

VOTE SHEET

April 7, 2009

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.

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 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 of staff's memorandum dated March 26, 2009. The resultant order should serve as AUF's amended water and wastewater certificates and should be retained by the AUF.

DEFERRED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

REMARKS/DISSENTING COMMENTS:

Oral modification (attached), Issues 2, 3, 5 and 6 should be PAA and not final agency action.

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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 of staff's memorandum dated March 26, 2009. Schedule No. 1-A of staff's memorandum dated March 26, 2009, 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.

DEFERRED

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.

DEFERRED

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

Recommendation: The water and wastewater rates shown on Schedule No. 2 of staff's memorandum dated March 26, 2009, 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.

DEFERRED

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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 of staff's memorandum dated March 26, 2009, should be approved. The service availability policy and charges set forth within the analysis portion of staff's memorandum dated March 26, 2009, are appropriate and should be approved effective for connections made on or after the stamped approval date on the tariff sheets.

DEFERRED

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 of staff's memorandum dated March 26, 2009, 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.

DEFERRED

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.

DEFERRED

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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.

DEFERRED

Ann Cole

Item 20

From: Mary Bane
Sent: Monday, April 06, 2009 3:15 PM
To: Erik Sayler
Cc: Booter Imhof; Mary Anne Helton; Jennifer Brubaker; Tim Devlin; Marshall Willis; Patti Daniel; Cheryl Johnson; Connie Kummer; William C. Garner; Roberta Bass; Lorena Holley; Larry Harris; Bill McNulty; Mary Bane; Chuck Hill; Selena Chambers; Ann Cole
Subject: RE: Oral Modification to Agenda Item 20, application for approval to transfer, Docket No. 080517-WS

Approved.

From: Erik Sayler
Sent: Monday, April 06, 2009 1:36 PM
To: Mary Bane
Cc: Booter Imhof; Mary Anne Helton; Jennifer Brubaker; Tim Devlin; Marshall Willis; Patti Daniel; Cheryl Johnson; Connie Kummer
Subject: Oral Modification to Agenda Item 20, application for approval to transfer, Docket No. 080517-WS

Dr. Bane,

Staff and Legal request one oral modification to the above agenda item. The purpose of the request is that Issues 2, 3, 5, and 6 should be PAA, and not final agency action. This was inadvertently omitted from the first page of the recommendation. This omission came to light today in a Commissioner briefing.

No oral modification required for the issues themselves. The recommendation as written contemplates that several of the issues were to be PAA, but did not indicate which ones. Similarly, the close the docket issue contemplates that it should have been PAA.

Please let me know if you need more information regarding this oral modification.

Sincerely,

Erik

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4/6/2009

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