

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-

DATE: July 11, 2013

TO: Jennifer S. Crawford, Attorney Supervisor, Office of the General Counsel

FROM: Ana VanEsselstine, Public Utility Analyst II, Division of Economics
Stephen B. Fletcher, Public Utilities Supervisor, Division of Accounting & Finance

RE: Administrative approval of a transfer to a governmental entity in Docket No. 130050-WS, Joint notice of application for approval of transfer of certain water and wastewater facilities of Aqua Utilities Florida, Inc. in Alachua, Hardee, Lake, Lee, Marion, Orange, Pasco, Polk, Putnam, Seminole and Volusia counties, to the Florida Governmental Utility Authority, and request for cancellation of certificates.

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COMMISSION CLERK

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Staff notes a recommendation was filed in the instant docket on June 4, 2013 regarding the approval of this transfer. However, staff discovered discrepancies in the listed certificates that were requested to be canceled. As a result, an amended recommendation is outlined below.

Aqua Utilities Florida, Inc. (Aqua or Utility) is a Class A water and wastewater utility providing water and wastewater service in Alachua, Hardee, Lake, Lee, Marion, Orange, Pasco, Polk, Putnam, Seminole and Volusia counties. Water and wastewater rates were last established for this Utility in its 2010 rate case.¹

On February 20, 2013, Aqua filed an application for transfer of certain water and wastewater facilities to the Florida Governmental Utility Authority (FGUA) and cancellation of those certificates. Pursuant to Section 367.071(4), Florida Statutes (F.S.), the sale of facilities to a governmental authority shall be approved as a matter of right. As such, no notice of the transfer is required and no filing fees apply.

The application included an Agreement for Purchase and Sale of Water and Wastewater Assets between Aqua and FGUA, which closed March 22, 2013, the effective date of the transfer. Pursuant to Section 367.071(4)(a), F.S., and Rule 25-30.037(4)(e), Florida Administrative Code (F.A.C.), the Utility included a statement that the FGUA obtained the most recent income statements, the most recent balance sheet, statement of rate base for regulatory purposes, and contributions-in-aid-of-construction. In accordance with Rule 25-30-037(4)(g), F.A.C., the Utility specified that it applied deposits to any customer account with a past due balance. For the remaining deposits, Aqua applied the interest to the customers' accounts and the remaining balance has been transferred to the FGUA. On April 23, 2013, Aqua filed its 2012

¹ See Order No. PSC-12-0102-FOF-WS, issued March 5, 2012, in Docket No. 100330-WS, In re: Application for increase in water/wastewater rates in Alachua, Brevard, DeSoto, Hardee, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and Washington Counties by Aqua Utilities Florida, Inc.

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annual report pursuant to Rule 25-30.110, F.A.C. The Utility will pay all outstanding regulatory assessment fees by July 31, 2013. The Utility will not be under the Commission's jurisdiction on December 31, 2013; therefore, no annual report needs to be filed for 2013.

The Commission has jurisdiction pursuant to Section 367.071, F.S. Also, pursuant to Section 2.07(c)(4)(d) of the Administrative Procedures Manual, staff has been given administrative authority to approve transfers to governmental entities that are in compliance with Section 367.071(4)(a), F.S. and are not controversial in nature. Based on the above, staff believes that the application is in compliance with Section 367.071(4)(a), F.S., and Rule 25-30.037(4), F.A.C. Staff recommends that the Commission acknowledge the transfer of the water and wastewater systems to the FGUA as a matter of right, pursuant to Section 367.071(4)(a), F.S., and cancel the certificates listed below effective March 22, 2013. In addition, staff recommends that the docket be closed because no further action is necessary.

Aqua Utilities Florida, Inc. Certificate Nos.	
<u>CERTIFICATE NUMBER</u>	<u>COUNTY</u>
549-W	ALACHUA
649-W	HARDEE
555-S	HARDEE
106-W	LAKE
120-S	LAKE
268-S	LEE
346-W	MARION
084-W	ORANGE
209-W	PASCO
154-S	PASCO
587-W	POLK
506-S	POLK
076-W	PUTNAM
284-S	PUTNAM
279-W	SEMINOLE
226-S	SEMINOLE
238-W	VOLUSIA
182-S	VOLUSIA

cc: Office of Commission Clerk (Docket No. 130050-WS)