

VOTE SHEET

March 27, 2012

Docket No. 110298-SU – Application for certificate to provide wastewater service in Volusia and Brevard Counties by Farnton Water Resources LLC.

Issue 1: Should the Commission grant Farnton's application for an original wastewater certificate?

Recommendation: Yes. The Commission should grant Farnton Certificate No. 564-S to serve the territory described in Attachment A of staff's memorandum dated March 15, 2012, effective the date of the Commission's vote. The resultant order should serve as the Utility's wastewater certificate and should be retained by the Utility as such. Pursuant to Rule 25-30.033(1)(j), Florida Administrative Code (F.A.C.), the Utility should submit an executed copy of the 99-year Lease Agreement within 30 days after the date of the order granting the certificate.

APPROVED

RECEIVED-FPSC
12 MAR 28 AM 9:19
COMMISSION
CLERK

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Julie R
[Signature]
[Signature]
Louis P
[Signature]

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

01801 MAR 28 2012

FPSC-COMMISSION CLERK

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(Continued from previous page)

Issue 2: What are the appropriate initial wastewater and reuse rates and return on investment for Farmton?

Recommendation: The wastewater and reuse rates, as shown on Schedule No. 2 of staff's memorandum dated March 15, 2012, appear reasonable and should be approved. The approved rates should be effective for services rendered on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475, F.A.C. Farmton should be required to charge the approved rates until authorized to change them by the Commission in a subsequent proceeding. A return on equity (ROE) of 8.74 percent plus or minus 100 basis points should also be approved.

APPROVED

Issue 3: What are the appropriate service availability policy and charges for Farmton?

Recommendation: The service availability policy and charges, as shown on Schedule No. 3 of staff's memorandum dated March 15, 2012, result in contribution levels which are consistent with the guidelines contained in Rule 25-30.580, F.A.C., and should be approved. The approved service availability policy and charges should be effective for connections made on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475, F.A.C. Farmton should be required to collect the approved charges until authorized to change them by the Commission in a subsequent proceeding.

APPROVED

Issue 4: What are the appropriate miscellaneous service charges for Farmton?

Recommendation: The miscellaneous service charges, as shown on Schedule No. 3 of staff's memorandum dated March 15, 2012, are reasonable and should be approved. The approved miscellaneous service charges should be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475, F.A.C. Farmton should be required to collect the approved charges until authorized to change them by the Commission in a subsequent proceeding.

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Issue 5: What is the appropriate allowance for funds used during construction (AFUDC) rate for Farmton?

Recommendation: Farmton's proposed AFUDC rate of 8.74 percent, with a discounted monthly rate of 0.70068947 percent, is appropriate and should be approved. The approved rate should be applicable for eligible construction projects.

APPROVED

Issue 6: Should this docket be closed?

Recommendation: No. The certification portion of this recommendation will become final agency action upon the Commission's vote. The docket should remain open pending receipt of the executed copy of the 99-year Lease Agreement within 30 days after the date of the order granting the certificates. If no timely protest to the proposed agency action portion of the order with respect to initial rates and charges is filed with the Commission by a substantially affected person, a Consummating Order should be issued. Following the expiration of the protest period with no timely protest, the issuance of a Consummating Order, and the Utility's submission of the Agreement, the docket should be closed administratively.

APPROVED