

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

August 18, 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. (Deferred from the April 7, 2009 Commission Conference, revised recommendation filed.)

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: No. 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. is not in the public interest and should not be approved.

WITHDRAWN

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Four horizontal lines for majority signatures.

Four horizontal lines for dissenting 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

08592 AUG 19 08

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**Issue 2:** What is net book value for the water and wastewater systems as of December 31, 2007?

**Recommendation:** If the Commission approves staff's recommendation in Issue 1, this issue is moot. However, if the Commission denies staff's recommendation in Issue 1, then staff recommends that as of December 31, 2007, net book value 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 in staff's memorandum dated August 6, 2009. 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 net book value 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 net book value adjustments and balances and that these numbers will also be reflected in the Utility's annual report.

**WITHDRAWN**

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

**Recommendation:** If the Commission approves staff's recommendation in Issue 1, this issue is moot. However, if the Commission denies staff's recommendation in Issue 1, then staff recommends that, 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.

**WITHDRAWN**

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

**Recommendation:** If the Commission approves staff's recommendation in Issue 1, this issue is moot. However, if the Commission denies staff's recommendation in Issue 1, then staff recommends that the water and wastewater rates shown on Schedule No. 2 in staff's memorandum dated August 6, 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.

**WITHDRAWN**

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

**Recommendation:** If the Commission approves staff's recommendation in Issue 1, this issue is moot. However, if the Commission denies staff's recommendation in Issue 1, then staff recommends that AUF's request for a meter installation charge shown on Schedule No. 3 in staff's memorandum dated August 6, 2009, should be approved. The service charges should be effective for connections made on or after the stamped approval date on the tariff sheets.

**WITHDRAWN**

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

**Recommendation:** If the Commission approves staff's recommendation in Issue 1, this issue is moot. However, if the Commission denies staff's recommendation in Issue 1, then staff recommends that AUF's request for customer deposits, miscellaneous service charges, and a late fee shown on Schedule No. 3 in staff's memorandum dated August 6, 2009, are consistent with Commission rules and should be approved. Within ten days of the issuance of the consummating 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.

**WITHDRAWN**

**Issue 7:** Should this docket be closed?

**Recommendation:** No. If the Commission approves staff's recommendation in Issue 1 and 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. However, if the transfer is approved, 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 net book value adjustments and balances and that these numbers will also be reflected in the Utility's annual report.

**WITHDRAWN**