

VOTE SHEET

June 2, 2009

Docket No. 090006-WS – Water and wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.

Issue 1: What is the appropriate range of returns on common equity for water and wastewater (WAW) utilities, pursuant to Section 367.081(4)(f), Florida Statutes?

Recommendation: Staff recommends that the current leverage formula methodology be applied using updated financial data. Staff recommends the following leverage formula:

Return on Common Equity = 8.58% + 1.087/Equity Ratio

Where the Equity Ratio = Common Equity / (Common Equity + Preferred Equity + Long-Term and Short-Term Debt)

Range: 9.67% @ 100% equity to 11.30% @ 40% equity

APPROVED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Handwritten signatures of commissioners under the MAJORITY column, including names like Katrina J. McMurrian and others.

Blank lines under the DISSENTING column for signatures.

REMARKS/DISSENTING COMMENTS: Commissioner Argenziano participated in the conference by telephone. She will sign the vote sheet upon her return to the office.

DOCUMENT NUMBER-DATE

05513 JUN-3 8

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Issue 2: Should this docket be closed?

Recommendation: No. Upon expiration of the protest period, if a timely protest is not received from a substantially affected person, the decision should become final and effective upon the issuance of a Consummating Order. However, this docket should remain open to allow staff to monitor changes in capital market conditions and to readdress the reasonableness of the leverage formula as conditions warrant.

APPROVED