



Florida Public Service Commission

SPECIAL REPORT

JULY 2010

Application for original certificates for proposed water and wastewater systems in Hernando and Pasco Counties and request for initial rates and charges by

Skyland Utilities, LLC

DOCKET NO. 090478-WS

On October 16, 2009, Skyland Utilities, LLC (Skyland) filed an application with the Florida Public Service Commission (PSC or Commission) for original certificates to operate a water and wastewater utility in Hernando and Pasco Counties and for approval of initial rates and charges. According to the application, Skyland proposes to provide potable and non-potable water and wastewater services to customers in southeastern Hernando and northeastern Pasco Counties.

QUESTIONS & ANSWERS

1 Is there an opportunity for public input on this case?

Yes. As part of the evaluation process for Skyland's request, the Commission will conduct two customer hearings to allow feedback about Skyland and its application. All comments, written and oral, will be taken into consideration when the Commission reaches a decision.

2 What if I can't make the customer hearings or prefer not to speak? Are there other ways to comment on the issue?

Any person who wants to comment or provide information to the Commission regarding this matter may do so orally at the hearings or in writing. Correspondence will be placed in the docket file.

HEARING DATES

Customer Hearings: Wednesday, July 7, 2010 at 10:00 a.m. and 6:00 p.m.
Technical Hearing: Wednesday, July 7, 2010 between Customer Hearing times
(Technical Hearing will continue on Thursday, July 8, 2010, if necessary)
Southwest Florida Water Management District's Board Room
2379 Broad Street
Brooksville, FL 34604

To check if a hearing has been canceled, look on the Commission's Web site (www.floridapsc.com) under the Hot Topics link on the home page. Cancellation can also be confirmed by calling the Office of the General Counsel at (850) 413-6199.

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Written comments should be mailed to:

Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

The PSC will also accept faxes and e-mails.

Fax number: 1-800-511-0809

Internet e-mail address:
contact@psc.state.fl.us

Please be sure to include the docket number, **090478 - WS**.

Comments are placed on the consumer side of the docket file and are taken into consideration by the Commissioners in reaching their decision. If you have questions, call the Florida Public Service Commission's Division of Service, Safety and Consumer Assistance at 1-800-342-3552.

3 When will the technical issues in this case be heard by the Commissioners?

There will be a technical hearing conducted by the Commission after the morning customer hearing on July 7 and continued to July 8, if necessary. During this technical hearing, the Commission will hear from witnesses for the applicant, intervenors, and the PSC staff. To date, the intervenors include Pasco County, Hernando County, the City of Brooksville, and the Office of Public Counsel. All witnesses at the technical hearing will be subject to cross-examination by the other parties.

4 What are the water and wastewater rates being proposed by Skyland for residential customers?

For water service, the base facility charge will be \$18.09 and the gallonage charge per 1,000 gallons will be \$5.77.

For wastewater service, the base facility charge will be \$16.57 and the gallonage charge per 1,000 gallons will be \$5.13.

5 Who can answer technical or legal questions?

For technical questions, contact:

Patti Daniel
(850) 413-6808

JoAnn Chase
(850) 413-6978

For legal questions, contact:

Caroline Klancke
(850) 413-6220

Lisa Bennett
(850) 413-6230

6 Where on the Internet can I obtain more detailed information?

Detailed docket information is available on the PSC Web site at www.floridapsc.com. Click on **Dockets and Filings/Dockets** and then type in the docket number, **090478**.

7 When will the PSC make a decision?

The PSC staff is scheduled to file a recommendation with the Commission on September 16, 2010. The Commissioners are expected to vote on this matter at the September 28, 2010 Agenda Conference.

PSC Commissioners



COMMISSIONER



COMMISSIONER
Lisa Polak Edgar



CHAIRMAN
Nancy Argenziano



COMMISSIONER
Nathan A. Skop



COMMISSIONER

Nancy Argenziano was appointed to the Florida Public Service Commission by Governor Charlie Crist for a four-year term beginning May 2007 and was elected Chairman for the years 2010 and 2011. Before her appointment to the PSC, Chairman Argenziano served more than 10 years in the Florida legislature. She was first elected to the Florida House of Representatives in 1996 (District 43) and served there until her election in 2002 to the Florida Senate (District 3). ♦ While serving in the legislature, she served on many different committee and council assignments including Environmental Preservation, Governmental Oversight (Chair), Comprehensive Planning, Criminal Justice (Chair), Criminal Justice Appropriations, Regulated Industries, Rules and Calendar, Agriculture (Chair), Administrative Procedure, Public Service Commission Oversight, Ethics and Elections, Health Policy, Elder Affairs (Chair), Healthcare Council (Chair), Crime and Punishment, Water Resource Management, and Utilities and Communication. ♦ As a Senator, her legislative career focused on protection of the elderly and other vulnerable citizens, resource protection, and full participation of the citizens in their government. Notable legislation which she has sponsored includes nursing home reform, "local sources first" (water use), two pharmacy discount programs, a law providing for clearing the courtroom for victim sex crime testimony, enhanced penalties for crimes against the elderly, Public Counsel representation in utility rates cases, protection of our springs, a "scambusters" program for the protection of consumers, and protection for our children from sexual predators (the Jessica Lunsford Act), just to mention a few. ♦ Chairman Argenziano has one son, Joseph, who has proudly served his country for 14 years in the United States Air Force. Chairman Argenziano is a member of the National Association of Regulatory Utility Commissioners (NARUC).

Lisa Polak Edgar was appointed to the Florida Public Service Commission (PSC) by Governor Jeb Bush for a four-year term beginning January 2005. From January 2006 to January 2008, she served as Chairman and participated as a member of the Florida Energy Commission and the Governor's Action Team on Energy and Climate Change. Governor Charlie Crist reappointed Commissioner Edgar to a second four-year term, January 2009 through December 2012. ♦ During her first term, Commissioner Edgar worked to develop policies to strengthen the state's electric infrastructure to better prepare for, and withstand, storm events; to establish net metering and interconnection rules that encourage customer participation and renewable energy development; to further the diversification of Florida's fuel supply; to effectively reform the collection and distribution of Universal Service funds; and to broaden stakeholder participation. ♦ Commissioner Edgar served on the Federal Communications Commission Universal Service Joint Board from 2005 through 2009 working for efficient, accountable and fiscally responsible use of Universal Service funds. She is currently a member of the National Association of Regulatory Utility Commissioners Board of Directors, as well as the Committees on Electricity and Consumer Affairs. ♦ Prior to joining the PSC, Commissioner Edgar served as Deputy Secretary for the Florida Department of Environmental Protection (DEP). Her responsibilities at DEP included executive management oversight of the agency's \$2.1 billion budget, fiscal and strategic planning, accountability measures, information technology, administrative services, Florida Geological Survey, and coordination between the state and federal government on environmental issues, including proposed and existing oil and gas drilling on the Outer Continental Shelf. Commissioner Edgar represented the State of Florida on the Minerals Management Service Outer Continental Shelf (OCS) Policy Committee from 1993-2004, and on the Subcommittees on Environmental Studies in OCS Areas under Moratoria and OCS Hard Minerals. ♦ Commissioner Edgar received her Bachelor of Science and Juris Doctorate degrees from Florida State University and is a member of the Florida Bar. She is a member of Leadership Florida and the Capital Tiger Bay Club, and serves on the Board of Directors of Sustainable Florida—Collins Center. ♦ Commissioner Edgar and her husband are members of Killlearn United Methodist Church and are raising their two active children in Tallahassee.

Nathan A. Skop was appointed to the Florida Public Service Commission by Governor Charlie Crist for a four-year term beginning January 2007. ♦ Commissioner Skop currently serves as a faculty instructor for the National Association of Regulatory Utility Commissioners (NARUC) Utility Rate School. Commissioner Skop also serves on the NARUC Committee on Electricity and the Subcommittee on Nuclear Issues - Waste Disposal. Commissioner Skop previously served on the NARUC Committee for Consumer Affairs and the Committee on Energy Resources and the Environment. ♦ Prior to his appointment, Commissioner Skop gained over thirteen years of engineering, manufacturing, operations, program management, and financial management experience working for Fortune 500 corporations. ♦ Commissioner Skop began his professional career as a nuclear project engineer with the Electric Boat Division of General Dynamics Corporation in Groton, Connecticut. As a member of the Advanced Propulsion

PSC Commissioners continued

Plant Technology Program he participated in the design, integration, and qualification testing of nuclear submarine propulsion system turbomachinery for the USS SEAWOLF (SSN 21), and participated in the initial criticality and power range testing of the USS SANTA FE (SSN 763) nuclear submarine reactor plant. ♦ Commissioner Skop continued his professional career as a specialist engineer with the Propulsion Systems and Customer Service divisions of the Boeing Commercial Airplane Group in Seattle, Washington. While serving in these positions he participated in the design, integration, and test of Engine Build-Up installations for Pratt & Whitney engines installed on Boeing 777 aircraft, and supported General Electric aircraft engines installed on Boeing 747, 767, and 777 aircraft. ♦ Prior to attending law school, Commissioner Skop gained substantial renewable energy and energy industry experience as a business manager with FPL Energy (an unregulated subsidiary of FPL Group) through managing nine renewable wind energy projects located in Altamont Pass, California, and a coal fired co-generation plant located in Stockton, California. ♦ Commissioner Skop's extensive power generation experience includes renewable energy (wind and solar), fossil fuel (combined cycle, gas turbine, co-generation, and coal), and nuclear power. ♦ Commissioner Skop graduated from the University of Florida with a BS in Aerospace Engineering in 1991. He later earned an MBA with concentrations in financial management and investment analysis from Rensselaer Polytechnic Institute in 1996, and a JD from the University of Florida Levin College of Law in 2006. Commissioner Skop also holds a graduate level certificate in environmental management from the Hartford Graduate Center and attended an executive education program focusing on mergers and acquisitions at the Wharton School of Business at the University of Pennsylvania. ♦ Commissioner Skop has been quoted in BusinessWeek, The New York Times, and NPR Morning Edition on regulatory policy issues, and had a case comment published in the Journal of Technology Law & Policy for the Levin College of Law at the University of Florida. ♦ Commissioner Skop is admitted to practice law in Florida, a member of the Florida Bar, and serves as a Guardian ad Litem for the Circuit Court of the Second Judicial Circuit in Leon County. ♦ Commissioner Skop was raised in Sanford, Florida. Prior to relocating to Tallahassee to serve in his current position, Commissioner Skop previously lived in Gainesville and Palm Beach Gardens, Florida.

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Florida Public Service Commission
Division of the Commission Clerk and Administrative Services
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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