

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

December 16, 2008

Docket No. 070739-WS – Application for approval of transfer of Fairways/Mt. Plymouth, Ltd.'s water and wastewater systems to Aqua Utilities Florida, Inc., and for amendment of Certificate Nos. 106-W and 120-S, in Lake County.

**Issue 1:** Should Fairways/Mt. Plymouth, Ltd. be ordered to show cause, in writing within 21 days, as to why it should not be fined for providing water and wastewater service to the public for compensation without first obtaining certificates of authorization from the Commission in apparent violation of Sections 367.031 and 367.045, F.S., and Rule 25-30.034, F.A.C.?

**Recommendation:** No. Show cause proceedings should not be initiated and Fairways/Mt. Plymouth, Ltd. should not be required to refund any portion of its previously unauthorized rates and charges.

**APPROVED**

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

*[Handwritten signatures in majority column]*

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REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

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(Continued from previous page)

**Issue 2:** Should the transfer of Fairways/Mt. Plymouth, Ltd.'s water and wastewater facilities to Aqua Utilities Florida, Inc. and the amendment of Certificate Nos. 106-W and 120-S in Lake County be approved?

**Recommendation:** Yes. The transfer of Fairways' water and wastewater facilities to AUFU should be approved effective the date of the transfer on April 30, 2007. AUFU's Certificate Nos. 106-W and 120-S in Lake County should be amended to add the territory described in Attachment A of staff's memorandum dated December 4, 2008. The resultant order should serve as AUFU's amended water and wastewater certificates and should be retained by the utility.

**APPROVED**

**Issue 3:** What is rate base for the Fairways' water and wastewater systems at the time of the transfer?

**Recommendation:** Staff recommends that rate base is \$189,216 for the water system and \$443,036 for wastewater system as of April 30, 2007, as shown on Schedule No. 1 of staff's memorandum dated December 4, 2008. Schedule No. 2, of staff's memorandum dated December 4, 2008, shows the recommended balances for Fairways' water and wastewater plant and accumulated depreciation balances as of April 30, 2007, using the National Association of Regulatory Utility Commissioners' Uniform System of Accounts (NARUC USOA). Within 60 days of the date of the final order, the utility should be required to provide a statement that AUFU's books have been updated for the Fairways' systems to reflect the Commission-approved rate base adjustments and balances and that these numbers will also be reflected in the utility's 2008 annual report.

**APPROVED**

**Issue 4:** Should an acquisition adjustment be recognized for ratemaking purposes?

**Recommendation:** Yes. Pursuant to Rule 25-30.0371(3)(b), F.A.C., a negative acquisition adjustment of \$55,802 should be recognized for rate-making purposes, amortized over a five year period beginning with the date of the issuance of the order approving the transfer of assets. The negative acquisition adjustment should not be recorded on the books for ratemaking purposes nor used for any earnings review unless AUFU files for a rate increase, pursuant to Sections 367.081(2), 367.0814, 367.0817, or 367.0822, F.S.

**APPROVED**

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(Continued from previous page)

**Issue 5:** What are the appropriate rates and charges for Fairways' water and wastewater systems?

**Recommendation:** The potable water, wastewater, and irrigation water rates shown on Schedule No. 3 of staff's memorandum dated December 4, 2008, should be continued for Fairways' water and wastewater systems. AUFU should be required to charge these approved rates until authorized to change them by this Commission in a subsequent proceeding. The 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.

**APPROVED**

**Issue 6:** Should AUFU's request for initial customer deposits and miscellaneous service charges be approved?

**Recommendation:** Yes. AUFU's request for initial customer deposits and miscellaneous service charges shown on Schedule No. 4, of staff's memorandum dated December 4, 2008, should be approved. Within 5 working days of the issuance of the PAA order, staff recommends that AUFU be required to file a proposed customer notice of the Commission-approved miscellaneous service charges. Once staff has approved the proposed customer notice, the utility may either choose to mail the notice separately to its customers or insert it with the next billing cycle. Either way, the tariffs approving the miscellaneous service charges should not be stamped approved by staff until after AUFU files an affidavit that notice has been given to customers of the Commission-approved charges. The tariff sheets containing initial customer deposits and miscellaneous service charges should become effective for services rendered on or after the stamped approval date on the tariff, pursuant to Rule 25-30.475, F.A.C.

**APPROVED**

**Issue 7:** In the event of a timely protest of any rates and charges in the Proposed Agency Action (PAA) Order, should AUFU be allowed to continue charging the Commission-approved rates?

**Recommendation:** Yes. In the event of a timely protest of any recommended rates and charges in the PAA Order, AUFU should be authorized to continue charging the Commission-approved PAA rates, subject to refund, pending the final outcome of this proceeding. If the final rates are lower than the PAA rates, then AUFU should be required to refund the difference, with interest, pursuant to Rule 25-30.360, F.A.C.

**APPROVED**

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(Continued from previous page)

**Issue 8:** Should this docket be closed?

**Recommendation:** No. If no protest to the proposed agency action issues is filed by a substantially affected person within 21 days of the date of the order, a consummating order should be issued and the docket should be closed administratively upon receipt of a statement that AUF's books for Fairways' systems have been updated to reflect the Commission- approved rate base adjustments and balances, and these numbers will also be reflected in the utility's 2008 annual report.

**APPROVED**