

State of Florida



Public Service Commission
CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

COMMISSION
CLERK

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RECEIVED-FPSC

DATE: March 26, 2009

TO: Office of Commission Clerk (Cole)

FROM: Division of Economic Regulation (Johnson, Kaproth, Walden)
Office of the General Counsel (Saylor)

Handwritten signatures and initials: JKB, JS, JKB, JSB, and others.

RE: Docket No. 080517-WS – Application for approval of transfer of Horizon Homes of Central Florida, Inc. and Five Land Group LLC's water and wastewater systems to Aqua Utilities Florida, Inc., and for amendment of Certificate Nos. 441-S and 507-W, in Sumter County.

AGENDA: 04/07/09 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Edgar

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\080517.RCM.DOC

Case Background

On July 29, 2008, an application was filed for approval of the transfer of Horizon Homes of Central Florida, Inc. and Five Land Group LLC's (Sellers) water and wastewater systems (Jumper Creek Utility or Jumper Creek) to Aqua Utilities Florida, Inc. (AUF) and for amendment of AUF's water and wastewater certificates in Sumter County. As of August 2008, Jumper Creek provides water and wastewater service for 44 single-family homes in the Jumper Creek Manor development. The development is in the Southwest Florida Water Management District (SWFWMD) and is not in a water use caution area. AUF anticipates that Jumper Creek will serve approximately 115 equivalent residential connections (ERCs) when it reaches build out.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

Prior to the transfer of Jumper Creek to the Sellers, the Utility was owned by the Jumper Creek Manor Home Owners Association, Inc. (HOA). The HOA, as a nonprofit entity, was exempt from Commission regulation pursuant to Section 367.022(7), Florida Statutes (F.S.). On December 14, 2007, the HOA transferred its interests in the Jumper Creek Utility to the Jumper Creek Joint Venture, a joint venture operated by the Sellers. On December 14, 2007, the Sellers transferred the Jumper Creek Utility to AUF. On December 31, 2007, AUF started operating the Jumper Creek Utility.

The Jumper Creek water system consists of two wells with a combined capacity of 110,000 gallons per day (gpd). Liquid chlorine is used for disinfection. Irrigation service is provided from the potable water supply. The wastewater treatment plant is rated at 35,000 gpd, permitted on an annual average daily flow. Effluent is disposed of in a rapid infiltration basin.

This recommendation addresses the transfer, rate base, acquisition adjustment, and rates and charges. The Commission has jurisdiction pursuant to Sections 367.031, 367.045, 367.071, 367.091, and 367.161, F.S.

Discussion of Issues

Issue 1: Should the transfer of Horizon Homes of Central Florida, Inc. and Five Land Group LLC's water and wastewater systems to Aqua Utilities Florida, Inc., and for amendment of Certificate Nos. 507-W and 441-S in Sumter County be approved?

Recommendation: Yes. The transfer of Horizon Homes of Central Florida, Inc. and Five Land Group LLC's Jumper Creek's water and wastewater facilities to Aqua Utilities Florida, Inc. should be approved effective the date of the transfer, December 31, 2007. AUF's Certificate Nos. 507-W and 441-S in Sumter County should be amended to add the territory described in Attachment A. The resultant order should serve as AUF's amended water and wastewater certificates and should be retained by the AUF. (Johnson, Walden, Sayler)

Staff Analysis: As stated in the case background, AUF filed an application on July 29, 2008, for approval of the transfer of Sellers water and wastewater facilities to AUF and for amendment of AUF's water and wastewater certificates in Sumter County. The application is in compliance with the governing statutes, Sections 367.045 and 367.071, F.S., and other pertinent statutes and administrative rules concerning applications for transfer and amendment of certificates.

The application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code (F.A.C.). No objections to the notice have been filed with the Commission and the time for filing objections has expired. The application contains a description of the transferred territory, a detailed system map, and an adequate territory map. A description of the territory being transferred is appended to this memorandum as Attachment A. The application contains a recorded copy of a warranty deed and title insurance as evidence that AUF owns the land upon which the Utility facilities are located.

The application contains a copy of the purchase agreement which includes the purchase price, terms of payment, and a list of the assets purchased. Jumper Creek's assets were purchased by AUF for \$100,000, which was financed through the use of short-term funds provided by AUF's parent, Aqua America, Inc. There are no guaranteed revenue contracts, developer agreements, customer advances, or leases that must be disposed of in relation to the transfer. The transfer took place on December 31, 2007, subject to Commission approval.

The application contained a statement that, after a reasonable investigation, the Utility's systems are in satisfactory condition and in compliance with all applicable standards set by the Florida Department of Environmental Protection (DEP). Staff has confirmed with DEP that the Utility's systems are currently in compliance with all applicable DEP standards.

Jumper Creek was exempt from regulation when it was owned by the HOA; therefore, it did not submit annual reports or remit regulatory assessment fees (RAFs). Staff has verified that AUF is current on annual reports for its Sumter County certificates and there are no outstanding RAFs, fines, or refunds due. Staff also verified that AUF included the Jumper Creek systems in its 2008 annual report and RAFs. AUF will continue to be responsible for submitting annual reports and remitting RAFs for the Jumper Creek systems in the future.

According to the application, AUF has the technical and financial ability to provide efficient service to the amended territory. AUF is the wholly-owned subsidiary of Aqua America, Inc., a publicly traded water and wastewater utility, providing service to more than 800,000 customers in thirteen states. The application states that, given its size, access to capital, and recognized strength in utility planning, capital budgeting, and construction management, Aqua America, Inc. and its subsidiary, AUF, are well-positioned to provide high quality water and wastewater service to its customers. The application includes a statement that AUF will fulfill the commitments, obligations, and representations of Jumper Creek with regard to utility matters.

Based on the above information, staff recommends that it is in the public interest to approve the transfer of Horizon Homes of Central Florida, Inc. and Five Land Group LLC's Jumper Creek's water and wastewater facilities to Aqua Utilities Florida, Inc., effective the date of the transfer on December 31, 2007. AUF's Certificate Nos. 507-W and 441-S in Sumter County should be amended to add the territory described in Attachment A. The resultant order should serve as AUF's amended water and wastewater certificates and should be retained by the Utility.

Issue 2: What is rate base for the water and wastewater systems as of December 31, 2007?

Recommendation: As of December 31, 2007, rate base for transfer purposes is \$327,494 for Jumper Creek's water system and \$176,581 for the wastewater system, as shown on Schedule No. 1. Schedule No. 1-A shows the recommended balances for Jumper Creek's water and wastewater plant and accumulated depreciation accounts as of December 31, 2007, using the National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts (USOA). Staff notes that rate base for transfer purposes does not include the normal rate making adjustments for used and useful or working capital. Within 60 days of the date of the final order, the Utility should be required to provide a statement that AUF's books have been updated to reflect the Commission-approved rate base adjustments and balances and that these numbers will also be reflected in the Utility's annual report. (Johnson, Walden)

Staff Analysis: As discussed in the case background, the Jumper Creek Utility systems were originally owned by the HOA. AUF provided original costs for the systems based upon the books and records of the prior owner and the original source documents that were available. Staff reviewed the original cost study, the methodology used, and the proposed original cost for the water and wastewater systems. The proposed contributions-in-aid-of-construction (CIAC) are based on the guidelines in Rule 25-30.570, F.A.C. The proposed accumulated depreciation and amortization of CIAC balances are calculated using the guidelines for average service lives as set forth in Rule 25-30.140, F.A.C. The Utility's proposed rate bases are \$327,494 for water and \$176,581 for wastewater as shown on Schedule No. 1. The rate base schedules are for informational purposes, and are not intended to formally establish rate base.

Utility Plant in Service (UPIS). The Jumper Creek rate base balance as of December 31, 2007, included total depreciable UPIS of \$495,547 for water and \$387,551 for wastewater. The water system costs include the facilities for structures and improvements, water treatment equipment, services, meters, and fire hydrants. The wastewater system costs include the facilities for structures and improvements, force and collection mains, manholes, pumping equipment, and treatment and disposal equipment. The proposed costs appear reasonable. Therefore, staff recommends that UPIS balances of \$495,547 for water and \$387,551 for wastewater should be approved as of December 31, 2007.

Land & Land Rights. Jumper Creek recorded \$2,271 for the .33 acre of land on which the water treatment plant is located and \$18,722 for the 2.68 acres of land in on which the wastewater plant is located. The NARUC's USOA states that the cost of land should be recorded at its original cost when first dedicated to utility service. Based on the original cost of the land, staff recommends land balances of \$2,271 for the water system (.33 acre) and \$18,722 for the wastewater treatment plant and lift stations (2.72 acres).

Accumulated Depreciation. Jumper Creek recorded accumulated depreciation balances of (\$22,855) for water and (\$18,401) for wastewater as of December 31, 2007. The accumulated depreciation balances were based upon the guidelines rates for average service lives as set forth in Rule 25-30.140, F.A.C. As a result, staff is in agreement with the Utility and recommends that the accumulated depreciation balances for Jumper Creek's water and wastewater systems are (\$22,855) and (\$18,401), respectively, as of December 31, 2007.

Contributions-in-Aid-of-Construction (CIAC) and Amortization of CIAC. Staff requested evidence to support that the cost of the water transmission and distribution system and wastewater collection system were not written off to costs of goods sold on the developer's tax returns. No documentation was provided and the applicant is in agreement with staff that, without such documentation, the plant costs attributable to the water transmission and distribution system and the wastewater collection system should be imputed as CIAC pursuant to Rule 25-30.570, F.A.C. Therefore, staff recommends that the cost of the water transmission and distribution lines of (\$154,596), and the wastewater collection system of (\$221,828) be imputed as CIAC, pursuant to Rule 25-30.570, F.A.C.

Using a composite rate based upon the guidelines for average service lives as set forth in Rule 25-30.140, F.A.C., the appropriate amount of water and wastewater amortization of CIAC, as of December 31, 2007, is \$7,127 and \$10,537 respectively.

Conclusion. Based on the above, staff recommends that rate base for transfer purposes is \$327,494 for Jumper Creek's water system and \$176,581 for the wastewater system, as of December 31, 2007, as shown on Schedule No. 1. Schedule No. 1-A shows the recommended balances for Jumper Creek's water and wastewater plant and accumulated depreciation accounts as of December 31, 2007, using NARUC's USOA. Staff notes that rate base for transfer purposes does not include the normal rate making adjustments for used and useful or working capital. Within 60 days of the date of the final order, the Utility should be required to provide a statement that AUF's books have been updated to reflect the Commission-approved rate base adjustments and balances and that these numbers will also be reflected in the Utility's annual report.

Issue 3: Should an acquisition adjustment be recognized for rate-making purposes?

Recommendation: Yes. Pursuant to Rule 25-30.0371(3)(b), F.A.C., a negative acquisition adjustment of \$303,260 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 rate-making purposes nor used for any earnings review unless AUF files for a rate increase pursuant to Sections 367.081(2), 367.0814, 367.0817, or 367.0822, F.S. (Johnson, Sayler)

Staff Analysis: An acquisition adjustment results when the purchase price differs from the original cost of the assets (rate base) adjusted to the time of the acquisition. Pursuant to Rule 25-30.0371(3)(b), F.A.C., if the purchase price is less than 80 percent of rate base, and uncontested, then the amount of the difference in excess of 20 percent of rate base shall be recognized for rate-making purposes as a negative acquisition adjustment and amortized over a five-year period from the date of the issuance of the order approving the transfer of assets. The calculation of an acquisition adjustment is shown below:

Rate Base	\$ 504,075
80% of Rate Base	\$ 403,260
Purchase Price	\$ 100,000
Negative Acquisition Adjustment	\$ 303,260

Pursuant to Rule 25-30.0371(3)(b), F.A.C., staff recommends that a negative acquisition adjustment of \$303,260 be recognized for rate-making purposes, and 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 rate-making purposes nor used for any earnings review unless AUF files for a rate increase pursuant to Sections 367.081(2), 367.0814, 367.0817, or 367.0822, F.S.

Issue 4: Should the Utility's existing rates and charges be approved?

Recommendation: The water and wastewater rates shown on Schedule No. 2 should be approved for the Jumper Creek water and wastewater customers. AUF should be required to charge the approved rates until authorized to change 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. (Johnson)

Staff Analysis: Since the Jumper Creek water and wastewater systems were previously exempt from Commission regulation pursuant to Section 367.022(7), F.S., the current rates have never been approved. According to the application, Jumper Creek's water and wastewater rates were established by the HOA in 2006. The water rate is \$25.00 per month for usage of up to 10,000 gallons. Usage over 10,000 gallons per month is \$2.50 per 1,000 gallons. The wastewater rate is a flat rate of \$40.00 per month.

The applicant indicates the existing rates for water and wastewater services are projected to generate average annual revenues of approximately \$34,320 in 2009. The projected annual expenses for the Utility are estimated to be approximately \$43,200. AUF has not requested a change in the existing rates; therefore, staff recommends that the existing water and wastewater rates requested by AUF, as shown on Schedule No. 2, appear reasonable and should be approved. AUF should be required to charge the approved rates until authorized to change 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.

Issue 5: Should AUF's request for a meter and meter installation charge be approved?

Recommendation: Yes. AUF's request for a meter installation charge shown on Schedule No. 3 should be approved. The service availability policy and charges set forth within the staff analysis are appropriate and should be approved effective for connections made on or after the stamped approval date on the tariff sheets. (Johnson, Walden)

Staff Analysis: Pursuant to Section 367.101, F.S., the Commission shall set just and reasonable charges and conditions for service availability. Rule 25-30.580(1)(a), F.A.C., provides a guideline that the maximum amount of CIAC, net of amortization, should not exceed 75 percent of the total original cost, net of accumulated depreciation, of the Utility's facilities and plant when the facilities and plant are at their design capacity. The maximum guideline is intended to ensure that the Utility has a significant investment in its systems. Rule 25-30.580(1)(b), F.A.C., provides a guideline that the minimum amount of CIAC should not be less than the percentage of such facilities and plant that is represented by Jumper Creek's water transmission and distribution systems and the wastewater collection system. Since the service availability policy and charges are based upon the minimum CIAC guideline in the rule, staff recommends that the amounts are reasonable.

Jumper Creek has constructed the primary infrastructure, which consists of both on-site and off-site mains. Staff has recommended and AUF agrees that the cost of the lines should be imputed as CIAC. In addition, AUF proposed a meter installation charge of \$220.00 for a 5/8" x 3/4" Electronic Radio Transmitter (ERT) meter. ERT meters emit radio signals which can be read by a repeater-transmitter. As a result, the meters can be read remotely from the street without requiring access to a customer's property and the data can be downloaded directly to a computer for billing. In addition, the automated readings make it possible to read customer meters on the same day each month. The Commission has previously determined that the additional cost for the ERT capability is justified by the added speed, accuracy, and reliability of the meter readings.¹ All meter sizes other than 5/8" x 3/4" will be at actual cost.

Staff recommends that AUF's proposed service availability policy and charges shown on Schedule No. 3 are consistent with Rule 25-30.580(b), F.A.C. and should be approved. AUF should charge the approved charges until authorized to change them by this Commission in a subsequent proceeding. The approved 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.

¹ See Order No. PSC-08-0540-PAA-WS, issued August 18, 2008, in Docket No. 080103-WS, In re: Application for certificates to provide water and wastewater service in Hardee and Polk Counties by TBBT Utility LLC. and Order No. PSC-07-0983-PAA-WS, issued December 10, 2007, in Docket No. 060726-WS, In re: Application for certificates to provide water and wastewater service in Glades County and water service in Highlands County by Silver Lake Utilities, Inc.

Issue 6: Should AUF's request for customer deposits, miscellaneous service charges, and a late fee be approved?

Recommendation: Yes. AUF's request for customer deposits, miscellaneous service charges, and a late fee shown on Schedule No. 3 are consistent with Commission rules and should be approved. Within ten working days of the issuance of the PAA order, staff recommends that AUF 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 mail the notice to its customers. The tariffs approving the miscellaneous service charges should not be stamped approved by staff until after AUF files an affidavit that notice has been given to customers of the Commission-approved charges. The tariff sheets containing customer deposits, miscellaneous service charges, and a late fee should become effective for services rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475, F.A.C. (Johnson, Walden)

Staff Analysis: The applicant requested miscellaneous service charges pursuant to Section 367.091, F.S. This statute authorizes the Commission to establish, increase, or change a rate or charge other than monthly rates or service availability charges.

Customer Deposits

AUF requested customer deposits for the Jumper Creek water and wastewater systems of \$50.00 and \$80.00, respectively. The proposed deposits are based on two times an average monthly bill for water and wastewater service. Jumper Creek's customers all use residential 5/8" x 3/4" meters. Deposits in the amount of two times an average monthly bill are consistent with Rule 25-30.311, F.A.C., which contains the criteria for collecting, administering, and refunding customer deposits.

As justification for its proposed customer deposits, AUF indicated that, if utilities do not collect adequate deposits to recover the cost of providing service, the result would be an increase in its bad debt expense. Ultimately, bad debt expense is included in the Utility's revenue requirement and, therefore, included in the cost of service charged to the general body of ratepayers. AUF also notes that collecting customer deposits is consistent with one of the fundamental principles of rate making, ensuring that the cost of providing service is recovered from the cost-causer.

Staff recommends that the Utility's proposed customer deposits, shown on Schedule No. 3, of \$50.00 for water service and \$80.00 wastewater service are consistent with Commission rules and should be approved.

Miscellaneous Service Charges

AUF's request for miscellaneous service charges and a late payment fee were accompanied by its reason for requesting the charges, as well as the cost justification required by Section 367.091, F.S. AUF has Commission-approved standard miscellaneous service charges

for many of its systems which were originally approved in Order No. PSC-99-0093-FOF-WS² and Order No. PSC-09-0038-CO-WS³. At the February 24, 2009, special agenda conference in Docket No. 080121-WS, the Commission approved revised uniformed miscellaneous service charges for all Aqua systems. For ease of administration and fairness, AUF requests that these same standard miscellaneous charges be approved for Jumper Creek's water and wastewater systems. Staff agrees that this is a reasonable request and recommends that AUF's standard water and wastewater miscellaneous service charges be approved. The proposed miscellaneous service charges are shown on Schedule No. 3. In addition to the miscellaneous service charges, the Utility proposed a \$5.00 late payment fee. AUF indicated that the justification for a late payment fee is two-fold. First, the charge is designed to encourage customers to pay their bills on time. Second, if the payment is not made on time, the charge is designed to ensure that the cost associated with late payment is not passed on to customers who pay on time. The estimated late payment fee provided by AUF appears reasonable. Therefore, staff recommends that the Utility's requested late fee of \$5.00 be approved.

Staff recommends that AUF notify the customers of the Commission-approved miscellaneous service charges before the charges go into effect. Therefore, within ten working days of the issuance of the PAA order, staff recommends that AUF be required to provide a draft customer notice to staff for review and approval. Once staff has approved the proposed customer notice, AUF may mail the notice to customers. Upon staff's receipt of AUF's affidavit that notice has been provided to customers regarding the Commission-approved miscellaneous service charges, the tariffs approving the miscellaneous service charges should be stamped approved.

Conclusion

Staff recommends that AUF's request for customer deposits, miscellaneous service charge, and a late fee shown on Schedule No. 3 are consistent with Commission rules and should be approved. Within ten working days of the issuance of the PAA order, staff recommends that AUF be required to provide a draft customer notice for staff's review and approval. Once staff has approved the proposed customer notice, the Utility may mail the notice to its customers. The tariffs approving the miscellaneous service charges should not be stamped approved by staff until after AUF files an affidavit that notice has been given notice to customers of the Commission-approved charges. The tariff sheets containing customer deposits, miscellaneous service charges, and a late fee should become effective for services rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C.

² Order No. PSC-99-0093-FOF-WS, issued September 14, 1999, in Docket No. 950495-WS, In Re: Application for rate increase and increase in service availability charges by Southern States Utilities, Inc. for Orange-Osceola Utilities, Inc. in Osceola County, and in Bradford, Brevard, Charlotte, Citrus, Clay, Collier, Duval, Highlands, Sumter, Lee, Marion, Martin, Nassau, Orange, Pasco, Putnam, Seminole, St. Johns, St. Lucie, Volusia, and Washington Counties.

³ Order No. PSC-09-0115-CO-WS, issued February 25, 2009, in Docket No 070739-WS, In Re: Application for approval of transfer of Fairways/ 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 7: In the event of a timely protest of any rates and charges in the Proposed Agency Action (PAA) Order, should AUF be allowed to continue charging the Commission-approved rates?

Recommendation: In the event of a timely protest of any recommended rates and charges in the PAA Order, AUF 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 AUF should be required to refund the difference with interest, pursuant to Rule 25-30.360, F.A.C. (Johnson, Saylor)

Staff Analysis: AUF requested that it be allowed to continue Jumper Creek's existing water and wastewater rates. In addition, AUF requested a meter installation charge, customer deposits, miscellaneous service charges, and a late fee. Jumper Creek's existing rates are estimated to generate total water and wastewater revenues of approximately \$34,320 in 2009 and total expenses of \$43,200 in operating costs. A timely protest of the PAA rates might delay the continuation of existing rates causing AUF's Jumper Creek systems to suffer irretrievable losses in revenues that are needed to operate the water and wastewater facilities. Therefore, in the event of a timely protest, staff recommends that the Commission authorize AUF to implement the Commission-approved rates subject to refund pending the final outcome of this proceeding. If the final rates are lower than the PAA rates, then AUF should be required to refund the difference with interest, pursuant to Rule 25-30.360, F.A.C.

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 have been updated for Jumper Creek's systems to reflect the Commission-approved rate base adjustments and balances and that these numbers will also be reflected in the Utility's annual report. (Sayler)

Staff Analysis: 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 have been updated for Jumper Creek's systems to reflect the Commission-approved rate base adjustments and balances and that these numbers will also be reflected in the Utility's annual report.

Aqua Utilities of Florida, Inc.
Jumper Creek Subdivision – Sumter County
Description of Water and Wastewater Territory Added

In Section 24, Township 21 South, Range 22 East:

All of Tracts or Parcels 4, 5, And 6 of Plat Book 9, Page 5, Sumter County, Florida Records, being a portion of the following described property:

Begin at the Northeast corner of the South 1/2 of the Southwest 1/4 of the Northeast 1/4 of Section 24; thence S.89°54'27"W. along the north line of the South 1/2 of the Southwest 1/4 of the Northeast 1/4 of said Section 24 a distance of 660.60 feet to a point being on the east line of the Northwest 1/4 of the Southwest 1/4 of the Northeast 1/4 of said Section 24; thence N.0°02'51"W. along said east line a distance of 362.66 feet; thence S.89°55'28"W. a distance of 320.00 feet; thence N.0°02'51"W. a distance of 250.00 feet to a point being on the south right-of-way line of County Road 48, having a 100.00 foot wide public right-of-way; thence S.89°55'28"W. along said south right-of-way line a distance of 365.39 feet to a point being 25.00 feet westerly of, when measured perpendicularly to, the west line of the East 1/2 of said Section 24; thence S.0°01'42"E. parallel to said west line a distance of 2,297.15 feet; thence N.89°57'30"E. parallel to the south line of the Northeast 1/4 of the Southwest 1/4 of said Section 24 a distance of 927.35 feet to a point being on the west line of the south 600.00 feet of the east 420.00 feet of the Northwest 1/4 of said Section 24; thence N.0°04'05"W. along said west line a distance of 293.06 feet to a point being on the north line of the south 600.00 feet of the east 420.00 feet of the Northwest 1/4 of the Southeast 1/4 of said Section 24; thence N.89°57'42"E. along said north line a distance of 420.00 feet to a point being on the east line of the Northwest 1/4 of the Southeast 1/4 of said Section 24; thence N.0°04'05"W. along said east line a distance of 728.13 feet to the southeast corner of the Southwest 1/4 of the Northeast 1/4 of said Section 24; thence N.0°04'01"W. along the east line of the Southwest 1/4 of the Northeast 1/4 of said Section 24 a distance of 664.33 feet to the Point of Beginning.

**Florida Public Service Commission
authorizes
Aqua Utilities Florida, Inc.
pursuant to
Certificate Number 507-W**

to provide water service in Sumter County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

Order Number	Date Issued	Docket Number	Filing Type
19848	08/22/88	880013-WS	Grandfather Certificate
25012	09/04/91	910586-WU	Amendment
PSC-92-1113-FOF-WS	10/05/92	920176-WS	Transfer of Certificate
PSC-93-1418-FOF-WS	09/29/93	930614-WS	Name Change
PSC-96-0666-FOF-WS	05/14/96	951330-WS	Transfer of Majority Control
PSC-97-0312-FOF-WS	03/24/97	960643-WS	Transfer of Certificate
PSC-99-0483-FOF-WS	03/08/99	981508-WS	Transfer of Majority Control
PSC-04-0715-FOF-WS	07/21/04	040359-WS	Name Change
PSC-06-0973-FOF-WS	11/22/06	060643-WS	Reorganization/Name Change*
	*	080517-WS	Transfer/Amendment

***Order Numbers and dates to be provided at time of issuance.**

FLORIDA PUBLIC SERVICE COMMISSION
authorizes
Aqua Utilities Florida, Inc.
pursuant to
Certificate Number 441-S

to provide wastewater service in Sumter County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
19848	08/22/88	880013-WS	Grandfather Certificate
20518	12/23/88	880485-SU	Transfer of Certificate
PSC-92-1113-FOF-WS	10/05/92	920176-WS	Transfer of Certificate
PSC-93-1418-FOF-WS	09/29/93	930614-WS	Name Change
PSC-96-0666-FOF-WS	05/14/96	951330-WS	Transfer of Majority Control
PSC-97-0312-FOF-WS	03/24/97	960643-WS	Transfer of Certificate
PSC-99-0483-FOF-WS	03/08/99	981508-WS	Transfer of Majority Control
PSC-04-0715-FOF-WS	07/21/04	040359-WS	Name Change
PSC-06-0973-FOF-WS	11/22/06	060643-WS	Reorganization/Name Change
*	*	080517-WS	Transfer/Amendment

***Order Numbers and dates to be provided at time of issuance.**

AQUA UTILITIES FLORIDA, INC.
SCHEDULE OF WATER RATE BASE
AS OF DECEMBER 31, 2007

DESCRIPTION	UTILITY PROPOSED AND STAFF RECOMMENDED
Utility Plant in Service	\$495,547
Land	2,271
Accumulated Depreciation	(22,855)
Contributions in Aid of Construction (CIAC)	(154,596)
Accumulated Amortization of CIAC	<u>7,127</u>
WATER RATE BASE	<u>\$327,494</u>

SCHEDULE OF WASTEWATER RATE BASE
AS OF DECEMBER 31, 2007

DESCRIPTION	UTILITY PROPOSED AND STAFF RECOMMENDED
Utility Plant in Service	\$387,551
Land	18,722
Accumulated Depreciation	(18,401)
Contributions in Aid of Construction (CIAC)	(221,828)
Accumulated Amortization of CIAC	<u>10,537</u>
WASTEWATER RATE BASE	<u>\$176,581</u>

AQUA UTILITIES FLORIDA, INC.			
STAFF RECOMMENDED DECEMBER 31, 2007 BALANCE			
WATER		PLANT	ACCUMULATED
ACCT NO.	ACCOUNT NAME	BALANCE	DEPRECIATION BALANCE
303	Land and Land Rights	\$2,271	0
304	Structures and Improvements	6,486	232
307	Wells	58,951	2,183
320	Water Treatment Equipment	275,513	16,207
331	Transmission & Distribution	85,233	2,243
333	Services	38,840	1,110
334	Meters	3,481	205
335	Fire Hydrants	<u>27,042</u>	<u>2,814</u>
Total Water Plant		\$497,818	\$22,855

AQUA UTILITIES FLORIDA, INC.			
RECOMMENDED DECEMBER 31, 2007 BALANCE			
WASTEWATER		PLANT	ACCUMULATED
ACCT NO.	ACCOUNT NAME	BALANCE	DEPRECIATION BALANCE
353	Land and Land Rights	\$18,722	0
354	Structures and Improvements	8,231	305
360	Collection Sewers-Force	32,796	1,215
361	Collection Sewers-Gravity	83,951	2,099
362	Manholes	54,508	1,473
371	Pumping Equipment	50,573	2,810
380	Treatment & Disposal	<u>157,492</u>	<u>10,499</u>
Total Wastewater Plant		\$406,273	\$18,401

AQUA UTILITIES FLORIDA, INC.
WATER
Residential and Multi-Residential
Monthly Service Rates

Meter Size	Base Facility Charge
All Meter Sizes (Includes 10,000 Gallons)	\$ 25.00
Charge Per 1,000 Gallons (Over 10,000 per month)	\$ 2.50

WASTEWATER
Residential and Multi-Residential
Monthly Service Rates

Meter Size	
All Meter Sizes (flat rate)	\$ 40.00

AQUA UTILITIES FLORIDA, INC.
Jumper Creek System

SERVICE AVAILABILITY CHARGES

Meter Installation Charge	
5/8 x 3/4	\$ 220.00
All others	Actual cost

CUSTOMER DEPOSITS

	Water	Wastewater
All meter sizes	\$50.00	\$ 80.00

MISCELLANEOUS SERVICES CHARGES

	Water		Wastewater	
	Normal Hrs	After Hrs	Normal Hrs	After Hrs
Initial Connection	\$22.00	\$33.00	\$22.00	\$33.00
Normal Reconnection	\$22.00	\$33.00	\$22.00	\$33.00
Violation Reconnection	\$35.00	\$55.00	Actual Cost	Actual Cost
Premises Visit	\$22.00	\$33.00	\$22.00	\$33.00
Late Fee	\$ 5.00			