

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

SEPTEMBER 21, 2004

RE: Docket No. 021256-WU - Application for certificate to provide water service in Volusia and Brevard Counties by Farmton Water Resources LLC. (Deferred from September 7, 2004 conference.)

Issue 1: Does the Commission have exclusive jurisdiction over the certification of private utilities?

Recommendation: Yes. The Commission has exclusive jurisdiction over the certification of private utilities under the provisions of Chapter 367, Florida Statutes.

APPROVED

Issue 2: Is the service proposed by Farmton Water Resources LLC exempt from Commission jurisdiction?

Recommendation: No. The service proposed by Farmton is not exempt from Commission jurisdiction pursuant to the provisions of Chapter 367, Florida Statutes.

APPROVED

COMMISSIONERS ASSIGNED: Deason, Jaber, Bradley

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

J. Jerry Deason
Muddy Bradley

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

10199 SEP 21 04

FPSC-COMMISSION CLERK

VOTE SHEET

SEPTEMBER 21, 2004

Docket No. 021256-WU - Application for certificate to provide water service in Volusia and Brevard Counties by Farmton Water Resources LLC. (Deferred from September 7, 2004 conference.)

(Continued from previous page)

Issue 3: Has Farmton met the filing and noticing requirements pursuant to Rules 25-30.030 and 25-30.033, Florida Administrative Code?

Recommendation: Yes. Farmton has met the filing and noticing requirements required by Commission Rules.

APPROVED

Issue 4: Is there a need for service in Farmton's proposed service territory and, if so, when will service be required?

Recommendation: Yes. There is a need for service. However, it is not known when all forms of service will be required.

APPROVED

Issue 5: Is Farmton's application inconsistent with Brevard County's or Volusia County's comprehensive plans?

Recommendation: Yes. Farmton's application appears to be inconsistent with the comprehensive plans, pursuant to Section 367.045(5)(b), Florida Statutes, but in light of the evidence presented in this case, that inconsistency should not cause the Commission to deny the utility's application.

APPROVED

Issue 6: Will the certification of Farmton result in the creation of a utility which will be in competition with, or duplication of, any other system?

Recommendation: No. The utility will not be in competition with, or duplication of, any other system.

APPROVED

VOTE SHEET

SEPTEMBER 21, 2004

Docket No. 021256-WU - Application for certificate to provide water service in Volusia and Brevard Counties by Farmton Water Resources LLC. (Deferred from September 7, 2004 conference.)

(Continued from previous page)

Issue 7: Does Farmton have the financial ability to serve the requested territory?

Recommendation: Yes. Farmton has demonstrated the financial ability to serve the requested territory.

APPROVED

Issue 8: Does Farmton have the technical ability to serve the requested territory?

Recommendation: Yes. The utility has the existing and potential technical ability to serve all the needs of the requested territory.

APPROVED

Issue 9: Does Farmton have sufficient plant capacity to serve the requested territory?

Recommendation: Yes. Farmton has sufficient existing and potential capacity for all services needed in the proposed service area.

APPROVED

Issue 10: Has Farmton provided evidence that it has continued use of the land upon which the utility treatment facilities are or will be located?

Recommendation: Yes. The Commission approved the stipulation that Farmton has provided evidence that it has continued use of the land upon which the utility treatment facilities are or will be located. If the Commission grants Farmton's request for a certificate, Farmton should be required to file an executed and recorded copy of its proposed long-term lease with the Miami Corporation within 30 days of the date of Commission vote.

APPROVED

VOTE SHEET

SEPTEMBER 21, 2004

Docket No. 021256-WU - Application for certificate to provide water service in Volusia and Brevard Counties by Farmton Water Resources LLC. (Deferred from September 7, 2004 conference.)

(Continued from previous page)

Issue 11: Is it in the public interest for Farmton to be granted a water certificate for the territory proposed in its application?

Recommendation: Yes. When considered as a whole, it is in the public interest to grant Farmton Certificate No. 622-W to provide water service to the territory described in Attachment C of staff's August 26, 2004 memorandum.

APPROVED

Issue 12: What is the appropriate return on equity for Farmton?

Recommendation: The Commission approved the stipulation that the return on equity should be based on the current leverage graph formula in effect at the time of the Commission vote in this proceeding. Based on that formula, return on equity for Farmton of 11.40%, with a range of plus or minus 100 basis points, should be approved.

APPROVED

Issue 13: What are the appropriate potable water, fire protection, and bulk raw water rates and charges for Farmton?

Recommendation: If Farmton is granted an original water certificate, the rates and charges contained in the analysis portion of staff's August 26, 2004 memorandum are reasonable and should be approved. Farmton should be required to file revised tariff sheets containing the rates and charges approved by the Commission within 30 days from Commission vote. The tariff 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, Florida Administrative Code. Farmton should be put on notice that it is required to charge the rates and charges in its approved tariff until authorized to change by the Commission.

APPROVED

VOTE SHEET

SEPTEMBER 21, 2004

Docket No. 021256-WU - Application for certificate to provide water service in Volusia and Brevard Counties by Farmton Water Resources LLC. (Deferred from September 7, 2004 conference.)

(Continued from previous page)

Issue 14: What are the appropriate service availability charges for Farmton?

Recommendation: Farmton's proposed service availability policy and charges as set forth within the analysis portion of staff's August 26, 2004 memorandum are consistent with the guidelines of Rule 25-30.580, Florida Administrative Code, and should be approved. The charges should be effective for connections made on or after the stamped approval date on the tariff sheets.

APPROVED

Issue 15: What is the appropriate Allowance for Funds Used During Construction (AFUDC) rate for Farmton?

Recommendation: The Commission approved the stipulation that the AFUDC should be based on the current leverage graph formula in effect at the time of the Commission vote in this proceeding. Based on that formula, an annual AFUDC rate of 9.12% and a discounted monthly rate of 0.7596837% should be approved and applied to the qualified construction projects beginning on or after the date the certificate of authorization is issued.

APPROVED

Issue 16: Should this docket be closed?

Recommendation: Upon the expiration of the appeal period, if no party timely appeals the order, upon staff's verification that the utility has filed an executed and recorded copy of its lease and upon the filing and staff's approval of the revised tariff sheets, this docket should be closed administratively.

APPROVED