Agenda Item 12

COMMISSION DIRECTIVE

ADMINISTRATIVE MATTERS	☐	DATE	**December 12, 2007**
MOTOR CARRIER MATTERS	☐	DOCKET NO.	**2007-244-W**
UTILITIES MATTERS	☒		

SUBJECT:

DOCKET NO. 2007-244-W - Application of Southland Utilities, Incorporated for Adjustment of Rates and Charges for the Provision of Water Service– A Hearing was Held on this Matter on October 18, 2007. This Matter is Ready for Final Disposition.

COMMISSION ACTION:
Southland Utilities, Inc. originally came before this Commission with a requested rate increase of $96,311 in water revenues. In subsequent settlement negotiations, the Company agreed to reduce its original requested increase in total operating revenues to $58,781. This increase is based upon the ORS accounting adjustments and a revised return on equity of 9.34%. This 9.34% return on equity yields a 7.68% return on rate base with a resulting operating margin of 11.19%. Mr. Chairman, I would also note that the parties have calculated rates that would allow the Company to collect the requested revenue. Mr. Chairman, I believe that the evidence presented in the case supports the reduced revenue figure of $58, 781, and the revised return on equity of 9.34%. Further, the proposed rates to collect the reduced revenue are just and reasonable, while allowing the Company to earn to earn a reasonable return on its investment. Accordingly, I move that we approve the increase of $58,781, with the 9.34% return on equity, the 7.68% return on rate base, and the 11.19% operating margin, as well as the proposed rates. I also move that we approve the Settlement Agreement presented by the parties as being in the public interest.

PRESIDING Hamilton

Session: Regular

Time of Session 12:00 N

	MOTION	YES	NO	OTHER
CLYBURN	☐	☐	☐	Not Voting
FLEMING	☐	☒	☐	
HAMILTON	☐	☒	☐	
HOWARD	☐	☒	☐	
MITCHELL	☒	☒	☐	
MOSELEY	☐	☒	☐	
WRIGHT	☐	☒	☐	

APPROVED
APPROVED STC 30 DAYS
ACCEPTED FOR FILING
DENIED
AMENDED
TRANSFERRED
SUSPENDED
CANCELED
SET FOR HEARING
ADVISED
CARRIED OVER
RECORDED BY SCHMIEDING

Commissioner Clyburn was attending a conference in Phoenix, Arizona.