

FLORIDA PUBLIC SERVICE COMMISSION

Item 14

VOTE SHEET

FILED JUN 05, 2014
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FPSC - COMMISSION CLERK

June 5, 2014

Docket No. 130175-WS – Application for approval of transfer of certain water and wastewater facilities and Certificate Nos. 422-W and 359-S of Aqua Utilities Florida, Inc. to HC Waterworks, Inc. in Highlands County.

Issue 1: Should the Commission approve the transfer of Aqua Utilities Florida, Inc.’s water and wastewater systems and Certificate Nos. 422-W and 359-S to HC Waterworks, Inc.?

Recommendation: Yes. The transfer of Aqua’s water system and wastewater system and the transfer of Certificate Nos. 422-W and 359-S to HC Waterworks, Inc., is in the public interest and should be approved effective the date of the Commission’s vote. The resultant order should serve as HC Waterworks, Inc.’s certificates and should be retained by the Utility. The Utility’s existing rates and charges should remain in effect until a change is authorized by the Commission in a subsequent proceeding. The tariff pages reflecting the transfer should be effective on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), Florida Administrative Code (F.A.C.). HCW should be responsible for filing the Utility’s 2013 Annual Report and paying 2014 Regulatory Assessment Fees (RAFs) and should be responsible for filing all future annual reports and RAFs.

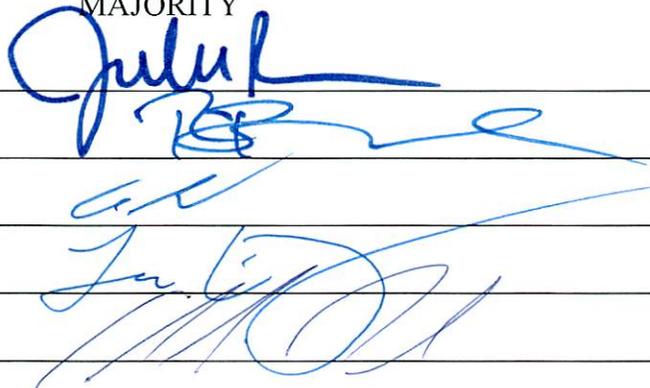
APPROVED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS’ SIGNATURES

MAJORITY

DISSENTING



REMARKS/DISSENTING COMMENTS:

Docket No. 130175-WS – Application for approval of transfer of certain water and wastewater facilities and Certificate Nos. 422-W and 359-S of Aqua Utilities Florida, Inc. to HC Waterworks, Inc. in Highlands County.

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Issue 2: What are the appropriate net book values for HCW's water and wastewater systems as of March 28, 2013?

Recommendation: For transfer purposes, the net book values (NBVs) of the HCW water and wastewater systems are \$2,724,527 and \$67,606, respectively, as of March 28, 2013. Within 30 days of the date of the final order, HCW should be required to provide general ledgers which show its books have been updated to reflect the Commission-approved balances as of March 28, 2013. The adjustments should be reflected in the Utility's 2013 Annual Report when filed.

APPROVED

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

Recommendation: Yes. Pursuant to Rule 25-30.0371, F.A.C., a negative acquisition adjustment of \$849,440 for the water system and \$21,078 for the wastewater system should be recognized for rate-making purposes. Beginning with the date of the issuance of the order approving the transfer, 50 percent of the negative acquisition adjustment, which is \$424,720 for the water system and \$10,539 for the wastewater system, should be amortized over a seven-year period and the remaining 50 percent should be amortized over the remaining life of the assets.

APPROVED

Issue 4: Should this docket be closed?

Recommendation: Yes. If no protest to the proposed agency action 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 after HCW has provided proof that its general ledgers have been updated to reflect the Commission-approved balances as of March 28, 2013.

APPROVED