

**Shawna Senko**

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**From:** Joseph Gabay <jgabay@uswatercorp.net>  
**Sent:** Saturday, February 08, 2014 1:50 PM  
**To:** Filings@psc.state.fl.us  
**Cc:** Vickie Penick  
**Attachments:** Jumper 2014 PSC Proforma Form.pdf

Commission Clerk:

I am filing the attached document on behalf of Mr. Gary Deremer.

The PSC docket number is 130176.

The document of 13 pages includes:

Cover Letter Signed by Mr. Gary Deremer – 1pg.  
Buyer's Closing Statement – 1 pg.  
2014 Pro Forma for Jumper Creek Utility Co. – 11 pgs.

Joseph G. Gabay  
Utilities Controller  
U.S. Water Services Corporation



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New Port Richey, FL 34652  
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# JUMPER CREEK UTILITY COMPANY

February 3, 2014

Office of Commission Clerk  
FPSC  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

RE: Jumper Creek – Certificate No's 507-W & 441-S  
System Docket: 130176-WS

- 1) Please accept the attached submitted proformas 2014-2016 as requested.
- 2) Purchase price totals \$10 – please see attached closing statement indicating wire for same was received. Bill of Sale shows a minimum exchange of funds which is typical on most Bill of Sale documents. The \$22,240 hand written on the recorded documents – is a number written in by the respective county staff at the time of recording in reference to their internal county records.
- 3) Please find attached asset listings effective at time of purchase.

We are hopeful that the submitted documents are in keeping with the requests.

We look forward to hearing further from the Commission. Please do not hesitate to contact us should further clarification be needed.

Respectfully Submitted,

  
s/Gary Deremer

Gary Deremer  
President

xc: Carl Smith  
V. Penick  
Joseph Gabay

Enc.

5320 Captains Court, New Port Richey, FL 34652  
Mailing: 4939 Cross Bayou Boulevard, New Port Richey, FL 34652  
Tel: 727-848-8292 Fax: 727-848-7701

## BUYER CLOSING STATEMENT

File Number: 13-101

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Name of Buyer: Jumper Creek Utility Company, a Florida corporation

Name of Seller: Aqua Utilities Florida, Inc., a Florida corporation

Property: Water and Sewer Utility Systems and all associated easements and appurtenances

Settlement Agent: Booth & Cook, P.A.  
Place of Settlement: 7510 Ridge Road, Port Richey, FL 34668

Settlement Date: March 28, 2013

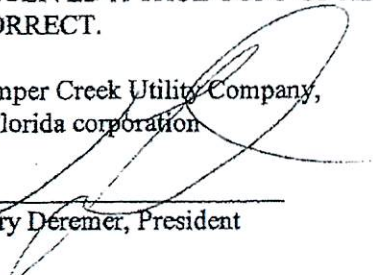
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PURCHASE PRICE	\$10.00
Down Payment to Seller	\$0.00
Record Bill of Sale	\$18.50
Record Quit Claim Deed transferring real property	\$35.50
Prorate taxes 1/1/13 through 3/27/13 (\$282.35/yr for 86 days)	(\$67.08)
Prorate tangible tax, 1/1/13 through 3/27/13 (\$6,532.59/yr for 86 days)	(\$1,539.40)
Attorney fees to Booth & Cook, P.A.	\$250.00
Title search, examination and owner policy - waived by Buyer	\$0.00
Surveys - waived by Buyer	\$0.00
Wire funds tendered from Buyer on March 28, 2013	(\$10.00)
<b>BALANCE DUE TO BUYER:</b>	<b>(\$1,302.48)</b>

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RECEIVED A TRUE COPY OF ABOVE AND HEREBY APPROVE AND CERTIFY IT CORRECT.

Jumper Creek Utility Company,  
a Florida corporation

  
\_\_\_\_\_  
Gary Deremer, President

JUMPER CREEK: Assumptions

System Pruchased for less than 50% of Rate Base - Impacted by NBV 20% Rule.

Rate Base:            Net Plant Brought forth Balance Remaining at Purchase  
                          Net CIAC Brought forth Balance Remaining at Purchase  
                          Factored New CIP Additions After Purchase by by 30 yr schedule

Cost of Capital:     Purchase Price, New CIP Additions

P&L:                    (1) Annual Revenue Index Utilitized 1.5%

	2013	2014	2015	2016	2017	2018	2019
Totals	\$ -	\$ 12,968	\$ 7,468	\$ 468	\$ -	\$ -	\$ -

**JUMPER CREEK CIP SCHED**

County	Site	Type	1 = High 2 = Medium 3 = low	CIP / R&R	Problem	Solution	Regulatory Mandate (M) or Enhancement (E)	Complete In Progress	2013	2014	2015	2016	2017	2018	2019
Sumter	Jumper Creek	W		CIP	Existing chlorine feed pumps are outdoors and not protected from the elements.	Install an enclosure to house chlorine feed pumps and storage	E			\$ 2,000					
				CIP	The chlorine system has only one (1) chlorine pump.	Install another chlorine feed pump for reliability and cost effectiveness			\$ 500						
Sumter	Jumper Creek	W		CIP	Water Meter Replacement, Customer; The water meters are 10 years old and need to be replaced and or tested per FPSC rules	Replace water meters that have exceeded 1,000,000 gallons or 10% of meters in the distribution system	M		\$ 468	\$ 468	\$ 468				
Sumter	Jumper Creek	S		CIP	No screening device for treatment plant headworks. Unit needed to prevent objects from entering plant and damaging equipment and piping	Install Stainless Steel screening device	E		\$ 3,500						
Sumter	Jumper Creek	S		CIP	No back-up chlorine feed pump, needed for treatment reliability	Install back-up chlorinator for reliability	M		\$ 500						
Sumter	Jumper Creek	S		CIP	Existing treatment plant has no worker protection from falling into the tank openings.	Install grating over open tanks for worker safety	M		\$ 3,000						
Sumter	Jumper Creek	S		CIP	Lift Station improvements	Pump and piping replacements	M	\$ -	\$ 5,000	\$ 5,000					

Water	\$ -	\$ 968	\$ 2,468	\$ 468	\$ -	\$ -	\$ -
WW	\$ -	\$ 12,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ 12,968	\$ 7,468	\$ 468	\$ -	\$ -	\$ -

UTILITY NAME:

**Jumper Creek Util Co.**

**YEAR OF REPORT**  
2014

**SCHEDULE OF CURRENT COST OF CAPITAL  
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING (1)**

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (2) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (3) (d)	WEIGHTED COST (c x d) (e)
Common Equity Purch Price + New CIP	\$ 12,978	100.00%	8.74%	8.74%
Preferred Stock	0	0.00%		0.00%
Long Term Debt	0	0.00%		0.00%
Customer Deposits	0	0.00%		0.00%
Tax Credits - Zero Cost	0	0.00%		0.00%
Tax Credits - Weighted Cost	0	0.00%		0.00%
Deferred Income Taxes	0	0.00%		0.00%
Other (Explain)	0	0.00%		0.00%
<b>Total</b>	<b>\$ 12,978</b>	<b>100.00%</b>		<b>8.74%</b>

(1) If the utility's capital structure is not used, explain which capital structure is used.

\_\_\_\_\_

(2) Should equal amounts on Schedule F-6, Column (g).

(3) Mid-point of the last authorized Return On Equity or current leverage formula if none has been established.

Must be calculated using the same methodology used in the last rate proceeding using current annual report year end amounts and cost rates.

**APPROVED RETURN ON EQUITY**

Current Commission Return on Equity:	_____
Commission order approving Return on Equity:	_____

**APPROVED AFUDC RATE**

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING YEAR

Current Commission Approved AFUDC rate:	_____
Commission order approving AFUDC rate:	_____

If any utility capitalized any charge in lieu of AFUDC (such as interest only), state the basis of the charge, an explanation as to why AFUDC was not charged and the percentage capitalized.

BUYER	major_location	WATER								
		101-UPIS	108-AD	106-CCNC	108-AD	105-CWIP	114-UPAA	115-AA	271-CIAC	272-AA
BREVARD	Kingswood	21,440.93	4,816.31						(288.79)	(87.46)
	Oakwood	77,671.39	26,263.61	184.13	4.11				(7,513.60)	(1,388.27)
HIGHLANDS	Lake Josephine	2,094,983.47	277,623.89						(347,588.31)	(198,859.52)
	Leisure Lakes	894,703.12	170,370.24	313.34	0.09				(156,728.28)	(101,931.07)
	Sebring Lakes	721,466.65	137,774.52						(334,164.70)	(143,784.89)
PALM BEACH	Lake Osborne Est	265,904.02	144,357.41						(21,028.89)	(20,572.36)
SUMTER	Jumper Creek Manor	513,041.91	119,910.94						(157,236.00)	(26,508.73)
	The Woods	492,503.62	171,721.37						(90,582.76)	(91,619.93)
WASHINGTON	Sunny Hills	4,082,577.48	1,621,469.44						(692,445.60)	(174,457.00)
<b>Grand Total</b>		<b>9,164,292.59</b>	<b>2,674,307.73</b>	<b>497.47</b>	<b>4.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,807,576.93)</b>	<b>(759,209.23)</b>
Net Wtr Plant		393,130.97						NET CIAC	(183,744.73)	
Annual Wtr Deprc		11,799.96						Annual Wtr CIAC Arr	(1,572.36)	

Rate Base (2/28/13)	Asof 2/28/13	accounts for only 1 month		Rate Base (3/28/13)		
		-2.30%	(-1%)			
SYSTEM	Initial Balance	1 month Depr	1 month Amortiz	Balance as of:		
Brevard (both):	\$ 61,885.76	\$ (118.61)	\$ 51.57	\$ 61,818.72	\$ (1,423.37)	\$ 618.86
		\$ -	\$ -		\$ -	\$ -
HC Waterworks (V)	\$ 2,731,792.03	\$ (5,235.93)	\$ 2,276.49	\$ 2,728,832.59	\$ (62,831.22)	\$ 27,317.92
HC Waterworks (V)	\$ 67,812.33	\$ (129.97)	\$ 56.51	\$ 67,738.87	\$ (1,559.68)	\$ 678.12
Total:	\$ 2,799,604.36	\$ (5,365.91)	\$ 2,333.00	\$ 2,796,571.46	\$ (64,390.90)	\$ 27,996.04
		\$ -	\$ -		\$ -	\$ -
Lake Osborne:	\$ 121,090.08	\$ (232.09)	\$ 100.91	\$ 120,958.90	\$ (2,785.07)	\$ 1,210.90
		\$ -	\$ -		\$ -	\$ -
Sumter (Both - W)	\$ 584,223.12	\$ (1,119.76)	\$ 486.85	\$ 583,590.21	\$ (13,437.13)	\$ 5,842.23
Sumter (Both - W)	\$ 235,635.12	\$ (451.63)	\$ 196.36	\$ 235,379.85	\$ (5,419.61)	\$ 2,356.35
Total:	\$ 819,858.24	\$ (1,571.39)	\$ 683.22	\$ 818,970.06	\$ (18,856.74)	\$ 8,198.58
		\$ -	\$ -		\$ -	\$ -
Sunny Hills (W):	\$ 1,943,119.44	\$ (3,724.31)	\$ 1,619.27	\$ 1,941,014.39	\$ (44,691.75)	\$ 19,431.19
Sunny Hills (WW)	\$ 136,772.12	\$ (262.15)	\$ 113.98	\$ 136,623.95	\$ (3,145.76)	\$ 1,367.72
	\$ 2,079,891.56	\$ (3,986.46)	\$ 1,733.24	\$ 2,077,638.34	\$ (47,837.51)	\$ 20,798.92
		\$ -	\$ -		\$ -	\$ -
Grand Total:	\$ 5,882,330.00	\$ (11,274.47)	\$ 4,901.94	\$ 5,875,957.48	\$ (135,293.59)	\$ 58,823.30

WASTEWATER											
NBV-Water	101-UPIS	108-AD	106-CCNC	108-AD	105-CWIP	114-UPAA	115-AA	271-CIAC	272-AA	NBV-Wastewater	Grand Total
16,423.29										-	16,423.29
45,462.47										-	45,462.47
1,668,630.79										-	1,668,630.79
669,848.92	386,655.71	274,502.38						(278,949.85)	(234,608.85)	67,812.33	737,661.25
393,312.32										-	393,312.32
121,090.08										-	121,090.08
262,403.70	407,199.33	100,924.96						(221,828.00)	(47,380.80)	131,827.17	394,230.87
321,819.42	192,984.26	101,315.24			14,461.11			(65,285.33)	(62,963.15)	103,807.95	425,627.37
1,943,119.44	763,118.33	621,795.61						(6,976.96)	(2,426.36)	136,772.12	2,079,891.56
5,442,110.43	77,243,735.27	34,496,787.52	36,025.10	762.70	388,286.39	(156,525.00)	(53,455.08)	(22,579,379.93)	(12,920,911.90)	440,219.57	5,882,330.00
6,035.29	Net WW Plant	306,274.37						Net CIAC	(174,447.20)	7,044.31	
		2.30%							1.00%		
	Annual WW Depr	9,365.58						Annual WW Camor	(2,218.28)		



UTILITY NAME:

Jumper Creek Util Co

YEAR OF REPORT  
2014

COMPARATIVE OPERATING STATEMENT

COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	2014 YEAR * (e)	WATER SCHEDULE W-3 * (f)	WASTEWATER SCHEDULE S-3 * (g)	OTHER THAN REPORTING SYSTEMS (h)
UTILITY OPERATING INCOME							
400	Operating Revenues	F-3(b)	\$ _____	\$ 34,157	15,335	18,821	\$ _____
469, 530	Less: Guaranteed Revenue and AFPI	F-3(b)					
Net Operating Revenues			\$ _____ 0	\$ 34,157	15,335	18,821	\$ _____ 0
401	Operating Expenses	F-3(b)	\$ _____	\$ 40,197	19,245	20,952	\$ _____
403	Depreciation Expense:	F-3(b)	\$ _____	\$ 18,516	9,074	9,442	_____
	Less: Amortization of CIAC	0		(3,582)	(1,837.45)	(1,744.47)	
Net Depreciation Expense			\$ _____ 0	\$ 14,934	7,237	7,698	\$ _____ 0
406	Amortization of Utility Plant Acquisition	F-3(b)	_____	27,783	18,493	9,290	_____
407	Amortization Expense (Other than CIAC)	F-3(b)	_____	(27,783)	(18,493)	(9,290)	_____
408	Taxes Other Than Income	W/S-3	_____	8,215	3,688	4,527	_____
409	Current Income Taxes	W/S-3	_____	_____	_____	_____	_____
410.1	Deferred Federal Income Taxes	W/S-3	_____	_____	_____	_____	_____
410.11	Deferred State Income Taxes	W/S-3	_____	_____	_____	_____	_____
411.1	Provision for Deferral Income Taxes - Cre	W/S-3	_____	_____	_____	_____	_____
412.1	Investment Tax Credits Deferred to Future	W/S-3	_____	_____	_____	_____	_____
412.11	Investment Tax Credits Restored to Opera	W/S-3	_____	_____	_____	_____	_____
Utility Operating Expenses			\$ _____ 0	\$ 63,347	30,170	33,176	\$ _____ 0
Net Utility Operating Income			\$ _____ 0	\$ (29,190)	(14,835)	(14,355)	\$ _____ 0
469, 530	Add Back: Guaranteed Revenue and AFPI	F-3(b)	_____	_____	_____	_____	_____
413	Income From Utility Plant Leased to Others		_____	_____	_____	_____	_____
414	Gains (losses) From Disposition of Utility Property		_____	_____	_____	_____	_____
420	Allowance for Funds Used During Construction		_____	_____	_____	_____	_____
Total Utility Operating Income [Enter here and on Page F-3(c)]			\$ _____ 0	\$ (29,190)	(14,835)	(14,355)	\$ _____ 0

\* For each account, Column e should agree with Columns f, g and h on F-3(b)

\* Total of Schedules W-3 / S-3 for all rate groups.

UTILITY NAME:

Jumper Creek UH Co.

YEAR OF REPORT  
2014

**COMPARATIVE OPERATING STATEMENT (Cont'd)**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
Total Utility Operating Income [from page F-3(a)]			\$ 0	\$ (29,190)
<b>OTHER INCOME AND DEDUCTIONS</b>				
415	Revenues-Merchandising, Jobbing, and Contract Deductions		\$ _____	\$ _____
416	Costs & Expenses of Merchandising Jobbing, and Contract Work		_____	_____
419	Interest and Dividend Income		_____	_____
421	Nonutility Income		_____	_____
426	Miscellaneous Nonutility Expenses		_____	_____
Total Other Income and Deductions			\$ 0	\$ 0
<b>TAXES APPLICABLE TO OTHER INCOME</b>				
408.2	Taxes Other Than Income		\$ _____	\$ _____
409.2	Income Taxes		_____	_____
410.2	Provision for Deferred Income Taxes		_____	_____
411.2	Provision for Deferred Income Taxes - Credit		_____	_____
412.2	Investment Tax Credits - Net		_____	_____
412.3	Investment Tax Credits Restored to Operating Income		_____	_____
Total Taxes Applicable To Other Income			\$ 0	\$ 0
<b>INTEREST EXPENSE</b>				
427	Interest Expense	0	\$ _____	\$ 0
428	Amortization of Debt Discount & Expense	0	_____	0
429	Amortization of Premium on Debt	0	_____	0
Total Interest Expense			\$ 0	\$ 0
<b>EXTRAORDINARY ITEMS</b>				
433	Extraordinary Income		\$ _____	\$ _____
434	Extraordinary Deductions		_____	_____
409.3	Income Taxes, Extraordinary Items		_____	_____
Total Extraordinary Items			\$ 0	\$ 0
<b>NET INCOME</b>			<u>\$ 0</u>	<u>\$ (29,190)</u>

Explain Extraordinary Income:

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Proposed Operating Budget

Revision: 1/10/14

FY - 2014

		2014		
USAN's		Jumper	WTR	WW
400	<b>System Revenues (Note 1)</b>			
461	Water Revenues:	\$ 11,797.08	\$ 11,797.08	
522	Wastewater Revenues:	\$ 18,612.10		\$ 18,612.10
461	Other Revenues:	\$ 3,405.43	\$ 3,405.43	
	Index on WTR/WST Revenues (Aqua 2012):	\$ 132.72	\$ 132.72	
	Index Wtr for 2014 = Estimated 1.5% (April thru Dec)	\$ 209.39		\$ 209.39
	Index WW for 2014 = Estimated 1.5% (April thru Dec)			
	<b>Total Utility Revenues:</b>	<b>\$ 34,156.71</b>	<b>\$ 15,335.23</b>	<b>\$ 18,821.49</b>
			44.90%	55.10%
	<b>Operating Expenses:</b>			
636	USW O & M Customer Service & Billing - Water	\$ 10,569.61	\$ 10,569.61	
	<i>USW O &amp; M Customer Service &amp; Billing - Water w/ Est. CPI Increase of 2.1% from Apr 2014 -Mar 2015 per contract</i>	\$ 166.47	\$ 166.47	
736	USW O & M Customer Service & Billing - Wastewater (Jan -Mar 2014)	\$ 16,329.72		\$ 16,329.72
	<i>USW O &amp; M Customer Service &amp; Billing - Wastewater w/ Est. CPI Increase of 2.1% from Apr 2014 -Mar 2015 per contract</i>	\$ 257.19		\$ 257.19
603	Officer Salaries	\$ -	\$ -	
618/718	Chemicals	\$ 758.55	\$ 340.56	\$ 417.99
711	Sludge	\$ 1,437.75		\$ 1,437.75
670/770	Bad Debt	\$ 683.13	\$ 683.13	
610/710	Purchase Water	\$ -	\$ -	
615/715	Purchased Power	\$ 3,953.76	\$ 1,775.11	\$ 2,178.65
657	Insurance	\$ 1,464.00	\$ 1,464.00	
640/740	Rents (land, etc.	\$ -	\$ -	\$ -
675.4	Sunshine Locates	\$ 50.00	\$ 50.00	
6758	Misc. Expenses (Includes Minor Repairs)	\$ 600.00	\$ 269.38	\$ 330.62
675.1	SCADA/Phones	\$ 250.73	\$ 250.73	
801	Bank Fees	\$ 51.18	\$ 51.18	\$ -
813	Office Supplies for the Utility	\$ 125.00	\$ 125.00	
630/730	Legal	\$ 1,500.00	\$ 1,500.00	
630/730	Professional Fees (Accounting Costs)	\$ 2,000.00	\$ 2,000.00	
	<b>Total Direct Operating Expenses</b>	<b>\$ 40,197.10</b>	<b>\$ 19,245.18</b>	<b>\$ 20,951.92</b>
	<b>Net Operating Revenues Before Other Deductions</b>	<b>\$ (6,040.39)</b>	<b>\$ (3,909.95)</b>	<b>\$ (2,130.44)</b>
	<b>Allowances for Other Deductions:</b>			
666/766	FPSC Fee:	\$ 1,537.05	\$ 690.09	\$ 846.97
	Property Taxes:	\$ 6,678.00	\$ 2,998.20	\$ 3,679.80
419.1	Interest Cost	\$ -		
	<b>Total Other Cost:</b>	<b>\$ 8,215.05</b>	<b>\$ 3,688.28</b>	<b>\$ 4,526.77</b>
	<b>Total Net Operating Funds:</b>	<b>\$ (14,255.44)</b>	<b>\$ (7,598.23)</b>	<b>\$ (6,657.20)</b>
	ROR 8.74% (20% Rule 2014 CIP)	\$ 83,807.18	\$ 7,324.75	\$ 5,494.99
	Working Capital 1/8 of O&M Exp	\$ 5,024.64	\$ 439.15	\$ 210.25
	<b>Net Requirements</b>	<b>\$ (22,019.34)</b>	<b>\$ (13,303.48)</b>	<b>\$ (8,715.86)</b>
403.1/.2	Depreciation/ <b>RESET BY 20% Rule</b>	<b>\$ 18,516.27</b>	<b>\$ 9,074.26</b>	<b>\$ 9,442.01</b>
334 & 330's	<b>CIP &amp; Meter Change Out</b>	<b>\$ 12,967.50</b>	<b>\$ 967.50</b>	<b>\$ 12,000.00</b>
	<b>Minor Repairs Included in Misc Exp</b>			

UTILITY NAME:

**Jumper Creek Util Co**

**YEAR OF REPORT  
2014**

**SCHEDULE OF YEAR END RATE BASE**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)	
101	Utility Plant In Service	0	\$ 514,009	\$ 419,199	933,209
	Less:				0
	Nonused and Useful Plant (1)				0
108	Accumulated Depreciation Prev +13 & '14	0	<u>(135,013)</u>	<u>(116,237)</u>	(251,250)
110	Accumulated Amortization	0	<u>0</u>	<u>0</u>	0
271	Contributions in Aid of Construction	0	<u>(157,236)</u>	<u>(221,828)</u>	(379,064)
252	Advances for Construction	0			0
Subtotal			\$ <u>221,760</u>	\$ <u>81,134</u>	302,894
	Add:				0
272	Accumulated Amortization of Contributions in Aid of Construction	0	30,184	51,015	81,199
Subtotal			\$ <u>251,944</u>	\$ <u>132,149</u>	384,093
	Plus or Minus:				0
114	Acquisition Adjustments (2)	0	<u>(209,918)</u>	<u>(105,457)</u>	(315,375)
115	Accumulated Amortization of Acquisition Adjustments (2)	0	<u>32,362</u>	<u>16,258</u>	48,620
	Working Capital Allowance (3)		<u>2,406</u>	<u>2,619</u>	5,025
	Other (Specify):				0
					0
					0
					0
					0
RATE BASE			\$ <u>76,794</u>	<u>45,569</u>	122,363
NET UTILITY OPERATING INCOME			\$ <u>(14,835)</u>	\$ <u>(14,355)</u>	(29,190)
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			<u>-19.32%</u>	<u>-31.50%</u>	-23.86%

Analysis of Current Acquisition Rule  
Rule 25-30.371

Negative Acquisition Adjustments

- 1 Rule:** (3) Negative Acquisition Adjustments. If the purchase price is **greater than 80 percent** of net book value, a negative acquisition adjustment will not be included in rate base. When the purchase price is equal to or less than 80 percent of net book value, a negative acquisition adjustment shall be included in rate base and will be equal to 80 percent of net book value less the purchase price. Amortization of a negative acquisition adjustment shall be pursuant to subparagraph (4)(b)1. or (4)(b)2. below.
- Amortization**
- if Greater than 50%:** 1. If the purchase price is **greater than 50 percent of net book value**, the negative acquisition adjustment shall be amortized over a 7-year period from the date of issuance of the order approving the transfer of assets. In this case, the negative acquisition adjustment shall not be recorded on the books for ratemaking purposes or used for any earnings review unless the purchaser files for a rate increase pursuant to Section 367.081(2), 367.0814, 367.0817 or 367.0822, F.S., that will be effective during the amortization period.
- Amortization**
- if Less than 50%:** 2. If the purchase price is **50 percent of net book value or less**, the negative acquisition adjustment shall be amortized from the date of issuance of the order approving the transfer of assets as follows:  
a. 50 percent of the negative acquisition adjustment shall be amortized over a 7-year period; and  
b. 50 percent of the negative acquisition adjustment shall be amortized over the remaining life of the assets.

**JUMPER WW (3) Paid Less Than 50% Of Rate Base**

Purchase Price equal to or less than 80% of Net Rate Base				2013 9 mos	2014	2015	2016	2017	2018	2019	
		Historical	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7		
Rate Base: \$	131,827	Net Plant in Service	407,199	\$ 131,827	\$ 126,544	\$ 129,102	\$ 124,493	\$ 114,885	\$ 105,276	\$ 95,667	6 yrs 9 mos
Purchase Pric \$	5 0.00%	CIP From Prev Yr			\$ 12,000	\$ 5,000	\$ -				
		Total Plant		\$ 131,827	\$ 138,544	\$ 134,102	\$ 124,493	\$ 114,885	\$ 105,276	\$ 95,667	
Recognized Rate Base:		Depreciation Expense	-101,512	\$ (5,283)	\$ (9,442)	\$ (9,609)	\$ (9,609)	\$ (9,609)	\$ (9,609)	\$ (9,609)	
Rate Base: \$	131,827	Neg Acqui Adju		\$ 105,457	\$ 105,457	\$ 105,457	\$ 105,457	\$ 105,457	\$ 105,457	\$ 105,457	
Neg. Acqui Ac \$	105,457	Amortization over 7 years		\$ 5,649	\$ 7,533	\$ 7,533	\$ 7,533	\$ 7,533	\$ 7,533	\$ 7,533	
Net Rate Bas \$	26,370	Amortization over life of assets		\$ 1,318	\$ 1,758	\$ 1,758	\$ 1,758	\$ 1,758	\$ 1,758	\$ 1,758	
		<b>Net New Rate Base</b>		\$ 28,055	\$ 20,935	\$ 23,327	\$ 18,718	\$ 9,109	\$ (499)	\$ (10,108)	
		ROR		\$ 2,452.00	\$ 1,829.76	\$ 2,038.76	\$ 1,635.96	\$ 796.16	\$ (43.64)	\$ (883.44)	
		Total Cumulative Acc Acq Adj			\$ 16,258	\$ 25,548	\$ 34,838	\$ 44,129	\$ 53,419	\$ 62,709	
		Annual Acq Adj Amort Net Started 3/29/13		\$ 6,968	\$ 9,290	\$ 9,290	\$ 9,290	\$ 9,290	\$ 9,290	\$ 9,290	
		CIAC	(221,828.00)								
		Annual CIAC Ajd		(1,744.47)	(1,744.47)	(1,744.47)	(1,744.47)	(1,744.47)	(1,744.47)	(1,744.47)	
		Total Cumulative CIAC Ajd	47,526.17	49,270.64	51,015.12	52,759.59	54,504.06	56,248.53	57,993.00	59,737.48	
		Net CIAC	(174,301.83)	(172,557.36)	(170,812.88)	(169,068.41)	(167,323.94)	(165,579.47)	(163,835.00)	(162,090.52)	

Analysis of Current Acquisition Rule  
Rule 25-30.371

Negative Acquisition Adjustments

- 1 Rule:** (3) Negative Acquisition Adjustments. If the purchase price is **greater than 80 percent** of net book value, a negative acquisition adjustment will not be included in rate base. When the purchase price is equal to or less than 80 percent of net book value, a negative acquisition adjustment shall be included in rate base and will be equal to 80 percent of net book value less the purchase price. Amortization of a negative acquisition adjustment shall be pursuant to subparagraph (4)(b)1. or (4)(b)2. below.
- Amortization if Greater than 50%:** 1. If the purchase price is **greater than 50 percent of net book value**, the negative acquisition adjustment shall be amortized over a 7-year period from the date of issuance of the order approving the transfer of assets. In this case, the negative acquisition adjustment shall not be recorded on the books for ratemaking purposes or used for any earnings review unless the purchaser files for a rate increase pursuant to Section 367.081(2), 367.0814, 367.0817 or 367.0822, F.S., that will be effective during the amortization period.
- Amortization if Less than 50%:** 2. If the purchase price is **50 percent of net book value or less**, the negative acquisition adjustment shall be amortized from the date of issuance of the order approving the transfer of assets as follows:  
a. 50 percent of the negative acquisition adjustment shall be amortized over a 7-year period; and  
b. 50 percent of the negative acquisition adjustment shall be amortized over the remaining life of the assets.

**JUMPER WATER (3) Paid Less Than 50% of Rate Base**

Purchase Price equal to or less than 80% of Net Rate Base			Historical	2013 9 mos	2014	2015	2016	2017	2018	2019	
				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	
Rate Base:	\$	262,404	513,041.91	\$ 262,404	\$ 262,404	\$ 254,297	\$ 247,608	\$ 238,903	\$ 229,731	\$ 220,559	6 yrs 9 mos
Purchase Pric	\$	5		\$	\$ 968	\$ 2,468	\$ 468				
		0.00%									
<b>Recognized Rate Base:</b>											
Rate Base:	\$	262,404									
Neg. Acqui Ac	\$	209,918									
Net Rate Base	\$	52,486									
Net Plant in Service											
CIP Additions											
Total Plant											
Depreciation Expense			(119,157.44)	\$ (6,782)	\$ (9,074)	\$ (9,157)	\$ (9,172)	\$ (9,172)	\$ (9,172)	\$ (9,172)	
Neg Acqui Adju				\$ 209,918	\$ 209,918	\$ 209,918	\$ 209,918	\$ 209,918	\$ 209,918	\$ 209,918	
Amortization over 7 years				\$ 11,246	\$ 14,994	\$ 14,994	\$ 14,994	\$ 14,994	\$ 14,994	\$ 14,994	
Amortization over life of assets				\$ 2,624	\$ 3,499	\$ 3,499	\$ 3,499	\$ 3,499	\$ 3,499	\$ 3,499	
Net Plant in Service			393,884.47	\$ 59,574	\$ 62,872	\$ 56,183	\$ 47,478	\$ 38,306	\$ 29,134	\$ 19,962	
<b>ROR</b>				\$ 5,206.75	\$ 5,494.99	\$ 4,910.37	\$ 4,149.59	\$ 3,347.95	\$ 2,546.31	\$ 1,744.67	
Total Cumulative Acc Acq Adj				\$	\$ 32,362	\$ 50,855	\$ 69,348	\$ 87,841	\$ 106,333	\$ 124,826	
Annual Acqui Adj Amort Net Started 3/29/13				\$ 13,870	\$ 18,493	\$ 18,493	\$ 18,493	\$ 18,493	\$ 18,493	\$ 18,493	
CIAC			(157,236.00)								
Annual CIAC Ajd				(1,837.45)	(1,837.45)	(1,837.45)	(1,837.45)	(1,837.45)	(1,837.45)	(1,837.45)	
Total Cumulative CIAC Ajd			26,508.73	28,346.18	30,183.62	32,021.07	33,858.52	35,695.97	37,533.41	39,370.86	
Net CIAC			(130,727.27)	(128,889.82)	(130,727.27)	(132,564.72)	(134,402.16)	(136,239.61)	(138,077.06)	(139,914.51)	