | LCS | Email communications with Mr. Brown and Ms. Chase related to an Office of Public Counsel discovery request; confer for client regarding 7/30/10 inspection; revise comments and prepare for 8/3/10 agenda conference; email communications with Mr. Brown and Ms. Chase regarding depositions to be addressed at deposition; phone communications with Florida Public Service Commission staff regarding interim rates item on 8/3/10 agenda; email communications with client regarding same | 2.60 hrs. | 676.00 |
| 08/02/2010 | TD | Brief Ms. Scoles on the Office of Public Counsel's inspection of Water Management Service's plant and facilities; review comments on staff's recommendation on interim rates; review Office of Public Counsel's Second Request to Produce Documents | 1.00 hrs. | 300.00 |

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|------------|-----|--|-----------|--------|
| 08/03/2010 | LCS | Phone communications with Florida Public Service Commission staff regarding agenda conference; email communications with Mr. Brown and Ms. Chase regarding same; prepare for and attend the agenda conference regarding interim rates; receive and review notice of deposition of Mr. Brown; multiple email communications with Mr. Brown regarding deposition; email communications with the Office of Public Counsel staff regarding confidential documents | 1.60 hrs. | 416.00 |
| 08/04/2010 | LCS | Confer for client regarding 8/3/10 agenda conference; review email communications from the Office of Public Counsel regarding confidential documents; prepare cover letter for compact disc of documents provided to the Office of Public Counsel with a copy to Florida Public Service Commission staff; multiple phone communications with Office of Public Counsel staff regarding confidential information; multiple phone and email communications with Mr. Brown regarding same | 0.90 hrs. | 234.00 |
| 08/05/2010 | LCS | Prepare for and meet with Office of Public Counsel staff to review confidential document; begin drafting responses to the Office of Public Counsel's second request for production of documents; phone and email communications with Mr. Seidman regarding interrogatory responses and Mr. Brown's deposition; phone communications with Ms. Chase regarding additional documents requested by the Office of Public Counsel; begin to prepare for deposition of Mr. Brown on 8/10/10; email communications with Mr. Brown and Ms. Chase regarding deposition preparation; phone and multiple email communications with Florida Public Service Commission staff regarding deposition of Mr. | 2.40 hrs. | 624.00 |

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|------------|-----|---|-----------|--------|
| 08/06/2010 | MMG | Brown and production documents Assessment and numbering of documents responsive to discovery requests | 0.50 hrs. | 75.00 |
| 08/06/2010 | LCS | Multiple phone communications with Florida Public Service Commission staff regarding documents produced; meet with Ms. Chase and receive additional documents; confer for client regarding bates labeling of documents; receive and review request for production from Commission staff; begin responses to staff's first request for production; email communications with Mr. Brown regarding same; review responses to the Office of Public Counsel's second request for production and email communications with Ms. Chase regarding documents needed; prepare supplemental response to the Office of Public Counsel's first request for production related to request number 23; prepare notice regarding same; organize documents responsive to same; finalize and arrange service of supplemental response to the Office of Public Counsel and staff | 2.40 hrs. | 624.00 |
| 08/09/2010 | LCS | Email communications with the Florida Public Service Commission staff regarding supplemental discovery response; review comments from Mr. Seidman; email communications with Commission staff regarding Mr. Brown's deposition; receive, review and organization for production documents related to the Office of Public Counsel's second request for production; confer for client regarding Mr. Brown's deposition; prepare for Mr. Brown's deposition; phone communications with Office of Public Counsel staff regarding deposition | 1.60 hrs. | 416.00 |
| 08/09/2010 | TD | Review Staff's First Request for Production of Documents; review interrogatory responses to assist Mr. Brown in deposition preparation | 1.00 hrs. | 300.00 |

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|------------|-----|--|------------|----------|
| 08/10/2010 | LCS | Prepare for and defend deposition of Mr. Brown by the Office of Public Counsel and the Florida Public Service commission staff; receive and review notice regarding issue identification meeting | 10.30 hrs. | 2,678.00 |
| 08/10/2010 | TD | Pre-deposition meeting with Mr. Brown, Ms. Chase and Ms. Scoles; attendance at the deposition of Mr. Brown by the Office of Public Counsel and Commission Staff | 7.50 hrs. | 2,250.00 |
| 08/11/2010 | MMG | Assessment of production sets and creation of production log with reference to documents identification and responsive paragraphs | 2.10 hrs. | 315.00 |
| 08/11/2010 | LCS | Email communications with the Office of Public Counsel regarding settlement agreement; email communications with Mr. Brown and Ms. Chase regarding late-filed exhibits; research regarding Florida Public Service Commission practice regarding capital improvements; email communications with client regarding research; confer for client regarding same; schedule meeting to discuss intervenor testimony and issue identification | 1.90 hrs. | 494.00 |
| 08/11/2010 | TD | Review Commission orders referenced by Commission Staff during the August 10, 2010 deposition of Mr. Brown. Research other relevant orders and provide comments on same | 1.30 hrs. | 390.00 |
| 08/12/2010 | LCS | Confer for client regarding issue identification; preliminary review of staff audit report; conference call with Mr. Brown and Ms. Chase related to audit report, outstanding discovery responses and late-filed exhibits to Mr. Brown's deposition; finalize notice and responses to the Office of Public Counsel's second request for production; file notice with Florida Public Service Commission and arrange service of responses; receive and review Commission order authorizing interim rates and distribute to clients | 2.80 hrs. | 728.00 |

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|------------|-----|--|-----------|--------|
| 08/12/2010 | TD | Conference call with Mr. Brown, Ms. Chase and Ms. Scoles to discuss outstanding discovery requests, late-filed deposition exhibits and schedule for issue identification; review Order suspending Rates and Approving Interim Revenue Increase, Order No. PSC-10-0513-PCO-WU; review Commission Staff's Financial Audit Report and attached schedules; review responses to the Office of Public Counsel's Second Request for Production of Documents | 2.90 hrs. | 870.00 |
| 08/13/2010 | LCS | Continue review of order on interim rates; draft customer notice regarding interim rates | 1.00 hrs. | 260.00 |
| 08/13/2010 | TD | Review draft customer notice for interim rates | 0.20 hrs. | 60.00 |
| 08/16/2010 | LCS | Multiple email and phone communications with Mr. Brown and Ms. Chase regarding documents to be provided to the Office of Public Counsel and Florida Public Service Commission staff; multiple email communications with Commission staff regarding escrow agreement; receive staff's discovery requests; receive and respond to inquiry from the Office of Public Counsel regarding late-filed exhibits | 0.80 hrs. | 208.00 |
| 08/17/2010 | LCS | Phone and email communications with Ms. Chase regarding interim rates and documents to produce; phone and email communications with staff of the Florida Public Service Commission regarding timing of notice and implementation of interim rates and staff's second request for production of documents; email communications with the Office of Public Counsel regarding documentation | 1.00 hrs. | 260.00 |
| 08/18/2010 | MMG | Assessment and numbering of documents responsive to discovery requests | 0.20 hrs. | 30.00 |
| 08/18/2010 | LCS | Email communications with the Office of Public Counsel and the Florida Public Service Commission staff regarding late-filed exhibits; confer for client regarding same; multiple | 0.90 hrs. | 234.00 |

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phone communications regarding same; receive and review discovery responses from the Office of Public Counsel; receive and review late-filed exhibits; arrange for Bates numbering of same; email communications with court reporter, Office of Public Counsel and Commission staff to relay late-filed exhibits

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|------------|-----|--|-----------|--------|
| 08/18/2010 | TD | Review late-filed exhibits to Mr. Brown's deposition | 0.40 hrs. | 120.00 |
| 08/19/2010 | MMG | Assessment and numbering of documents responsive to discovery requests | 0.20 hrs. | 30.00 |
| 08/19/2010 | LCS | Email and phone communications with Ms. Chase and Mr. Brown regarding documents to be produced; email communications related to items to be discussed at 8/25/10 meeting; revise responses to Florida Public Service Commission staff's first request for production of documents and review responsive documents; email communications to send responses to staff's first request to produce and to file notice with Commission regarding same; receive and review staff's second set of interrogatories; email communications with Commission staff and the Office of Public Counsel regarding the notice and tariff sheets related to interim rates | 1.30 hrs. | 338.00 |
| 08/19/2010 | TD | Review Staff's First Set of Interrogatories and Staff's Second Request for Production of Documents; Review documents produced in response to Staff's First Request for Production of Documents | 0.80 hrs. | 240.00 |
| 08/20/2010 | TD | Review Staff's Second Set of Interrogatories | 0.20 hrs. | 60.00 |
| 08/23/2010 | LCS | Receive and review Florida Public Service Commission staff's draft list of issues; multiple email communications with Commission staff regarding site visit of utility; email communications with the Office of Public Counsel regarding obtaining a copy of | 1.60 hrs. | 416.00 |

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| | | testimony; review Commission staff's multiple discovery requests; prepare agenda and organize documents in preparation for 8/25/10 meeting with client and confer with client regarding same; receive and review the Office of Public Counsel's third request for production and second set of interrogatories; email communications regarding rescheduling of issue identification meeting; receive and begin review of intervenor testimony | | |
| 08/23/2010 | TD | Review Tentative Issues List distributed by Staff; review Staff's Third Set of Interrogatories and Third Request for Production of Documents; review Office of Public Counsel's Second Set of Interrogatories and Third Request for Production of Documents | 1.00 hrs. | 300.00 |
| 08/24/2010 | LCS | Email communications with Florida Public Service Commission staff regarding notice and security for interim rates; email communications with Commission and Office of Public Counsel staff regarding site visit and rescheduling of issue identification meeting; begin review testimony of Mr. Woodcock and Ms. Ramas | 0.90 hrs. | 234.00 |
| 08/24/2010 | TD | Review the prefiled direct testimony and attached exhibits of the Office of Public Counsel witness Andrew Woodcock | 0.90 hrs. | 270.00 |
| 08/25/2010 | LCS | Email and phone communications with client-related to rescheduling meeting to discuss intervenor's testimony and issue identification; confer for client regarding same; email communications regarding Florida Public Service Commission staff's site visit; receive and review fourth interrogatories and request for production from Commission staff | 0.80 hrs. | 208.00 |
| 08/25/2010 | TD | Review Staff's Fourth Request for Production of Documents and Staff's Forth Set of Interrogatories | 0.30 hrs. | 90.00 |

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|------------|-----|---|-----------|----------|
| 08/26/2010 | LCS | Email communications with Mr. Seidman regarding 8/30/10 meeting; email communications with the Office of Public Counsel regarding possible deposition dates; review draft discovery response; continue reviewing testimony of Mr. Woodcock and Ms. Ramas; receive and review draft escrow agreement; email communications with Florida Public Service Commission staff regarding same | 1.60 hrs. | 416.00 |
| 08/27/2010 | LCS | Travel to/from St. George Island; participate in site visit of plant and facilities on St. George Island and Eastpoint | 7.00 hrs. | 1,820.00 |
| 08/27/2010 | TD | Review the prefiled direct testimony and attached exhibits of Office of Public Counsel witness, Donna Ramas; review Mr. Seidman's testimony in Docket No. 940109-WU; review Order No. PSC-94-1383-FOF-WU in Docket No. 940109-WU | 2.50 hrs. | 750.00 |
| 08/30/2010 | LCS | Email communications with Florida Public Service Commission staff regarding interim tariff sheets; prepare for and participate in meeting with Mr. Brown, Ms. Chase, Mr. Seidman and Mr. Deason regarding to issue identification and intervenor's testimony | 3.90 hrs. | 1,014.00 |
| 08/30/2010 | TD | Meeting with Mr. Brown, Ms. Chase, Mr. Seidman and Ms. Scoles to discuss testimony filed by the Office of Public Counsel, Staff's Audit Report, interim rates, pending interrogatories and production of documents, Staff's site visit, issue identification, and possible rebuttal testimony | 3.50 hrs. | 1,050.00 |
| 08/31/2010 | LCS | Email and phone communications with Florida Public Service Commission staff regarding initial customer notice; email communications regarding pension plan expert; review discovery responses related to vehicle travel records; review Order No. PSC-94-1383-FOF-WU related to vehicle | 2.30 hrs. | 598.00 |

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WHITE - CUSTOMER YELLOW - REMITTANCE

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travel records; correspondence with the Commission staff and the Office of Public Counsel regarding the utility's changes to the issue list; email communications from Public Counsel staff regarding same; email communications to Mr. Brown, Ms. Chase and Mr. Seidman related to issues to be covered in rebuttal testimony; revise notice of interim rates and email to Commission staff with update on security; receive and review order revising schedule and email communications to clients regarding same; review Public Counsel's additional issues and review orders referenced therein; confer for client regarding issue identification meeting

| | | | | |
|----------------------------|----|---|-----------|-------------|
| 08/31/2010 | TD | Review Order No. PSC-04-0791-AS-WU and Order No. PSC-05-1156-PAA-WU | 0.70 hrs. | 210.00 |
| Total fees for this matter | | | | \$20,748.00 |

DISBURSEMENTS

| | | |
|-------------------------------------|--|----------|
| 08/05/2010 | Terry Deason; Ground Transportation - St. George Island for Site Inspection on 7/30/10 | 79.00 |
| 08/05/2010 | Terry Deason; Meals - St. George Island for Site Inspection on 7/30/10 | 14.53 |
| 08/30/2010 | Accurate Stenotype Reporters, Inc.- Copy of Deposition transcript and exhibits | 526.70 |
| 08/31/2010 | Photocopies | 143.00 |
| 08/31/2010 | Messenger Charges | 30.00 |
| 08/31/2010 | Postage | 13.64 |
| Total disbursements for this matter | | \$806.87 |

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BILLING SUMMARY

| | |
|------------------------------|--------------------|
| TOTAL FEES | \$20,748.00 |
| TOTAL DISBURSEMENTS | \$806.87 |
| ----- | |
| TOTAL CHARGES FOR THIS BILL | \$21,554.87 |
| PLUS NET BALANCE FORWARD | \$48,627.18 |
| ----- | |
| TOTAL BALANCE NOW DUE | \$70,182.05 |

BALANCE FORWARD SUMMARY

| <u>Bill Date</u> | <u>Bill Number</u> | <u>Billed Amount</u> | <u>Amount Due</u> |
|------------------|--------------------|----------------------|-------------------|
| 04/06/2010 | 15448 | \$5,365.88 | \$403.88 |
| 05/07/2010 | 15584 | \$9,603.45 | \$9,603.45 |
| 06/07/2010 | 15822 | \$11,357.06 | \$11,357.06 |
| 07/07/2010 | 15948 | \$7,583.79 | \$7,583.79 |
| 08/05/2010 | 16157 | \$19,679.00 | \$19,679.00 |

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(850) 425-6654
Federal Tax ID # 75-3101245

Bill Number 16334
Invoice Date October 4, 2010
Activity Billed through 09/30/2010

Gene D. Brown
Water Management Services, Inc.
250 John Knox Road, #4
Tallahassee, FL 32303

Petition for Rate Increase
738 01 TD

PAYMENT DUE UPON RECEIPT

FOR PROFESSIONAL SERVICES RENDERED

| | | | | |
|------------|-----|---|-----------|--------|
| 09/01/2010 | LCS | Prepare for and attend issue identification meeting at the Florida Public Service Commission including conference call; email communications with Mr. Seidman regarding possible depositions; confer for client regarding same | 2.60 hrs. | 676.00 |
| 09/01/2010 | TD | Attendance and participation at issue identification conference at the Public Service Commission | 1.50 hrs. | 450.00 |
| 09/01/2010 | TD | Pre-issue identification conference call with Mr. Brown, Ms. Chase Mr. Seidman and Ms. Scoles | 0.50 hrs. | 150.00 |
| 09/02/2010 | LCS | Email communications with possible pension expert; email communications regarding scheduling of conference call to discuss Florida Public Service Commission staff testimony and other issues; begin review of transcript of Mr. Brown's deposition; draft customer notice of service hearings and request approval from Commission staff | 0.90 hrs. | 234.00 |
| 09/03/2010 | LCS | Review multiple email communications from Florida Public Service Commission staff regarding the notice of customer service hearings and possible depositions; prepare responses to staff and the Office of Public Counsel's multiple sets of interrogatories and | 2.10 hrs. | 546.00 |

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| | | | | |
|------------|-----|--|-----------|----------|
| 09/07/2010 | LCS | requests for production; email communications with Ms. Chase regarding same; email communications with Commission staff regarding availability of staff testimony; receive and review staff's fifth set of discovery requests to the utility and first requests to the Office of Public Counsel; receive and review the corrected testimony of Witness Woodcock Review testimony filed by Ms. Chelette, Ms. Dobiac and Mr. McKeown; draft interrogatories and request for production of documents for the Office of Public Counsel; finalize and serve same; file notice of service with the Florida Public Service Commission; begin to draft questions for cross-examination of witnesses; review correspondence related to rebuttal testimony; email communications with Ms. Chase regarding discovery responses; begin to review draft rebuttal testimony of Mr. Seidman; review and organize documents to be produced in response to Staff's request for production; review and organize documents to be provided as exhibits to interrogatory responses to Staff; finalize responses to interrogatories and request for production; arrange service of same; finalize and file notice of service of responses with Commission clerk | 5.30 hrs. | 1,378.00 |
| 09/07/2010 | TD | Review prefiled direct testimony and exhibits of staff witnesses Chelette, Dobiac, and McKeown; review initial draft of rebuttal testimony of Mr. Seidman and prepare edits; review staff's fifth set of interrogatories to Water Management Services and staff's first set of interrogatories to the Office of Public Counsel | 3.40 hrs. | 1,020.00 |
| 09/08/2010 | LCS | Prepare for and attend meeting/conference call with Mr. Brown, Ms. Chase, Mr. Seidman and Mr. Deason regarding staff's testimony, | 7.10 hrs. | 1,846.00 |

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rebuttal testimony, interim rates, discovery responses and other issues related to the case; prepare responses to staff's second set of interrogatories; prepare notice for same; confer for client regarding electronic versions of documents produced on 9/7/10; obtain same and prepare cover letter for same; email communications with the Office of Public Counsel and staff regarding wording of issue; prepare correspondence to staff regarding escrow agreement, tariff sheets for interim rates and notice regarding same; draft template of rebuttal testimony for Mr. Schiabelli; email communications with Mr. Sayler regarding discovery responses; serve interrogatory responses and file notice; begin drafting templating of rebuttal testimony for Ms. Withers

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|------------|-----|---|-----------|----------|
| 09/08/2010 | TD | Meeting with Mr. Brown, Ms. Chase, Mr. Seidman and Ms. Scoles to discuss escrow agreement, notice requirements, effective date of interim rates, discovery responses and pending discovery, issue wording, staff testimony, rebuttal positions and witnesses, and potential areas for settlement. | 2.80 hrs. | 840.00 |
| 09/09/2010 | LCS | Finish drafting template of rebuttal testimony for Ms. Withers; email communications with Ms. Withers regarding same; finalize responses to staff's discovery requests for service and filing today; draft notice of service; review email communications from Office of Public Counsel and correspond with Ms. Chase regarding same; confer for client regarding topics to cover on cross-examination of Office of Public Counsel witnesses; file notice of service of discovery responses | 3.10 hrs. | 806.00 |
| 09/09/2010 | TD | Prepare analyses and draft subject areas and positions to pursue in cross examination of Office of Public Counsel witness Ramas; | 3.90 hrs. | 1,170.00 |

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|------------|-----|--|-----------|--------|
| | | confer for client regarding same; review responses to Staff's Third Set of Interrogatories and Third Request for Production of Documents | | |
| 09/13/2010 | LCS | Draft responses to the Office of Public Counsel's discovery requests; email communications with client regarding responses; phone and email communications with Florida Public Service Commission staff regarding issues; email communications with the Office of Public Counsel regarding same; meet with Office of Public Counsel staff in their offices; multiple phone and email communications with client related to discovery responses; email to Commission staff regarding implementation of interim rates; finalize and serve response to the Office of Public Counsel's third request for production of documents; serve and file notice of service; phone communications with Office of Public Counsel regarding discovery responses | 2.70 hrs. | 702.00 |
| 09/13/2010 | TD | Preparation for and participation in meeting with Mr. McGlothlin and Ms. Merchant of the Office of Public Counsel | 1.60 hrs. | 480.00 |
| 09/14/2010 | LCS | Multiple email and phone communications with client related to discovery responses, rebuttal testimony, notices and audit response; email and phone communications with Florida Public Service Commission staff regarding interim rates, notices and audit response; finalize responses to interrogatories from the Office of Public Counsel; serve responses to the Office of Public Counsel's interrogatories; file notice of service with Commission regarding interrogatory responses; finalize documents responsive to the Office of Public Counsel's requests for production and arrange service of same; finalize responses to staff's | 3.30 hrs. | 858.00 |

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|------------|-----|--|-----------|----------|
| | | interrogatories and requests for production; finalize documents responsive to same; serve responses; file notice of service with Commission regarding same; finalize notice for interim rates and for customer service and technical hearings and communications with client regarding same; arrange meeting/call to discuss rebuttal testimony and other related issues; email communications with client related to rebuttal testimony of expert witnesses; review testimony of engineering expert | | |
| 09/15/2010 | LCS | Review draft rebuttal testimony of Ms. Withers and Mr. Seidman; prepare for 9/16/10 meeting regarding same; email and phone communications with Ms. Withers, Mr. Seidman, Mr. Brown and Ms. Chase regarding same; phone communications with Florida Public Service Commission staff regarding same; multiple email communications with the Office of Public Counsel and the Commission staff regarding issues; begin drafting prehearing statement; review and revise rebuttal testimony of multiple witnesses; email communications with witnesses regarding same | 4.70 hrs. | 1,222.00 |
| 09/15/2010 | TD | Review draft rebuttal testimony of Mr. Scibelli and revised draft rebuttal testimony of Mr. Seidman; make proposed edits; review updated list of issues and draft positions | 2.10 hrs. | 630.00 |
| 09/16/2010 | LCS | Prepare for and participate in conference call with Mr. Deason and Mr. Seidman to review and discuss rebuttal testimony and issues/positions; review, edit, revise and finalize testimony and exhibits for Mr. Scibelli and Mr. Seidman; multiple email and phone communications with Ms. Withers regarding testimony; continue drafting prehearing statement | 6.90 hrs. | 1,794.00 |

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|------------|-----|--|-----------|----------|
| 09/16/2010 | TD | Preparation and participation on conference call with Mr. Seidman and Ms. Scoles to discuss draft rebuttal testimony for witnesses Scibelli, Seidman and Withers and to discuss issues and positions for inclusion in Prehearing Statement | 2.30 hrs. | 690.00 |
| 09/17/2010 | LCS | Continue to review, edit and finalize rebuttal testimony and exhibits; multiple communications with Mr. Seidman, Mr. Brown and Ms. Chase regarding same; email communications with Florida Public Commission staff regarding audit work papers and others matters related to the case; work on prehearing statement | 8.60 hrs. | 2,236.00 |
| 09/17/2010 | TD | Review preliminary positions on Staff Audit Findings; discuss with Mr. Brown, Ms. Scoles and Mr. Seidman; review draft of Mr. Brown's rebuttal testimony and attached exhibits; make edits and discuss same on conference call with Mr. Brown, Ms. Chase and Ms. Scoles; finalize edits; assist with finalization of all rebuttal testimony for filing | 2.30 hrs. | 690.00 |
| 09/19/2010 | LCS | Continue drafting pre-hearing statement | 0.70 hrs. | 182.00 |
| 09/20/2010 | LCS | Continue drafting prehearing statement; arrange delivery of final version of testimony to Mr. Seidman, Mr. Scibelli and Ms. Withers; prepare for and participate in conference call/meeting regarding testimony, discovery, audit response, depositions and other related matters; draft cross-notice of deposition of Ms. Dobiac; phone and email communications with Florida Public Service Commission staff and the Office of Public Counsel related to cancellation of deposition of Ms. Dobiac; finalize prehearing statement and arrange filing and service of same; draft and finalize supplemental documentation related to request for confidential classification; arrange service and filing of same; phone and email | 6.90 hrs. | 1,794.00 |

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|------------|-----|---|-----------|--------|
| | | communications with client related to discovery responses and deposition | | |
| 09/20/2010 | TD | Review Order Nos. PSC-04-0791-AS-WU and PSC-05-1156-PAA-WU in Docket No. 000694-WU concerning settlement with Office of Public Counsel and fire flow upgrades; review prehearing statement | 1.00 hrs. | 300.00 |
| 09/21/2010 | LCS | Email and phone communications with Mr. Brown and Mr. Seidman regarding possible objection; email communications with Commission staff and the Office of Public Counsel regarding deposition of Ms. Dobiac and order of witnesses; begin drafting responses to staff's fifth set of interrogatories; multiple email communications with the Office of Public Counsel to respond to previous questions; confer for client regarding interrogatory responses and prehearing statements; phone and email communications with Commission staff regarding same; file cross-notice of deposition of Ms. Dobiac | 2.30 hrs. | 598.00 |
| 09/21/2010 | TD | Review prehearing statements filed by Staff and the Office of Public Counsel; comments and confer for client regarding same; discuss potential objection to Interrogatory No. 86 in Staff's Fifth Set of Interrogatories; review Account 414 Sale of Assets | 1.40 hrs. | 420.00 |
| 09/22/2010 | LCS | Email communications with Florida Public Service Commission staff regarding discovery responses; email communications with client regarding revisions to staff audit report | 0.30 hrs. | 78.00 |
| 09/22/2010 | TD | Review revised testimony of staff witness Debra Dobiac; review Ms. Dobiac's audit work papers | 0.80 hrs. | 240.00 |
| 09/23/2010 | LCS | Phone and email communications with Florida Public Service Commission staff regarding possible stipulations and discovery responses; draft a response to an interrogatory; review, | 1.80 hrs. | 468.00 |

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|------------|-----|---|-----------|----------|
| | | edit and finalize interrogatory responses and exhibits; prepare notice of service of interrogatory responses; serve interrogatory responses on staff and the Office of Public Counsel; email communications with staff and the Office of Public counsel regarding responses | | |
| 09/23/2010 | TD | Review responses to Staff's Fifth Set of Interrogatories | 1.00 hrs. | 300.00 |
| 09/24/2010 | LCS | Prepare for and participate in deposition of Ms. Dobiac, Florida Public Service Commission staff at Commission offices; meet with Ms. Withers and Mr. Brown regarding additional information requested; meet with Mr. Brown to discuss possible stipulations and other issues to be discussed at pre-hearing conference; phone and email communications with Mr. Brown related to discovery responses and additional documentation requested; email communications with witnesses regarding hearing and summary of testimony | 2.80 hrs. | 728.00 |
| 09/24/2010 | TD | Review draft Prehearing Order and possible stipulations | 0.50 hrs. | 150.00 |
| 09/27/2010 | LCS | Email and phone communications with the Office of Public Counsel and the Florida Public Service Commission staff related to issues related to the pre-hearing conference and upcoming hearing; phone and email communications with Mr. Brown and Mr. Seidman regarding possible stipulations; prepare for and attend the prehearing conference at the Commission; meet with the staff of teh Office of Public Counsel regarding fire flow documents; meet with Mr. Brown, Ms. Chase and Mr. Deason regarding outstanding issues related to hearing; follow up email and phone communications with Commission staff and the Office of Public Counsel; review staff's comprehensive exhibit | 5.30 hrs. | 1,378.00 |

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|------------|-----|---|-----------|----------|
| 09/27/2010 | TD | list; draft responses to new Issue 50; review motion to strike and begin research for use in response to same Preparation and participation at Prehearing Conference; meeting with Mr. McGlothlin and Ms. Merchant following the Prehearing Conference meeting with Mr. Brown, Ms. Chase and Ms. Scoles to discuss Post-Prehearing Conference matters | 2.90 hrs. | 870.00 |
| 09/28/2010 | LCS | Begin review of the Office of Public Counsel's discovery responses; email communications with Mr. Brown, Ms. Chase and Mr. Seidman regarding possible stipulated exhibits; research and draft response to motion to strike; receive and review documents from client; email communications with Mr. Seidman related to cross-examination; email communications with Florida Public Service Commission staff and the Office of Public Counsel related to possible stipulations and letter from the Northwest Florida Water Management District; draft response to staff's fifth request for production of documents; finalize and electronically serve same; draft notice of service and file same | 7.60 hrs. | 1,976.00 |
| 09/28/2010 | TD | Review Public Counsel's responses to Staff's <i>First Set of Interrogatories</i> for possible stipulation; review Public Counsel's Motion to Strike Testimony; review Staff's Comprehensive Exhibit List and revised positions on Issues 50a and 50b | 1.30 hrs. | 390.00 |
| 09/29/2010 | LCS | Confer for client regarding revisions to response to the Office of Public Counsel motion to strike; revise accordingly; multiple phone and email communications with Mr. Brown, Mr. Seidman and/or Ms. Chase regarding positions on Issue 50 and the draft response; phone communications with the Florida Public Service Commission staff | 6.80 hrs. | 1,768.00 |

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|------------|-----|--|-----------|-------------|
| | | regarding pre-hearing matters; begin research related to the Commission's authority as to affiliated companies; finalize, file and serve response to the Office of Public Counsel motion to strike; finalize and send to staff utility's positions on new issues; draft opening statement; provided updated positions to Issues 11 and 12 | | |
| 09/29/2010 | TD | Review draft Response to Public Counsel's Motion to Strike Rebuttal Testimony; research findings in Order No. PSC-00-227-PAA-WU; prepare edits to Response and discuss with Mr. Brown and Ms. Chase; review final position statements; read and analyze Public Counsel's responses and accompanying documents provided in response to WMSI's Second Set of Interrogatories and Second Request for Production of Documents; prepare notes and findings on same for use during cross examination of Public Counsel witness Mr. Andrew Woodcock | 4.90 hrs. | 1,470.00 |
| 09/30/2010 | LCS | Review excerpts from Mr. Woodcock's reports produced by the Office of Public Counsel for possible cross examination; email and phone communications with the Office of Public Counsel and the Florida Public Service Commission regarding stipulated witnesses and exhibits; receive and review pre-hearing statement | 1.60 hrs. | 416.00 |
| 09/30/2010 | TD | Identify areas of cross examination of Public Counsel witnesses; prepare points to be made and strategy for their pursuit; confer for client regarding same; prepare possible cross examination questions for Mr. Brown to be used during hearing preparation session | 3.40 hrs. | 1,020.00 |
| | | Total fees for this matter | | \$32,964.00 |

DISBURSEMENTS

WHITE - CUSTOMER

YELLOW - REMITTANCE

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|-------------------------------------|-------------------|------------|
| 09/30/2010 | Photocopies | 3,366.25 |
| 09/30/2010 | Messenger Charges | 70.00 |
| 09/30/2010 | Postage | 35.71 |
| Total disbursements for this matter | | \$3,471.96 |

BILLING SUMMARY

| | |
|---|---------------------|
| TOTAL FEES | \$32,964.00 |
| TOTAL DISBURSEMENTS | \$3,471.96 |
| CREDIT FOR AMOUNTS PREVIOUSLY BILLED IN ERROR (SEE ATTACHED) | \$2,960.00 CR |
| TOTAL CHARGES FOR THIS BILL | \$33,475.96 |
| PLUS NET BALANCE FORWARD | \$68,182.05 |
| TOTAL BALANCE NOW DUE | \$101,658.01 |

BALANCE FORWARD SUMMARY

| <u>Bill Date</u> | <u>Bill Number</u> | <u>Billed Amount</u> | <u>Amount Due</u> |
|------------------|--------------------|----------------------|-------------------|
| 05/07/2010 | 15584 | \$9,603.45 | \$8,007.33 |
| 06/07/2010 | 15822 | \$11,357.06 | \$11,357.06 |
| 07/07/2010 | 15948 | \$7,583.79 | \$7,583.79 |
| 08/05/2010 | 16157 | \$19,679.00 | \$19,679.00 |
| 09/17/2010 | 16266 | \$21,554.87 | \$21,554.87 |

WHITE - CUSTOMER

YELLOW - REMITTANCE

CREDIT FOR AMOUNTS PREVIOUSLY BILLED IN ERROR:

| <u>Description</u> | <u>Total</u> |
|--|-------------------|
| Fees billed for Attorney Toni A. Egan (TAE) in January 2010: | \$2,060.00 |
| Fees billed for Paralegal Michelle Gerrell (MMG) in June 2010: | 180.00 |
| Fees billed for Paralegal Michelle Gerrell (MMG) in August 2010: | 540.00 |
| Fees billed for Paralegal Pam Keillor (PLK) in July 2010: | 180.00 |
| TOTAL CREDIT | <u>\$2,960.00</u> |

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Bill Number 16937

Invoice Date January 7, 2011
Activity Billed through 12/31/2010

Gene D. Brown
Water Management Services, Inc.
250 John Knox Road
#4
Tallahassee, FL 32303

Petition for Rate Increase
738 01 TD

PAYMENT DUE UPON RECEIPT

FOR PROFESSIONAL SERVICES RENDERED

| | | | | |
|------------|-----|---|-----------|----------|
| 10/01/2010 | SFC | Review testimony and participate in witness preparation and practice testimony presentation and cross examination; conference on additional preparation for Florida Public Service Commission hearing | 6.00 hrs. | 2,400.00 |
| 10/01/2010 | LCS | Hearing and witness preparation; phone and email communications with the Office of Public Counsel and the Florida Public Service Commission staff regarding documents, rate case expense and other pre-hearing matters; review documents to bring to hearing; begin preparing exhibits for hearing | 8.10 hrs. | 2,106.00 |
| 10/01/2010 | TD | Hearing and witness preparation | 5.00 hrs. | 1,500.00 |
| 10/02/2010 | LCS | Prepare for hearing, including selecting exhibits and drafting cross-examination questions; email communications with utility witnesses regarding exhibits and summaries of testimony | 4.30 hrs. | 1,118.00 |
| 10/04/2010 | LCS | Finish cross-examination for Mr. Woodcock and Ms. Ramas; meet with Mr. Seidman regarding hearing and exhibit; email communications with the staff of the Florida Public Service Commission and the Office of Public Counsel regarding stipulations; phone communications with Ms. Chase regarding map of fire flow improvements; review the | 7.30 hrs. | 1,898.00 |

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|------------|-----|---|------------|----------|
| | | summary of Ms. Wither's rebuttal testimony; email communications with Ms. Withers regarding same; prepare file supplemental responses to the utility's discovery responses to the Office of Public Counsel related to fire flow improvements; meet with Commission and Office of Public Counsel staff regarding same; phone communications with Mr. Scibelli and Ms. Withers regarding their testimony; finalize new exhibit for Mr. Seidman's testimony. | | |
| 10/04/2010 | TD | Review deposition transcript of Ms. Dobiak; review Order Denying OPC's Motion to Strike Portions of WMSI's Rebuttal Testimony; review and revise cross examination questions for Mr. Woodcock and Ms. Ramas; review draft of testimony summaries for Mr. Scibelli, Mr. Withers and Mr. Brown | 2.00 hrs. | 600.00 |
| 10/05/2010 | SFC | Attend rate case hearing; note issues to address in redirect or cross examination; note issues to be clarified; note items identified in customer testimony; make notes on items to be addressed in briefing or subsequent filings | 4.00 hrs. | 1,600.00 |
| 10/05/2010 | LCS | Travel to St. George Island; prepare for and participate in two customer hearings and technical hearing; review and revise cross-examination questions of Mr. Woodcock and Ms. Ramas | 13.10 hrs. | 3,406.00 |
| 10/05/2010 | TD | Attend at technical hearing | 8.00 hrs. | 2,400.00 |
| 10/06/2010 | LCS | Prepare for and participate in technical hearing | 10.00 hrs. | 2,600.00 |
| 10/06/2010 | TD | Attend technical hearing | 8.00 hrs. | 2,400.00 |
| 10/07/2010 | LCS | Reorganize documents and notes from hearing; begin drafting pre-hearing brief; phone and email communications with utility offices related to information requested | 1.80 hrs. | 468.00 |
| 10/07/2010 | TD | Post hearing organization of notes, testimony and exhibits | 1.00 hrs. | 300.00 |
| 10/08/2010 | LCS | Continue drafting initial outline of prehearing | 0.30 hrs. | 78.00 |

RADEY THOMAS YON & CLARK
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
POST OFFICE BOX 10967
TALLAHASSEE, FL 32302
(850) 425-6654
Federal Tax ID # 75-3101245

Client/Matter : 738 01
Bill Number 16937

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|------------|-----|---|------------|----------|
| | | brief; email communications with Mr. Seidman regarding same | | |
| 10/09/2010 | LCS | Email communications with Mr. Seidman regarding pre-hearing brief | 0.20 hrs. | 52.00 |
| 10/11/2010 | LCS | Research related to issues in post-hearing draft; review and organize exhibits from hearing; continue drafting post-hearing draft | 5.50 hrs. | 1,430.00 |
| 10/18/2010 | LCS | Email communications with Ms. Chase regarding late-filed exhibits; review transcript of customer service hearings and technical hearing; continue to draft post-hearing brief; confer for client regarding same | 4.10 hrs. | 1,066.00 |
| 10/19/2010 | LCS | Continue researching and drafting post-hearing brief | 10.10 hrs. | 2,626.00 |
| 10/19/2010 | TD | Review memo and attached exhibits from Mr. Brown concerning areas of cross examination to be addressed in brief | 0.80 hrs. | 240.00 |
| 10/20/2010 | LCS | Continue drafting post-hearing brief; prepare and file late-filed exhibits with the Florida Public Service Commission and serve | 7.90 hrs. | 2,054.00 |
| 10/20/2010 | TD | Review transcript of technical hearing; identify transcript citations for brief by issue number contained in Prehearing Order; review selected exhibits for citation in brief; review late-filed hearing exhibits; research and review Commission orders for possible citation in brief | 3.90 hrs. | 1,170.00 |
| 10/21/2010 | LCS | Review and revise portions of post-hearing brief; confer for client regarding same; research regarding non-utility transactions | 2.80 hrs. | 728.00 |
| 10/21/2010 | TD | Meeting with Ms. Scoles to discuss first rough draft brief; conduct further review of transcripts and exhibits; prepare outline of arguments | 2.10 hrs. | 630.00 |
| 10/22/2010 | LCS | Continue drafting, researching and revising the post-hearing brief; confer for client regarding same; email communications with Mr. Brown and Mr. Seidman to send draft for review | 6.70 hrs. | 1,742.00 |
| 10/22/2010 | TD | Prepare outline of additional citations and | 1.60 hrs. | 480.00 |

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| | | arguments for inclusion in brief; review first complete draft of brief; make edits and draft additional language for Ms. Scoles' review | | |
| 10/23/2010 | LCS | Email communications with Mr. Seidman and Mr. Brown related to draft post-hearing brief and meeting/call to discuss same | 0.20 hrs. | 52.00 |
| 10/25/2010 | LCS | Review comments regarding draft post-hearing brief from Mr. Seidman; confer for client regarding same; email communications with Mr. Seidman regarding same | 0.40 hrs. | 104.00 |
| 10/25/2010 | TD | Review edits to draft of brief and accompanying spreadsheet from Mr. Seidman; discuss with Ms. Scoles; review additional response from Mr. Seidman | 0.50 hrs. | 150.00 |
| 10/26/2010 | LCS | Review comments from Mr. Brown; revise draft post-hearing brief in accordance with Mr. Seidman and Mr. Brown's suggestions; email communications with clients regarding same | 2.10 hrs. | 546.00 |
| 10/26/2010 | TD | Review edits to draft of brief from Mr. Brown and Ms. Chase | 0.40 hrs. | 120.00 |
| 10/27/2010 | LCS | Prepare for and participate in conference call/meeting with Mr. Seidman, Mr. Brown, Ms. Chase and Mr. Deason regarding changes to draft post-hearing brief; update timeline with revised dates for staff recommendation, agenda conference and final order; email communications regarding timeline | 2.80 hrs. | 728.00 |
| 10/27/2010 | TD | Conference call with Mr. Brown, Ms. Chase, Mr. Seidman, and Ms. Scoles to review first full draft of brief and suggested edits; review transcripts and exhibits for further suggested edits; review citations in brief | 2.70 hrs. | 810.00 |
| 10/28/2010 | LCS | Review suggested changes; email communications with Ms. Chase and Mr. Brown regarding certain suggested changes; revise post-hearing brief; email communications with Mr. Brown, Ms. Chase, Mr. Seidman and Mr. Deason to relay revised | 5.20 hrs. | 1,352.00 |

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|------------|-----|---|-----------|----------|
| 10/29/2010 | LCS | brief and request review of same Receive and review suggested changes from Mr. Brown, Mr. Seidman and Mr. Deason; revise, proofread, edit and finalize post-hearing brief; arrange service and filing of same | 4.10 hrs. | 1,066.00 |
| 10/29/2010 | TD | Make final review of brief and give edits to Ms. Scoles | 0.90 hrs. | 270.00 |
| 11/02/2010 | TD | Review brief filed by the Office of Public Counsel | 1.10 hrs. | 330.00 |
| 12/03/2010 | LCS | Receive, distribute to client and begin to review Public Service Commission staff's recommendation | 0.30 hrs. | 78.00 |
| 12/06/2010 | SFC | Review of staff recommendation and meet with client | 1.50 hrs. | 600.00 |
| 12/06/2010 | LCS | Email communications with Public Service Commission clerk regarding missing pages in staff recommendation; review agenda for 12/14/10 conference; confer for client regarding staff recommendation; arrange conference call/meeting with client to discuss staff recommendation; continue review of staff recommendation; prepare for and participate in conference call/meeting regarding same | 2.30 hrs. | 598.00 |
| 12/06/2010 | TD | Review staff recommendation and attachments; discuss with Ms. Scoles; meeting with Mr. Brown, Ms. Chase, Mr. Seidman, Ms. Clark and Ms. Scoles to discuss staff recommendation | 3.20 hrs. | 960.00 |
| 12/13/2010 | LCS | Phone communications with Mr. Brown regarding Agenda Conference | 0.10 hrs. | 26.00 |
| 12/14/2010 | LCS | Attend the Florida Public Service Commission Agenda Conference related to the Commission's decision in Docket No. 100104-WU | 4.50 hrs. | 1,170.00 |

Total fees for this matter

\$44,052.00

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Client/Matter : 738 01
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DISBURSEMENTS

| | | |
|------------|---|------------|
| 09/22/2010 | Testimony binding supplies | 120.86 |
| 10/07/2010 | Accurate Stenotype Reporters, Inc. - Deposition transcript of Debra Dobiac | 109.25 |
| 10/15/2010 | Lisa Scoles; Ground Transportation - Travel to St. George on 10/5 - 10/6/10 for Hearing | 92.00 |
| 10/15/2010 | Terry Deason; Ground Transportation - 10/5 - 10/6/10 travel to St. George for Hearing | 158.00 |
| 10/15/2010 | Lisa Scoles; Lodging - Travel to St. George on 10/5 - 10/6/10 for Hearing | 86.11 |
| 10/15/2010 | Lisa Scoles; Meals - Travel to St. George on 10/5 - 10/6/10 for Hearing | 5.67 |
| 10/15/2010 | Terry Deason; Meals - 10/5 - 10/6/10 travel to St. George for Hearing | 35.38 |
| 12/31/2010 | Photocopies | 864.75 |
| 12/31/2010 | Messenger Charges | 70.00 |
| | Total disbursements for this matter | \$1,542.02 |

BILLING SUMMARY

| | |
|-----------------------------|--------------|
| TOTAL FEES | \$44,052.00 |
| TOTAL DISBURSEMENTS | \$1,542.02 |
| | ----- |
| TOTAL CHARGES FOR THIS BILL | \$45,594.02 |
| PLUS NET BALANCE FORWARD | \$97,658.01 |
| | ----- |
| TOTAL BALANCE NOW DUE | \$143,252.03 |

BALANCE FORWARD SUMMARY

| <u>Bill Date</u> | <u>Bill Number</u> | <u>Billed Amount</u> | <u>Amount Due</u> |
|------------------|--------------------|----------------------|-------------------|
| 05/07/2010 | 15584 | \$9,603.45 | \$4,007.33 |
| 06/07/2010 | 15822 | \$11,357.06 | \$11,357.06 |
| 07/07/2010 | 15948 | \$7,583.79 | \$7,583.79 |
| 08/05/2010 | 16157 | \$19,679.00 | \$19,679.00 |

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Client/Matter : 738 01
Bill Number 16937

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| | | | |
|------------|-------|-------------|-------------|
| 09/17/2010 | 16266 | \$21,554.87 | \$21,554.87 |
| 10/04/2010 | 16334 | \$33,475.96 | \$33,475.96 |

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POST OFFICE BOX 10967
TALLAHASSEE, FL 32302
(850) 425-6654
Federal Tax ID # 75-3101245

Bill Number 18963
Invoice Date March 7, 2012
Activity Billed through 02/29/2012

Gene D. Brown
Water Management Services, Inc.
250 John Knox Road
#4
Tallahassee, FL 32303

Petition for Rate Increase
738 01 TD

PAYMENT DUE UPON RECEIPT

BILLING SUMMARY

| | |
|------------------------------|---------------------|
| TOTAL CHARGES FOR THIS BILL | \$0.00 |
| PLUS NET BALANCE FORWARD | \$146,399.78 |
| TOTAL BALANCE NOW DUE | \$146,399.78 |

BALANCE FORWARD SUMMARY

| <u>Bill Date</u> | <u>Bill Number</u> | <u>Billed Amount</u> | <u>Amount Due</u> |
|------------------|--------------------|----------------------|-------------------|
| 05/07/2010 | 15584 | \$9,603.45 | \$4,007.33 |
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| 08/05/2010 | 16157 | \$19,679.00 | \$19,679.00 |
| 09/17/2010 | 16266 | \$21,554.87 | \$21,554.87 |
| 10/04/2010 | 16334 | \$33,475.96 | \$33,475.96 |
| 01/07/2011 | 16937 | \$45,594.02 | \$45,594.02 |
| 02/07/2011 | 17086 | \$3,147.75 | \$3,147.75 |



**WMSI RESPONSE TO CITIZENS' FIRST REQUEST TO
PRODUCE DOCUMENTS NO. 30**

**HISTORY OF PAYMENTS TO RADEY FIRM
JANUARY 2010 THROUGH OCTOBER 2012**

DNV-4

| Radey | | |
|--------------|------------------|-----------------|
| Date | Check No. | Amount |
| 1/12/2010 | 1525 | \$4,000 |
| 3/15/2010 | 5354 | \$2,000 |
| 4/12/2010 | 5918 | \$2,000 |
| 5/13/2010 | 6028 | \$2,000 |
| 6/7/2010 | 6103 | \$2,000 |
| 7/30/2010 | 6270 | \$2,000 |
| 8/24/2010 | 6367 | \$2,000 |
| 9/29/2010 | 6467 | \$2,000 |
| 10/27/2010 | 6568 | \$2,000 |
| 11/30/2010 | 6660 | \$2,000 |
| 4/16/2012 | 6797 | \$1,000 |
| 5/18/2012 | 6879 | \$1,000 |
| 7/17/2012 | 7044 | \$1,000 |
| 8/10/2012 | 7113 | \$1,000 |
| 9/17/2012 | 7209 | \$2,000 |
| 10/10/12 | 7273 | \$2,000 |
| | | |
| | Total: | \$30,000 |

**WMSI RESPONSE TO CITIZENS' FIRST REQUEST TO
PRODUCE DOCUMENTS NO. 31**

MARCH 19, 2012 LETTER FROM RADEY FIRM TO WMSI

MARCH 30, 2012 LETTER FROM WMSI IN RESPONSE

DNV-5

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Application For Increase in Water Rates)
In Franklin County by Water Management)
Services, Inc.)
_____)

Docket No. 110200-WU

Filed: October 5, 2012

**CITIZENS' FIRST REQUEST TO PRODUCE DOCUMENTS TO
WATER MANAGEMENT SERVICES, INC. (Nos. 1 – 36)**

Pursuant to § 350.0611(1), Fla. Stat. (2004), Fla. Admin. Code R. 28-106.206, and Fla. R. Civ. P.1.350, Florida's Citizens ("Citizens" or "OPC") request Water Management Services, Inc. ("WMSI") to produce the following documents for inspection and copying at the Office of Public Counsel, Claude Pepper Building, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400, on or before 20 days from the date of service as set forth by procedural Order No. 12-0526-PCO-WU, issued October 3, 2012, or at such other time and place as may be mutually agreed upon by counsel. **In lieu of hard copy responses, OPC requests that WMSI provide the responses to these requests for production of documents electronically as described below in the Instructions.** This First Request for Production of Documents supersedes and replaces all prior Requests for Production of Documents served by OPC in this Docket.

DEFINITIONS

1. The terms "document" or "documents" are meant to have the broadest possible meaning under applicable law and includes, but is not necessarily limited to, any written, recorded, filmed or graphic matter, whether produced, reproduced, or on paper, e-mail, cards, tapes, film, electronic facsimile, computer storage device or any other media, including, but not

31. Prior Rate Case Expense Being Collected in Rates. Starting November 1, 2010, please provide all copies of correspondence, including letters, emails, invoices, etc., between WMSI (including Mr. Gene Brown, and Ms. Sandra Chase) and the law firm Radey, Thomas, Yon, and Clark relating to the amount due for services rendered by the law firm to WMSI in the last rate case.

32. Prior Rate Case Expense Being Collected in Rates. Please provide a copy of the engagement letter between WMSI and the law firm Radey, Thomas, Yon, and Clark prior to the commencement of the last rate case.

33. Prior Rate Case Expense Being Collected in Rates. Please provide a copy of the current agreement with Radey, Thomas, Yon, and Clark to pay the bill in full with installment payments as well as any prior agreements to pay the bill.

34. Account 123. Please provide a copy of all Board minutes for WMSI for 2010, 2011, and 2012 to-date.

OPC - POD NO. 31
RADEY, THOMAS, YON AND CLARK LAW FIRM

Documents are attached.

RADEY | THOMAS | YON | CLARK

Attorneys & Counselors at Law

Post Office Box 10967 (32302)
301 South Bronough Street, Suite 200
Tallahassee, Florida 32301
www.radeylaw.com

850-425-6654 phone
850-425-6694 fax

March 19, 2012

Mr. Gene D. Brown
President
Water Management Services, Inc.
250 John Knox Road. #4
Tallahassee, FL 32303

Re: Payment plan to address WMSI's outstanding balance owed to RTYC

Dear Mr. Brown:

As you know, our firm assisted Water Management Services, Inc. ("WMSI") in filing a rate case with the Florida Public Service Commission in 2010 (Docket No. 100104-WU). According to our records, WMSI has not made a payment since May 2010 and the current outstanding balance that WMSI owes Radey Thomas Yon & Clark, P.A. ("RTYC") is \$146,399.78.

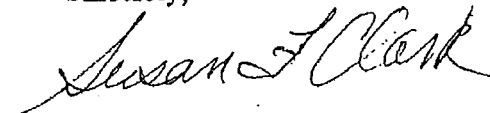
We have sent you periodic reminders of the amount due and have met with you to discuss WMSI's outstanding balance, but we have still not received any additional payments. I believe you will agree that we have been more than patient with you regarding WMSI's outstanding bill.

The time has come for WMSI to begin making good faith efforts to pay down on its large outstanding balance. Therefore, we would propose that you agree that WMSI will begin making monthly payments of \$5,000 to RTYC starting in April 2012 and continuing until the balance is paid in full. Unless we hear otherwise, we will presume this is a satisfactory arrangement to you.

If we cannot reach an amicable arrangement, then RTYC may have to consider alternatives to pursue payment, as outlined in the RTYC Representation Agreement.

Please do not hesitate to contact me if you wish to discuss this matter further. Thank you.

Sincerely,



Susan Clark

Enclosure -- billing statement

_____ **WATER MANAGEMENT SERVICES, INC.** _____

250 John Knox Rd. # 4
Tallahassee, FL 32303
(850) 668-0440 Fax (850) 577-0441

March 30, 2012

Ms. Susan Clark
Radey Thomas Yon & Clark
Post Office Box 10967
Tallahassee, FL 32302

Re: Outstanding Bill from RTYC

Dear Susan:

This will acknowledge receipt of your letter of March 19, 2012 regarding the outstanding bill from Radey Thomas Yon & Clark ("RTYC").

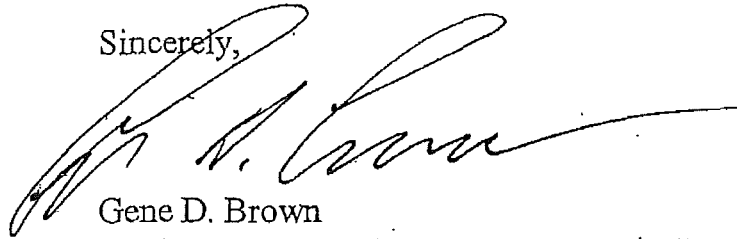
As I stated when we met for lunch several months ago, I intend to sit down with you when we get through the current case to negotiate a reasonable settlement of your bill. Until then, there is no way that WMSI can pay \$5,000 per month to your firm. We are literally struggling day-to-day to keep the utility in operation while we pay our first mortgage debt service and all the additional expenses of the appeal and the new rate case. As you know, the last case resulted in a substantial decrease in rates after 20 years with no general rate relief. We actually ended up with over \$132,000 less in annual revenue than was advocated by OPC's accounting expert. The new case is basically a replay of the case your firm handled, except that we now have an adverse final order to overcome. In working with our new lawyers on the appeal, I have come to recognize that several costly mistakes were made by RTYC in the handling of our case. Those mistakes and the horrible result that we suffered will have to be taken into account when we talk about a settlement of your bill.

Ms. Susan Clark
March 30, 2012
Page Two

Having said all that, I really do want to work all this out to our mutual benefit so that WMSI can survive and your firm can be paid a reasonable fee under these adverse circumstances. With that in mind, I am willing to start paying \$1,000 per month on your bill until we see if the Commission is going to give us any relief in the pending case. The PAA order is due July 30, 2012, and I will be in a better position to decide what action the utility has to take after that date.

If RTYC decides to pursue legal action to obtain a judgment, I will understand, but I will have to do whatever I can to protect the utility and myself. I sincerely hope we can find a solution that is least harmful to both WMSI and RTYC. Please let me know how you want to proceed. If I do not hear from you, I will assume that \$1,000 per month will let us maintain our current positions, and I will start paying \$1,000 by the 15th of each month, beginning in April.

Sincerely,

A handwritten signature in black ink, appearing to read "Gene D. Brown". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Gene D. Brown
President, Water Management Services, Inc.

RADEY THOMAS YON & CLARK

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
POST OFFICE BOX 10967
TALLAHASSEE, FL 32302
(850) 425-6654
Federal Tax ID # 75-3101245

Bill Number 16937
Invoice Date January 7, 2011
Activity Billed through 12/31/2010

Gene D. Brown
Water Management Services, Inc.
250 John Knox Road
#4
Tallahassee, FL 32303

Petition for Rate Increase

738 01 TD

PAYMENT DUE UPON RECEIPT

FOR PROFESSIONAL SERVICES RENDERED

| | | | | |
|------------|-----|---|-----------|----------|
| 10/01/2010 | SFC | Review testimony and participate in witness preparation and practice testimony presentation and cross examination; conference on additional preparation for Florida Public Service Commission hearing | 6.00 hrs. | 2,400.00 |
| 10/01/2010 | LCS | Hearing and witness preparation; phone and email communications with the Office of Public Counsel and the Florida Public Service Commission staff regarding documents, rate case expense and other pre-hearing matters; review documents to bring to hearing; begin preparing exhibits for hearing | 8.10 hrs. | 2,106.00 |
| 10/01/2010 | TD | Hearing and witness preparation | 5.00 hrs. | 1,500.00 |
| 10/02/2010 | LCS | Prepare for hearing, including selecting exhibits and drafting cross-examination questions; email communications with utility witnesses regarding exhibits and summaries of testimony | 4.30 hrs. | 1,118.00 |
| 10/04/2010 | LCS | Finish cross-examination for Mr. Woodcock and Ms. Ramas; meet with Mr. Seidman regarding hearing and exhibit; email communications with the staff of the Florida Public Service Commission and the Office of Public Counsel regarding stipulations; phone communications with Ms. Chase regarding map of fire flow improvements; review the | 7.30 hrs. | 1,898.00 |

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Client/Matter : 738 01
Bill Number 16937

Page 2

summary of Ms. Withers's rebuttal testimony;
email communications with Ms. Withers
regarding same; prepare file supplemental
responses to the utility's discovery responses to
the Office of Public Counsel related to fire
flow improvements; meet with Commission
and Office of Public Counsel staff regarding
same; phone communications with Mr. Scibelli
and Ms. Withers regarding their testimony;
finalize new exhibit for Mr. Seidman's
testimony

| | | | | |
|------------|-----|--|------------|----------|
| 10/04/2010 | TD | Review deposition transcript of Ms. Dobiac; review Order Denying OPC's Motion to Strike Portions of WMST's Rebuttal Testimony; review and revise cross examination questions for Mr. Woodcock and Ms. Ramas; review draft of testimony summaries for Mr. Scibelli, Mr. Withers and Mr. Brown | 2.00 hrs. | 600.00 |
| 10/05/2010 | SFC | Attend rate case hearing; note issues to address in redirect or cross examination; note issues to be clarified; note items identified in customer testimony; make notes on items to be addressed in briefing or subsequent filings | 4.00 hrs. | 1,600.00 |
| 10/05/2010 | LCS | Travel to St. George Island; prepare for and participate in two customer hearings and technical hearing; review and revise cross-examination questions of Mr. Woodcock and Ms. Ramas | 13.10 hrs. | 3,406.00 |
| 10/05/2010 | TD | Attend at technical hearing | 8.00 hrs. | 2,400.00 |
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| 10/06/2010 | TD | Attend technical hearing | 8.00 hrs. | 2,400.00 |
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| 10/07/2010 | TD | Post hearing organization of notes, testimony and exhibits | 1.00 hrs. | 300.00 |
| 10/08/2010 | LCS | Continue drafting initial outline of prehearing | 0.30 hrs. | 78.00 |

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| | | brief; email communications with Mr. Seidman regarding same | | |
| 10/09/2010 | LCS | Email communications with Mr. Seidman regarding pre-hearing brief | 0.20 hrs. | 52.00 |
| 10/11/2010 | LCS | Research related to issues in post-hearing draft; review and organize exhibits from hearing; continue drafting post-hearing draft | 5.50 hrs. | 1,430.00 |
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| 10/19/2010 | LCS | Continue researching and drafting post-hearing brief | 10.10 hrs. | 2,626.00 |
| 10/19/2010 | TD | Review memo and attached exhibits from Mr. Brown concerning areas of cross examination to be addressed in brief | 0.80 hrs. | 240.00 |
| 10/20/2010 | LCS | Continue drafting post-hearing brief; prepare and file late-filed exhibits with the Florida Public Service Commission and serve | 7.90 hrs. | 2,054.00 |
| 10/20/2010 | TD | Review transcript of technical hearing; identify transcript citations for brief by issue number contained in Prehearing Order; review selected exhibits for citation in brief; review late-filed hearing exhibits; research and review Commission orders for possible citation in brief | 3.90 hrs. | 1,170.00 |
| 10/21/2010 | LCS | Review and revise portions of post-hearing brief; confer for client regarding same; research regarding non-utility transactions | 2.80 hrs. | 728.00 |
| 10/21/2010 | TD | Meeting with Ms. Scoles to discuss first rough draft brief; conduct further review of transcripts and exhibits; prepare outline of arguments | 2.10 hrs. | 630.00 |
| 10/22/2010 | LCS | Continue drafting, researching and revising the post-hearing brief; confer for client regarding same; email communications with Mr. Brown and Mr. Seidman to send draft for review | 6.70 hrs. | 1,742.00 |
| 10/22/2010 | TD | Prepare outline of additional citations and | 1.60 hrs. | 480.00 |

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Page 4

| | | | | |
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| 10/23/2010 | LCS | arguments for inclusion in brief; review first complete draft of brief; make edits and draft additional language for Ms. Scoles' review Email communications with Mr. Seidman and Mr. Brown related to draft post-hearing brief and meeting/call to discuss same | 0.20 hrs. | 52.00 |
| 10/25/2010 | LCS | Review comments regarding draft post-hearing brief from Mr. Seidman; confer for client regarding same; email communications with Mr. Seidman regarding same | 0.40 hrs. | 104.00 |
| 10/25/2010 | TD | Review edits to draft of brief and accompanying spreadsheet from Mr. Seidman; discuss with Ms. Scoles; review additional response from Mr. Seidman | 0.50 hrs. | 150.00 |
| 10/26/2010 | LCS | Review comments from Mr. Brown; revise draft post-hearing brief in accordance with Mr. Seidman and Mr. Brown's suggestions; email communications with clients regarding same | 2.10 hrs. | 546.00 |
| 10/26/2010 | TD | Review edits to draft of brief from Mr. Brown and Ms. Chase | 0.40 hrs. | 120.00 |
| 10/27/2010 | LCS | Prepare for and participate in conference call/meeting with Mr. Seidman, Mr. Brown, Ms. Chase and Mr. Deason regarding changes to draft post-hearing brief; update timeline with revised dates for staff recommendation, agenda conference and final order; email communications regarding timeline | 2.80 hrs. | 728.00 |
| 10/27/2010 | TD | Conference call with Mr. Brown, Ms. Chase, Mr. Seidman, and Ms. Scoles to review first full draft of brief and suggested edits; review transcripts and exhibits for further suggested edits; review citations in brief | 2.70 hrs. | 810.00 |
| 10/28/2010 | LCS | Review suggested changes; email communications with Ms. Chase and Mr. Brown regarding certain suggested changes; revise post-hearing brief; email communications with Mr. Brown, Ms. Chase, Mr. Seidman and Mr. Deason to relay revised | 5.20 hrs. | 1,352.00 |

RADEY THOMAS YON & CLARK
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
POST OFFICE BOX 10967
TALLAHASSEE, FL 32302
(850) 425-6654
Federal Tax ID # 75-3101245

Client/Matter : 738 01
Bill Number 16937

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| | | | | |
|------------|-----|---|-----------|----------|
| 10/29/2010 | LCS | brief and request review of same Receive and review suggested changes from Mr. Brown, Mr. Seidman and Mr. Deason; revise, proofread, edit and finalize post-hearing brief; arrange service and filing of same | 4.10 hrs. | 1,066.00 |
| 10/29/2010 | TD | Make final review of brief and give edits to Ms. Scoles | 0.90 hrs. | 270.00 |
| 11/02/2010 | TD | Review brief filed by the Office of Public Counsel | 1.10 hrs. | 330.00 |
| 12/03/2010 | LCS | Receive, distribute to client and begin to review Public Service Commission staff's recommendation | 0.30 hrs. | 78.00 |
| 12/06/2010 | SFC | Review of staff recommendation and meet with client | 1.50 hrs. | 600.00 |
| 12/06/2010 | LCS | Email communications with Public Service Commission clerk regarding missing pages in staff recommendation; review agenda for 12/14/10 conference; confer for client regarding staff recommendation; arrange conference call/meeting with client to discuss staff recommendation; continue review of staff recommendation; prepare for and participate in conference call/meeting regarding same | 2.30 hrs. | 598.00 |
| 12/06/2010 | TD | Review staff recommendation and attachments; discuss with Ms. Scoles; meeting with Mr. Brown, Ms. Chase, Mr. Seidman, Ms. Clark and Ms. Scoles to discuss staff recommendation | 3.20 hrs. | 960.00 |
| 12/13/2010 | LCS | Phone communications with Mr. Brown regarding Agenda Conference | 0.10 hrs. | 26.00 |
| 12/14/2010 | LCS | Attend the Florida Public Service Commission Agenda Conference related to the Commission's decision in Docket No. 100104-WU | 4.50 hrs. | 1,170.00 |

Total fees for this matter

\$44,052.00

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DISBURSEMENTS

| | | |
|------------|---|------------|
| 09/22/2010 | Testimony binding supplies | 120.86 |
| 10/07/2010 | Accurate Stenotype Reporters, Inc. - Deposition transcript of Debra Dobiac | 109.25 |
| 10/15/2010 | Lisa Scoles; Ground Transportation - Travel to St. George on 10/5 - 10/6/10 for Hearing | 92.00 |
| 10/15/2010 | Terry Deason; Ground Transportation - 10/5 - 10/6/10 travel to St. George for Hearing | 158.00 |
| 10/15/2010 | Lisa Scoles; Lodging - Travel to St. George on 10/5 - 10/6/10 for Hearing | 86.11 |
| 10/15/2010 | Lisa Scoles; Meals - Travel to St. George on 10/5 - 10/6/10 for Hearing | 5.67 |
| 10/15/2010 | Terry Deason; Meals - 10/5 - 10/6/10 travel to St. George for Hearing | 35.38 |
| 12/31/2010 | Photocopies | 864.75 |
| 12/31/2010 | Messenger Charges | 70.00 |
| | Total disbursements for this matter | \$1,542.02 |

BILLING SUMMARY

| | |
|------------------------------|---------------------|
| TOTAL FEES | \$44,052.00 |
| TOTAL DISBURSEMENTS | \$1,542.02 |
| | ----- |
| TOTAL CHARGES FOR THIS BILL | \$45,594.02 |
| PLUS NET BALANCE FORWARD | \$97,658.01 |
| | ----- |
| TOTAL BALANCE NOW DUE | \$143,252.03 |

BALANCE FORWARD SUMMARY

| <u>Bill Date</u> | <u>Bill Number</u> | <u>Billed Amount</u> | <u>Amount Due</u> |
|------------------|--------------------|----------------------|-------------------|
| 05/07/2010 | 15584 | \$9,603.45 | \$4,007.33 |
| 06/07/2010 | 15822 | \$11,357.06 | \$11,357.06 |
| 07/07/2010 | 15948 | \$7,583.79 | \$7,583.79 |
| 08/05/2010 | 16157 | \$19,679.00 | \$19,679.00 |

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Client/Matter : 738 01
Bill Number 16937

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| | | | |
|------------|-------|-------------|-------------|
| 09/17/2010 | 16266 | \$21,554.87 | \$21,554.87 |
| 10/04/2010 | 16334 | \$33,475.96 | \$33,475.96 |

RADEY THOMAS YON & CLARK
PROFESSIONAL ASSOCIATION
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POST OFFICE BOX 10967
TALLAHASSEE, FL 32302
(850) 425-6654
Federal Tax ID # 75-3101245

Bill Number 17086

Invoice Date February 7, 2011
Activity Billed through 01/31/2011

Gene D. Brown
Water Management Services, Inc.
250 John Knox Road
#4
Tallahassee, FL 32303

Petition for Rate Increase

738 01 TD

PAYMENT DUE UPON RECEIPT

FOR PROFESSIONAL SERVICES RENDERED

| | | | | |
|------------|-----|--|-----------|----------|
| 01/04/2011 | LCS | Review the Public Service Commission's final order in Docket No. 100104-WU | 1.00 hrs. | 260.00 |
| 01/05/2011 | TD | Begin review of final order in Docket No. 100104-WU | 1.00 hrs. | 300.00 |
| 01/06/2011 | TD | Conclude review of final order in Docket No. 100104-WU | 1.20 hrs. | 360.00 |
| 01/10/2011 | SFC | Review of final order in case (1.4) and participate in conference on same (1.6) | 3.00 hrs. | 1,200.00 |
| 01/10/2011 | LCS | Meeting with Mr. Brown, Ms. Chase, Mr. Deason and Ms. Clark to discuss strategy moving forward; research regarding whether exhaustion is required before appeal; provide template for customer notice to Ms. Chase; phone communications with Florida Public Service Commission staff regarding handling of show case and any further proceedings by Mr. Brown | 1.80 hrs. | 468.00 |
| 01/10/2011 | TD | Meeting with Mr. Brown, Ms. Chase, Ms. Clark and Ms. Scoles to discuss Order No. PSC-11-0010-SC-WU and potential actions in response | 1.60 hrs. | 480.00 |
| 01/14/2011 | LCS | Multiple phone communications with Mr. Brown; phone communications with Florida Public Service Commission staff regarding process to be removed from parties' list; prepare notice of withdrawal; finalize, file and | 0.30 hrs. | 78.00 |

RADEY THOMAS YON & CLARK
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TALLAHASSEE, FL 32302
(850) 425-6654
Federal Tax ID # 75-3101245

Client/Matter : 738 01
Bill Number 17086

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arrange service of same

Total fees for this matter \$3,146.00

DISBURSEMENTS

01/31/2011 Photocopies 1.75

Total disbursements for this matter \$1.75

BILLING SUMMARY

TOTAL FEES \$3,146.00

TOTAL DISBURSEMENTS \$1.75

TOTAL CHARGES FOR THIS BILL \$3,147.75

PLUS NET BALANCE FORWARD \$143,252.03

TOTAL BALANCE NOW DUE \$146,399.78

BALANCE FORWARD SUMMARY

| <u>Bill Date</u> | <u>Bill Number</u> | <u>Billed Amount</u> | <u>Amount Due</u> |
|------------------|--------------------|----------------------|-------------------|
| 05/07/2010 | 15584 | \$9,603.45 | \$4,007.33 |
| 06/07/2010 | 15822 | \$11,357.06 | \$11,357.06 |
| 07/07/2010 | 15948 | \$7,583.79 | \$7,583.79 |
| 08/05/2010 | 16157 | \$19,679.00 | \$19,679.00 |
| 09/17/2010 | 16266 | \$21,554.87 | \$21,554.87 |
| 10/04/2010 | 16334 | \$33,475.96 | \$33,475.96 |
| 01/07/2011 | 16937 | \$45,594.02 | \$45,594.02 |

**WMSI RESPONSE TO CITIZENS' FIRST REQUEST TO
PRODUCE DOCUMENTS NO. 32**

**REPRESENTATION LETTER AND AGREEMENT
WITH RADEY FIRM**

DNV-6

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Application For Increase in Water Rates)
In Franklin County by Water Management)
Services, Inc.)
_____)

Docket No. 110200-WU

Filed: October 5, 2012

**CITIZENS' FIRST REQUEST TO PRODUCE DOCUMENTS TO
WATER MANAGEMENT SERVICES, INC. (Nos. 1 – 36)**

Pursuant to § 350.0611(1), Fla. Stat. (2004), Fla. Admin. Code R. 28-106.206, and Fla. R. Civ. P.1.350, Florida's Citizens ("Citizens" or "OPC") request Water Management Services, Inc. ("WMSI") to produce the following documents for inspection and copying at the Office of Public Counsel, Claude Pepper Building, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400, on or before 20 days from the date of service as set forth by procedural Order No. 12-0526-PCO-WU, issued October 3, 2012, or at such other time and place as may be mutually agreed upon by counsel. **In lieu of hard copy responses, OPC requests that WMSI provide the responses to these requests for production of documents electronically as described below in the Instructions.** This First Request for Production of Documents supersedes and replaces all prior Requests for Production of Documents served by OPC in this Docket.

DEFINITIONS

1. The terms "document" or "documents" are meant to have the broadest possible meaning under applicable law and includes, but is not necessarily limited to, any written, recorded, filmed or graphic matter, whether produced, reproduced, or on paper, e-mail, cards, tapes, film, electronic facsimile, computer storage device or any other media, including, but not

31. Prior Rate Case Expense Being Collected in Rates. Starting November 1, 2010, please provide all copies of correspondence, including letters, emails, invoices, etc., between WMSI (including Mr. Gene Brown, and Ms. Sandra Chase) and the law firm Radey, Thomas, Yon, and Clark relating to the amount due for services rendered by the law firm to WMSI in the last rate case.

32. Prior Rate Case Expense Being Collected in Rates. Please provide a copy of the engagement letter between WMSI and the law firm Radey, Thomas, Yon, and Clark prior to the commencement of the last rate case.

33. Prior Rate Case Expense Being Collected in Rates. Please provide a copy of the current agreement with Radey, Thomas, Yon, and Clark to pay the bill in full with installment payments as well as any prior agreements to pay the bill.

34. Account 123. Please provide a copy of all Board minutes for WMSI for 2010, 2011, and 2012 to-date.

OPC- POD NO. 32

**ENGAGEMENT LETTER BETWEEN WMSI AND RADEY, THOMAS IS
ATTACHED.**

RADEY | THOMAS | YON | CLARK

Attorneys & Counselors at Law

Post Office Box 10967 (32302)
301 South Bronough Street, Suite 200
Tallahassee, Florida 32301
www.radeylaw.com

850-425-6654 phone
850-425-6694 fax

January 12, 2009

Mr. Gene D. Brown
President
Water Management Services, Inc.
250 John Knox Road, #4
Tallahassee, FL 32303

Re: *Representation by Radey Thomas Yon & Clark, P.A.*

Dear Mr. Brown:

The attorneys and staff of Radey Thomas Yon & Clark, P.A., welcome the opportunity to assist Water Management Services, Inc. in connection with a rate proceeding before the Florida Public Service Commission. Lisa Scoles and I will be the firm attorneys with primary responsibility for assisting in this matter. Mr. Terry Deason, a non-lawyer special consultant, and Ms. Toni Egan may also be called upon to provide services as needed. It is understood that the rate for Mr. Deason is for consulting, and should Water Management Services, Inc. ask Mr. Deason to provide expert testimony, a different rate for such work would apply. Approved rates for each person are: Susan Clark - \$400.00; Lisa Scoles - \$260.00 (legal), \$200.00 (financial analysis); Terry Deason - \$300.00 (consulting), \$400.00 (expert witness); Toni Egan - \$260.00 (legal), \$200.00 (C.P.A./financial analysis). If the experience of other Radey Thomas Yon & Clark professionals may be helpful, we will call upon them as necessary to provide services at their standard hourly rate.

We find that it is helpful if we and our clients agree on the scope and terms of proposed representations at their outset. I therefore am attaching a standard representation agreement. The agreement sets forth a series of basic understandings between us, as supplemented by this accompanying letter.

The agreement contemplates various types of professional fee arrangements. In this instance, we understand that our firm will be paid on an hourly basis at the rates indicated above. Our representation will require the payment of a \$4,000.00 deposit to be applied to the first invoice and a minimum payment of \$2,000.00 per month for services rendered. Hourly fees in excess of the monthly payments will accumulate and be payable no later than 10 days following the grant of any rate increase by the Florida Public Service Commission (interim or permanent) or the obtaining of an additional loan by Water Management Services, Inc., whichever occurs first. Mr. Gene D. Brown, President of Water Management Services, Inc. further agrees to be personally liable for any fees remaining unpaid by Water Management Services. Fees and costs

KAREN ASHER-COHEN | DONNA E. BLANTON | SUSAN F. CLARK | BERT L. COMBS | THOMAS A. CRABB | TONI A. EGAN

JEFFREY L. FREHN | CHRISTOPHER B. LUNNY | ELIZABETH McARTHUR | TRAVIS L. MILLER

JOHN RADEY | LISA C. SCOLES | HARRY O. THOMAS | DAVID A. YON | TERRY DEASON*

*non-lawyer
special consultant

RADEY THOMAS YON CLARK

Attorneys & Counselors at Law

are due regardless of the outcome of the rate case and regardless of whether the commission allows recovery of such fees and costs in rates.

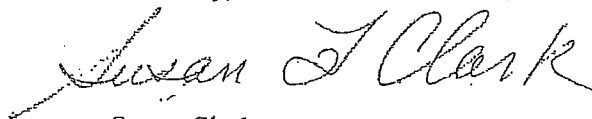
It is our policy to provide the most effective support systems available, while at the same time allocating the cost of such systems in accordance with the usage of the services by individual clients. Therefore, in addition to our fees for legal and consulting services, we also bill for certain charges including photocopies, long distance calls, facsimile, messenger, courier and other office charges. You will also be billed for any out-of-pocket expenses including overnight or express charges, court filing fees, witness fees, travel required in your representation, and any other nonstandard office expenses. Any unusually large expenses of this type will be discussed with you in advance.

Radey Thomas Yon & Clark, P.A. strives to provide representation with honesty, integrity and consistent with high ethical standards. We expect the same from our clients. Any deviations from these standards may be grounds for termination of our representation.

If the foregoing accurately reflects your understanding of our agreement, I would appreciate it if you would sign below and return to me as soon as possible. Our representation will commence only upon receipt of an executed representation agreement and associated payment of the required deposit.

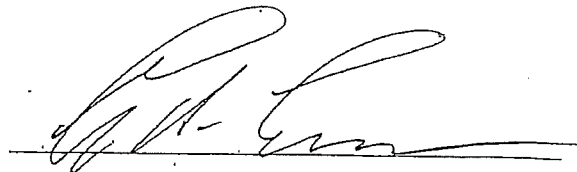
We look forward to representing you and appreciate your consideration of us as your law firm in these matters.

Sincerely,



Susan Clark

Agreed to this 12th day of January 2010, by:



Radey Thomas Yon & Clark, P.A.
Standard Representation Agreement

1. **Scope-** You engage us in connection with the representation as identified in the letter to which this agreement is attached. You may request that we perform additional services from time to time, and if so you and we will enter into a separate representation agreement or an appropriate modification to this agreement.

2. **Responsibilities-** We will endeavor to provide the most effective and efficient services possible while utilizing the unique expertise of our many professionals. We anticipate that the attorney or attorneys specified in the accompanying letter will have primary responsibility for your representation. We might call upon other firm attorneys, non-lawyer consultants, and assistants as might be helpful or appropriate in your representation. If for any reason you have comments or concerns about the services we provide, we encourage you to immediately contact the attorney who executed the attached engagement letter.

3. **Professional Fees-** We will determine the fees in connection with the proposed representation according to the fair value of the services rendered, taking into account the time spent, the nature of the services performed, the expertise required, the size and scope of the matter, the results obtained, the risk to the firm in undertaking the matter, any emergency nature of your request for services, and other relevant considerations. For most services rendered by the firm, the primary determinant of fees will be the internally established hourly rates of the firm's attorneys, non-lawyer consultants, and legal assistants. The range of current hourly rates for firm professionals, including the hourly rate for the attorney with primary responsibility for your representation, should be identified in the letter to which this agreement is attached. The firm's hourly rates are adjusted from time to time. Our time-based billing is based upon one-tenth (0.1) hour increments, provided that the minimum time that is normally billed for the total of a timekeeper's activities on a matter in a single day is two-tenths (0.2) of an hour.

We invite you to discuss freely with us any questions that you may have pertaining to the fee charged for any matter. We want our clients to be pleased with the quality of services we render and with the reasonableness of our fees.

4. **Charges and Costs Associated with Professional Services-** We strive to provide the most effective support systems available, while at the same time allocating costs and charges in accordance with the actual usage of services by individual clients. Thus, in addition to fees for professional services, the firm bills for certain charges including photocopies, long distance telephone, facsimiles, messenger and courier fees, and other office charges. Upon request, the firm will gladly provide a schedule of these charges; the firm may revise the schedule from time to time. The firm also bills for out-of-pocket expenses such as express delivery services, court filing fees, witness and deposition fees, travel costs, and other non-standard office expenses or out-of-pocket costs.

We may advance costs and expenses and include these advances in our monthly statements to you. The firm may request that you make advance or direct payment for reasonable and foreseeable costs and expenses. The firm may request a cost deposit, in addition to the fee deposit, if we anticipate that we will be required to incur substantial costs on your behalf. The firm routinely requests direct payment by the client to vendors for expenses exceeding \$1000.00, and may request that you do so in other circumstances.

5. **Monthly Invoices-** We will render billing statements on a monthly basis showing professional fees, costs, and charges for the preceding month. In our statements, we provide as much billing information as clients customarily desire, including identification of the person performing services, the time spent (if applicable), and the resulting fees. We are willing to discuss other billing formats that we have if any of them may better suit your needs.

Statements are payable upon receipt unless other arrangements are made with the firm in advance. We will make every effort to include all professional fees, costs, and charges in the statement applicable to the month in which they are incurred. However, any items that are recorded after the close of a billing cycle will be reflected in a succeeding bill. Monthly statements that remain unpaid forty-five (45) days after they are rendered are subject to an interest charge of 1.25 percent per month, or part thereof, past due, beginning with the forty-fifth (45th) day after the date of the statement and until paid in full. In the unlikely event that our statement remains unpaid for a period of ninety (90) days, we may discontinue services. Naturally, there might be other circumstances in which we also would discontinue services.

Deleted: will

We are entitled to recover our internal and external attorneys' fees and costs, and any and all other costs of collection, whether or not formal legal proceedings are commenced, in the event that we determine that collection activities are necessary. In the event that collection activities lead to legal proceedings, you and we hereby waive all rights to a trial by jury. We alternatively may agree, in our discretion, to arbitrate any unpaid fees pursuant to The Florida Bar's mediation program if you also agree to arbitration.

When our representation includes more than one person in a matter, each person that we represent is jointly and severally liable for our fees, costs and charges.

6. **Total Fees and Costs-** Although we would like to be able to accurately predict the outcomes of our representations at their outsets, we cannot guarantee that any particular result will be achieved when the result is subject to the actions, inactions, or interpretations of adverse parties, regulators, or other third parties. Likewise, costs of representation can vary depending upon factors such as courses of action taken by parties involved, the amount of work that you may delegate to us at the beginning of the relationship or thereafter, and the complexity of issues known at the beginning of the representation or that develop thereafter. In that regard, we are unable to make specific promises about the total amount of fees or costs that will be required in your representation, and any estimates of fees should not be construed as any guarantee that fees will not exceed stated amounts. However, we are aware of the costs of legal services and that no client wishes to incur unnecessary expenses. We

encourage you to consider the extent of our efforts as reflected in each monthly billing statement and to discuss any desired adjustments in the firm's prospective efforts.

7. Confidentiality. As a matter of professional responsibility, we are required to preserve the confidences and secrets of our clients. This professional obligation, and the attendant attorney-client privilege, is intended to encourage candid communications between clients and lawyers. We are able to best serve you only if we are aware of all of the information that might be relevant to your representation. Consequently, we trust that our representation of you will be based upon mutual confidence and upon unrestrained communication that will facilitate our efforts on your behalf. Any breach of this trust may be grounds to terminate our representation.

You should be aware that when we represent a corporation or other legal entity, our client relationship is with the entity and not with its individual officers, directors, shareholders, partners or other similar persons. We therefore owe our professional duties to the entity and not necessarily to those persons. Of course, we are able to also represent officers, directors, shareholders, partners and similar persons in matters that do not conflict with the interests of the entity. We encourage you to discuss this subject with us and with independent counsel should you become aware of any uncertainties in this area.

Our services will be limited to those set forth in this agreement and the letter to which it is attached. We will rely upon you for factual information and materials required in connection with our performance of services for you. It is understood that you are not relying upon us for business, investment, or accounting decisions, or for the investigation of the character or credit of persons with whom you may be dealing, unless otherwise specified in the letter to which this agreement is attached. We will keep you apprised of developments affecting your representation and will consult with you in an effort to produce the timely and efficient completion of our work on your behalf.

8. Termination of Representation. This agreement will end upon the completion of the agreed representation, or upon the earlier termination of this agreement by you or us, unless the parties agree to a continued representation. Of course, we hope that we will develop a long-standing, mutually beneficial relationship through new or extended representations. Nonetheless, this agreement remains terminable at will by either party, subject to ethical considerations and payment of all fees and costs. In the unusual event that a court or other applicable authority refuses to permit us to withdraw from your representation, we will be entitled to our reasonable fees and costs through the date of our permitted withdrawal or completion of the representation.

Examples of circumstances in which we might withdraw from an existing representation include (but are not limited to) when a conflict arises with other representations undertaken by us; when continued representation of the client otherwise would violate our professional responsibilities; when a client insists upon pursuing an objective that we consider imprudent or inappropriate; or when the client fails to fulfill an obligation to us, such as a material misrepresentation or nonpayment of fees.

9. **Potential for Conflicts-** In undertaking your representation, we have taken certain precautions to determine whether the representation raises any conflicts of interest with other clients. At the commencement of this engagement, it does not appear that the firm has any conflicts of interest regarding the anticipated representation. Because of the diversity of our practice, we occasionally discover a conflict with another client after we have undertaken a representation. If we discover additional information that discloses a conflict of interest in connection with your representation, we expressly reserve the right to withdraw from the representation. In the unlikely event this becomes necessary, we will assist you in obtaining new counsel if you so desire.

Because we are a full-service law firm with specialized practice areas, we might currently, or may be asked to, represent certain other members of your industry in various matters. Of course, we will not during the term of this engagement accept any representation of another client that entails pursuing interests that are directly adverse to yours, unless and until we have concluded that we may undertake the additional representation consistent with our professional responsibilities; we have disclosed to you the relevant facts and circumstances; and you have consented to our representation of the client with the directly adverse interests.

10. **Effective Date-** This agreement will be effective upon our receipt of a signed copy and the initial deposit set forth above unless an alternate date is set forth in the accompanying letter. Fees and costs for services in anticipation of the return of this agreement will be included under bills prepared according to the terms of this agreement.

If any of the above terms give rise to any comments or concerns, please let us know right away so that we can proceed with a clear understanding of our relationship.

[This space intentionally left blank]

**WMSI RESPONSE TO STAFF'S SIXTH DATA REQUEST
FILED IN THE DOCKET FILE ON MAY 31, 2012.**

QUESTIONS ON ANY BILL DISPUTE

DNV-7

**SUNDSTROM,
FRIEDMAN & FUMERO, LLP**
Attorneys | Counselors

766 NORTH SUN DRIVE
SUITE 4030
LAKE MARY, FLORIDA 32746

PHONE (407) 830-6331
FAX (407) 830-8522

www.sfllaw.com

May 30, 2012

RECEIVED-FPSC
12 MAY 31 AM 8:59
COMMISSION
CLERK

Ms. Ann Cole
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 110200-WU – In re: Application for increase in water rates in
Franklin County by Water Management Services, Inc.
Our File No. 46023.01

Dear Ms. Cole

Water Management Services, Inc. (“WMSI” or “Utility”) submits the following in
response to Staff’s Sixth Data Request dated May 16, 2012:

Items 1-6 relate to an invoice from Radey, Thomas, Yon & Clark, to WMSI, dated
March 7, 2012, produced in response to OPC POD No. 40. That particular invoice indicates
that the total balance due was approximately \$146,400 for services billed during the last rate
case, Docket No. 100104-WU.

1. Does WMSI dispute this amount or any part of it? If so, what portion does it
dispute and on what basis?

Response: No.

2. Has WMSI paid any portion of the approximately \$146,400 figure? If so,
please provide proof of any payments.

Response: Yes, see attached documentation.

3. If WMSI has not made any payments to Radey, Thomas, Yon and Clark for
legal services rendered in Docket No. 100104-WU, what, if any, arrangements have been
made for payment?

Response: WMSI has made payments to Radey, Thomas, Yon and Clark for legal
services rendered in Docket No. 100104-WU. Also, WMSI has entered into an agreement
with Radey, Thomas, Yon and Clark to pay the bill in full with installment payments.

DOCUMENT NUMBER

03475 MAY 31 2012

BOCA RATON

LAKE MARY

TALLAHASSEE

FPSC-COMMISSION CLERK

Ms. Ann Cole
Office of Commission Clerk
Florida Public Service Commission
May 30, 2012
Page 2

4. Has Radey, Thomas, Yon & Clark taken any legal action to collect this debt? If yes, describe the action taken, and WMSI's response.

Response: No.

5. As of the date of this request, does Radey, Thomas, Yon & Clark have a lien or judgment against WMSI or Gene Brown for legal services rendered during Docket No. 100104-WU? If so, please provide a copy of the lien or judgment.

Response: No.

6. How much has WMSI paid Radey, Thomas, Yon & Clark for legal services rendered in Docket No. 100104-WU?

Response: \$24,000

7. As of the date of this request, please state the payments WMSI has made to the following Consultants for services rendered to WMSI during Docket No. 100104-WU, and provide supporting documentation and proof of payments.

| <u>Amount</u> | <u>Consultants</u> | <u>Commission</u> | <u>Approved</u> |
|---------------|---|-------------------|------------------------|
| \$65,428 | M&R Consultants, Inc. - Frank Seidman | | |
| \$2,879 | Post, Buckley, Schuh, & Jernigen, Inc. - Scibelli | | |
| \$2,700 | Barbara Withers | | |
| | Total | | <u>\$71,007</u> |

Response: See Attached. Post, Buckley and Barbara Withers have been paid in full for their services in the prior case. Frank Seidman has been paid \$45,274, some of which was applied to preparation of annual reports. The balance of Frank Seidman's bill is being paid with periodic monthly payments.

Ms. Ann Cole
Office of Commission Clerk
Florida Public Service Commission
May 30, 2012
Page 3

8. As of the date of this request, do any of the Consultants named in Question 7 have a lien or judgment against WMSI or Gene Brown for unpaid services related to fees for Docket No. 100104-WU? If so, please provide a copy of the lien or judgment.

Response: No.

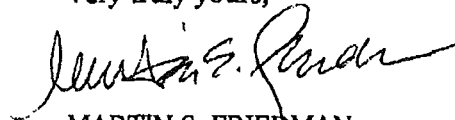
By Order No. PSC-11-0010-SC-WU, issued January 3, 2011, on pages 50 and 64, the Commission required WMSI to provide proof by April 4, 2011 (90 days from the date of the Order), that the adjustments for all the applicable NARUC USOA primary accounts were made. In its response to Staff's First Data Request, Item 17, issued December 12, 2011, WMSI stated that it believed that all the adjustments made would be shown in the MFRs, filed by the Utility on November 7, 2011. After reviewing the Utility's MFRs, staff has concluded that the MFRs did not provide proof that the adjustments have been made. As of the date of this request, no proof of Commission-ordered adjustments has been received by staff. Please provide proof that the adjustments for all the applicable NARUC USOA primary accounts have been made. In this response, please include all journal entries made to adjust the Utility's general ledger for the Commission-ordered adjustments.

Response: WMSI is uncertain as to what additional adjustments need to be made, and would like an opportunity to consult with a PSC staff member for clarification on this point. WMSI is ready to meet at any time, and will make all of the required adjustments within 3 days after the meeting. If the PSC staff has a list of the additional adjustments that need to be made, please send it to WMSI and the adjustments will be made without the necessity of a meeting.

Note: The attached invoices and cancelled checks should be a sufficient response to item one of Staff's Fifth Data Request. If not, please let me know what else you need.

If you or Staff have any questions, please feel free to contact me.

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

MSF/der
Enclosures

**WMSI RESPONSE TO CITIZENS' FIRST REQUEST TO
PRODUCE DOCUMENTS NO. 33**

AGREEMENT TO PAY RADEY FIRM

DNV-8

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Application For Increase in Water Rates)
In Franklin County by Water Management)
Services, Inc.)
_____)

Docket No. 110200-WU

Filed: October 5, 2012

**CITIZENS' FIRST REQUEST TO PRODUCE DOCUMENTS TO
WATER MANAGEMENT SERVICES, INC. (Nos. 1 – 36)**

Pursuant to § 350.0611(1), Fla. Stat. (2004), Fla. Admin. Code R. 28-106.206, and Fla. R. Civ. P.1.350, Florida's Citizens ("Citizens" or "OPC") request Water Management Services, Inc. ("WMSI") to produce the following documents for inspection and copying at the Office of Public Counsel, Claude Pepper Building, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400, on or before 20 days from the date of service as set forth by procedural Order No. 12-0526-PCO-WU, issued October 3, 2012, or at such other time and place as may be mutually agreed upon by counsel. **In lieu of hard copy responses, OPC requests that WMSI provide the responses to these requests for production of documents electronically as described below in the Instructions.** This First Request for Production of Documents supersedes and replaces all prior Requests for Production of Documents served by OPC in this Docket.

DEFINITIONS

1. The terms "document" or "documents" are meant to have the broadest possible meaning under applicable law and includes, but is not necessarily limited to, any written, recorded, filmed or graphic matter, whether produced, reproduced, or on paper, e-mail, cards, tapes, film, electronic facsimile, computer storage device or any other media, including, but not

31. Prior Rate Case Expense Being Collected in Rates. Starting November 1, 2010, please provide all copies of correspondence, including letters, emails, invoices, etc., between WMSI (including Mr. Gene Brown, and Ms. Sandra Chase) and the law firm Radey, Thomas, Yon, and Clark relating to the amount due for services rendered by the law firm to WMSI in the last rate case.

32. Prior Rate Case Expense Being Collected in Rates. Please provide a copy of the engagement letter between WMSI and the law firm Radey, Thomas, Yon, and Clark prior to the commencement of the last rate case.

33. Prior Rate Case Expense Being Collected in Rates. Please provide a copy of the current agreement with Radey, Thomas, Yon, and Clark to pay the bill in full with installment payments as well as any prior agreements to pay the bill.

34. Account 123. Please provide a copy of all Board minutes for WMSI for 2010, 2011, and 2012 to-date.

OPC- POD NO. 33

**THERE IS NO WRITTEN AGREEMENT EXCEPT AS NOTED UNDER
NO. 32 ABOVE.**

**WMSI RESPONSE TO CITIZENS' THIRD SET OF
INTERROGATORIES NO. 27**

JUSTIFICATION FOR TWO WITNESSES

DNV-9

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Application for Increase in Water Rates)
In Franklin County by Water Management)
Services, Inc.)
_____)

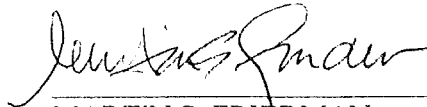
DOCKET NO. 110200-WU

**WATER MANAGEMENT SERVICES, INC.'S RESPONSES TO
CITIZENS' THIRD SET OF INTERROGATORIES (Nos. 25 - 42)**

WATER MANAGEMENT SERVICES, INC., by and through its undersigned attorneys and pursuant to Rule 1.340, Florida Rules of Civil Procedure, hereby responds to the Office of Public Counsel's Third Set of Interrogatories (Nos. 25-42) served upon it on or about October 18, 2012.

Respectfully submitted this 13 day of November,
2012, by:

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Florida Bar No.: 0199060
For the Firm

WMSI's ANSWERS TO OPC'S THIRD SET OF INTERROGATORIES

25. Contractual Services – Accounting. Please refer to the Exhibit JA-5 attached to Jeanne Clark Allen's testimony. Please provide an explanation for the significant increase in accounting costs of from \$3,667 approved in the last order to the \$18,550 reflected on the company's books for 2010. Please include in the explanation a specific description of the type of service received in the respective years and what services and price changes caused the cost to increase.

ANSWER: The accounting expense of \$3,667 approved in the last PSC Order was never adequate. During the 2010 year, WMSI incurred accounting expense for various accounting services in the amount of \$18,550, as reflected on the outstanding invoices previously provided. These accounting costs for 2010 in the amount of \$18,550 were to cover all necessary accounting services, which included extensive work on the utility's depreciation schedules and other additional services.

26. Contractual Services – Accounting. Please refer to the testimony of Jeanne Clark Allen at page 4 where she discusses the contractual services - accounting expense. Please explain why the 5-year average shown in Exhibit JA-5 includes \$18,550 in 2010 when the utility MFR's included an adjustment to reduce that amount to \$9,550.

ANSWER: The utility's actual charges for the year 2010 were \$18,550 as shown on Schedule B-5, page 30 of Volume I of the utility's MFR's. The utility claimed only \$9,550 for ongoing annual accounting expense because the \$18,550 was deemed to be higher than the \$9,550 which the utility projected as a reasonable, ongoing utility expense in the MFR's. The utility is now requesting that the Commission apply a 5 year average which includes the actual expense of \$18,550 for the 2010 test year. That results in a revised utility request for \$5,252 as shown by exhibit JA-5 of Jeanne Allen's testimony. That amount is still less than WMSI's estimates for its ongoing annual accounting expense. However, at a minimum and to be consistent with the order in the last rate case, the utility should be allowed at least the updated 5 year average amount of \$5,252, which is still substantially less than the requested amount in the utility's MFR's.

27. Rate Case Expense. Please refer to the prefiled testimony of Jeanne Clark Allen and John Guastella. Explain why it was deemed necessary for the Company to have both witnesses address the payroll adjustment and the working capital adjustment.

ANSWER: The Commission staff and the Commission did not accept the expert accounting testimony of Jeanne Allen with regard to the protested items, and the utility has no reason to believe that her testimony will be any more persuasive at the final hearing than it was prior to the PAA Order. Accordingly, the utility decided that it was prudent to obtain the services of John Guastella, who has more expertise and unquestioned credibility regarding the protested items, and other rate setting questions.

28. Cost of Debt. Please refer to the testimony of Jeanne Clark Allen at pages 3-4 where she discusses the weighted average cost of capital and the Centennial Bank Loan.

- a. Please provide an explanation of the specific costs related to the life insurance policies;
- b. Please provide an explanation of the specific costs related to closing on the Centennial Bank Loan;
- c. Please explain how these amounts are calculated and amortized such that the effective cost rate of the Centennial Bank Loan increases from 6.5% to 8.46%.

ANSWER:

a. (1) The annual premium on the \$1 million policy is \$13,116.60.
(2) The annual premium on the \$2 million policy is \$26,141.40.
The total annual premium for the two life insurance policies is \$39,258.

b. The bank origination fee was \$6,857.54.
The recording fees were \$35.50.
The total closing costs were \$6,893.04, as shown by response to POD No. 49.

c. As explained above, the actual effective cost rate on the Centennial loan was 8.70% when the closing costs are included, as shown by response to POD No. 49. The 8.46% reflected in the MFR's inadvertently omitted these closing costs.

29. Cost of Debt. Please refer to the testimony of Jeanne Clark Allen at page 3-4 where she discusses the weighted average cost of capital. Please provide the following information regarding each life insurance policy required as collateral on the Centennial Bank Loan: