



Florida Public Service Commission

SPECIAL REPORT

NOVEMBER 2010

Application for increase in water and wastewater rates by

Aqua Utilities Florida, Inc.

DOCKET NO. 100330-WS

On September 1, 2010, Aqua Utilities Florida, Inc. (Aqua) filed an application with the Florida Public Service Commission (PSC or Commission) for an increase in water and wastewater rates. Aqua is a Class A utility serving approximately 16,357 water and 6,789 wastewater customers in Alachua, Brevard, DeSoto, Hardee, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and Washington Counties.

QUESTIONS & ANSWERS

1 Is there an opportunity for public input on this case?

Yes. As part of the evaluation process for Aqua's rate request, the Commission staff will conduct nine customer meetings to allow customer feedback about Aqua and the rate setting process. Customer comments, written and oral, will be taken into consideration when the Commission reaches a decision. One or more Commissioners may attend and participate during the meeting.

2 Why is Aqua requesting a rate increase?

According to Aqua's petition, it is requesting a rate increase to cover increasing operating costs and to earn a fair rate of return on its investment.

3 When was Aqua's last approved rate increase?

Aqua's last base rate increase was approved in 2009 as the result of a rate case initiated in 2008.

4 Presently, how much are the average monthly water and wastewater bills for a residential customer?

See the rate tables on pages 6-9.

5 Using Aqua's proposed rates, how much would the average monthly water and wastewater bills be for a residential customer?

See the rate tables on pages 6-9.

To check if a meeting has been canceled, look on the Commission's Web site (www.floridapsc.com) under the Hot Topics link on the home page. Cancellation can also be confirmed by calling the Office of the General Counsel at (850) 413-6199.

Continued on back

6 What if I can't make the customer meetings or prefer not to speak? Are there other ways to comment on the issue?

Any person who wants to comment or provide information to the Commission regarding this matter may do so orally at the meeting or in writing. Correspondence will be placed in the docket file. Written comments should be mailed to:

Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

The PSC will also accept faxes and e-mails.

Fax number: 1-800-511-0809

Internet e-mail address:
contact@psc.state.fl.us

Please be sure to include the docket number, **100330 - WS**.

Customer comments are placed on the consumer side of the docket file and are taken into consideration by the Commissioners in reaching their decision. In accordance with Florida Statutes, the PSC will also consider Aqua's quality of service and other matters. If you have questions, call the Florida Public Service Commission's Division of Service, Safety and Consumer Assistance at 1-800-342-3552.

7 Who can answer technical or legal questions?

For technical questions, contact:

Curt Mouring
(850) 413-6427

Jennie Lingo
(850) 413-6964

For legal questions, contact:

Katherine Fleming
(850) 413-6218

Ralph Jaeger
(850) 413-6234

Caroline Klancke
(850) 413-6220

8 Where on the Internet can I obtain more detailed information?

Detailed docket information is available on the PSC Web site at www.floridapsc.com. Click on **Dockets and Filings/Dockets** and then type in the docket number, **100330**.

9 When will the PSC make a decision?

The PSC staff is scheduled to file a recommendation with the Commission regarding Aqua's request for an interim rate increase on October 28, 2010. The Commissioners are expected to vote on this matter at the November 9, 2010 Commission Conference. The staff recommendation and Commission vote regarding Aqua's request for final rates is tentatively scheduled for February 2011.



Customer Meetings

Thursday, October 14, 2010

10:00 a.m. CDT

Sunny Hills Community Center
4083 Challenger Boulevard
Chipley, FL 32428

Wednesday, October 20, 2010

6:00 p.m.

West Pasco County Government Center
County Commission Board Room
7530 Little Road
New Port Richey, FL 34654

Thursday, October 21, 2010

6:00 p.m.

Alachua County Board of Commissioners
Board Room (2nd Floor)
12 SE 1st Street
Gainesville, FL 32601

Friday, October 22, 2010

10:00 a.m.

St. Johns River Water Management District
Governing Board Room
4049 Reid Street
Palatka, FL 32177

Wednesday, October 27, 2010

6:00 p.m.

Highlands County Administration Building
Board Chambers (Room B104)
600 South Commerce Avenue
Sebring, FL 33870

Thursday, October 28, 2010

6:00 p.m.

Lakeland City Hall
City Commission Chambers (3rd Floor)
228 South Massachusetts Avenue
Lakeland, FL 33801

Friday, October 29, 2010

10:00 a.m.

Eustis Community Center
601 Northshore Drive
Eustis, FL 32726

Thursday, November 4, 2010

6:00 p.m.

Greenacres City Hall
City Commission Chambers
5800 Melaleuca Lane
Greenacres, FL 33463

Thursday, November 18, 2010

6:00 p.m.

Lee County Education Center
School Board of Lee County Board Room
2855 Colonial Boulevard
Ft. Myers, FL 33966

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PSC Commissioners



COMMISSIONER
Ronald A. Brisé



COMMISSIONER
Lisa Polak Edgar



CHAIRMAN
Art Graham



COMMISSIONER
Nathan A. Skop



VACANT

COMMISSIONER

Art Graham was appointed to the Florida Public Service Commission by Governor Charlie Christ in July 2010 to fill an unexpired term through January 2014. In October 2010, he was elected Chair of the Commission through January 1, 2012. ♦ Prior to his appointment, Chairman Graham served on the Jacksonville City Council. Among his duties as a Council Member, Chairman Graham helped oversee the budget of JEA, a publicly owned electric, water, and wastewater utility, and chaired the Transportation, Energy and Utilities Committee. He also served on the Jacksonville Beach City Council from 1998 to 2002. ♦ Chairman Graham is a past chair of the North Florida Transportation Planning Organization and vice president of the Northeast Florida Regional Planning Association. He was President of ART Environment Consulting Services from 2005 to 2009 and was a recovery engineer with Georgia Pacific Pulp and Paper from 1995 to 2002. A sales engineer with Betz PaperChem from 1991 to 1995, Chairman Graham was a regional sales manager from 1989 to 1991 for Goodyear Tire and Rubber, where he also held an application engineer position from 1988 to 1989. ♦ Chairman Graham received a bachelor's degree in chemical engineering from the Georgia Institute of Technology in Atlanta. He is also a 2001 graduate of Leadership Jacksonville and a 2008 graduate of Leadership Florida.

Lisa Polak Edgar was appointed to the Florida Public Service Commission (PSC) by Governor Jeb Bush for a four-year term beginning January 2005. From January 2006 to January 2008, she served as Chairman and participated as a member of the Florida Energy Commission and the Governor's Action Team on Energy and Climate Change. Governor Charlie Crist reappointed Commissioner Edgar to a second four-year term, January 2009 through December 2012. ♦ During her first term, Commissioner Edgar worked to develop policies to strengthen the state's electric infrastructure to better prepare for, and withstand, storm events; to establish net metering and interconnection rules that encourage customer participation and renewable energy development; to further the diversification of Florida's fuel supply; to effectively reform the collection and distribution of Universal Service funds; and to broaden stakeholder participation. ♦ Commissioner Edgar served on the Federal Communications Commission Universal Service Joint Board from 2005 through 2009 working for efficient, accountable and fiscally responsible use of Universal Service funds. She is currently a member of the National Association of Regulatory Utility Commissioners Board of Directors, as well as the Committees on Electricity and Consumer Affairs. ♦ Prior to joining the PSC, Commissioner Edgar served as Deputy Secretary for the Florida Department of Environmental Protection (DEP). Her responsibilities at DEP included executive management oversight of the agency's \$2.1 billion budget, fiscal and strategic planning, accountability measures, information technology, administrative services, Florida Geological Survey, and coordination between the state and federal government on environmental issues, including proposed and existing oil and gas drilling on the Outer Continental Shelf. Commissioner Edgar represented the State of Florida on the Minerals Management Service Outer Continental Shelf (OCS) Policy Committee from 1993-2004, and on the Subcommittees on Environmental Studies in OCS Areas under Moratoria and OCS Hard Minerals. ♦ Commissioner Edgar received her Bachelor of Science and Juris Doctorate degrees from Florida State University and is a member of the Florida Bar. She is a member of Leadership Florida and the Capital Tiger Bay Club, and serves on the Board of Directors of Sustainable Florida—Collins Center. ♦ Commissioner Edgar and her husband are members of Killlearn United Methodist Church and are raising their two active children in Tallahassee.

Nathan A. Skop was appointed to the Florida Public Service Commission by Governor Charlie Crist for a four-year term beginning January 2007. ♦ Commissioner Skop currently serves as a faculty instructor for the National Association of Regulatory Utility Commissioners (NARUC) Utility Rate School. Commissioner Skop also serves on the NARUC Committee on Electricity and the Subcommittee on Nuclear Issues - Waste Disposal. Commissioner Skop previously served on the NARUC Committee for Consumer Affairs and the Committee on Energy Resources and the Environment. ♦ Prior to his appointment, Commissioner Skop gained over thirteen years of engineering, manufacturing, operations, program management, and financial management experience working for Fortune 500 corporations. ♦ Commissioner Skop began his professional career as a nuclear project engineer with the Electric Boat Division of General Dynamics Corporation in Groton, Connecticut. As a member of the Advanced Propulsion Plant Technology Program he participated in the design, integration, and qualification testing of nuclear submarine propulsion system turbomachinery for the USS SEAWOLF (SSN 21), and participated in the initial criticality and power range testing of the USS SANTA FE (SSN 763) nuclear submarine reactor plant. ♦ Commissioner Skop continued his professional career as a specialist engineer with the Propulsion Systems and Customer Service divisions of the Boeing Commercial Airplane Group in

PSC Commissioners continued

Seattle, Washington. While serving in these positions he participated in the design, integration, and test of Engine Build-Up installations for Pratt & Whitney engines installed on Boeing 777 aircraft, and supported General Electric aircraft engines installed on Boeing 747, 767, and 777 aircraft. ♦ Prior to attending law school, Commissioner Skop gained substantial renewable energy and energy industry experience as a business manager with FPL Energy (an unregulated subsidiary of FPL Group) through managing nine renewable wind energy projects located in Altamont Pass, California, and a coal fired co-generation plant located in Stockton, California. ♦ Commissioner Skop's extensive power generation experience includes renewable energy (wind and solar), fossil fuel (combined cycle, gas turbine, co-generation, and coal), and nuclear power. ♦ Commissioner Skop graduated from the University of Florida with a BS in Aerospace Engineering in 1991. He later earned an MBA with concentrations in financial management and investment analysis from Rensselaer Polytechnic Institute in 1996, and a JD from the University of Florida Levin College of Law in 2006. Commissioner Skop also holds a graduate level certificate in environmental management from the Hartford Graduate Center and attended an executive education program focusing on mergers and acquisitions at the Wharton School of Business at the University of Pennsylvania. ♦ Commissioner Skop has been quoted in BusinessWeek, The New York Times, and NPR Morning Edition on regulatory policy issues, and had a case comment published in the Journal of Technology Law & Policy for the Levin College of Law at the University of Florida. ♦ Commissioner Skop is admitted to practice law in Florida, a member of the Florida Bar, and serves as a Guardian ad Litem for the Circuit Court of the Second Judicial Circuit in Leon County. ♦ Commissioner Skop was raised in Sanford, Florida. Prior to relocating to Tallahassee to serve in his current position, Commissioner Skop previously lived in Gainesville and Palm Beach Gardens, Florida.

Ronald A. Brisé was appointed to the Florida Public Service Commission by Governor Charlie Crist in July 2010 to fill an unexpired term through January 2014. Commissioner Brisé is a member of the National Association of Regulatory Utility Commissioners (NARUC) and currently serves on the Telecommunications Committee. Before this appointment, Commissioner Brisé served the citizens of North East Miami-Dade (District 108) in the Florida House of Representatives for four years. ♦ As a Representative, Commissioner Brisé was named Democratic Whip from 2006 to 2008 and served as Vice Chairman of the Florida Conference of Black State Legislators. He served on the Education & Economic Development Appropriations, General Government & Health Care Appropriations, and Select Strategic & Economic Planning Councils, was the Ranking Member on the State & Community Colleges and Workforce Appropriation Committee and served on the State Universities & Private Colleges Policy Committee. He also served on the Transportation & Economic Development Appropriations and the Energy & Utilities Policy Committees. Most notably as a legislator, Commissioner Brisé sponsored successful legislation to expand broadband deployment throughout the State of Florida making it possible for underserved areas to have access to broadband technology. Commissioner Brisé was also successful in passing legislation to provide relief from garnishment to heads of families by increasing the amount that heads of families are able to retain in earnings before garnishment. ♦ Recently Commissioner Brisé was the Chief Executive Officer of Strategic Partner Consulting, LLC, which provides leadership and development strategies for corporate clients. Until 2008 Commissioner Brisé was also the Chief Operating Officer for IPIP Corporation, a VoIP telecommunications carrier. Prior to this, he was the Science Department Chairperson at Miami Union Academy from 2000 to 2005 and was also the Academy's Director of Development, Marketing, and Recruitment from 2003 to 2005. ♦ Commissioner Brisé served as a member of the North Miami Planning Commission and is a past president of the Albert C. Pierre Community Center, a member of the NAACP as well as a member of the board of the Haitian-American Scholarship Fund and Miami Union Academy. ♦ Commissioner Brisé received a bachelor's degree in biology education from Oakwood College in Huntsville, Alabama and received MBA degrees in management and marketing from American Intercontinental University in Illinois. He and his wife, JoAn, have one son, Ronald Brisé II and together are faithful members of Tabernacle Seventh-day Adventist Church.

Monthly Water Service Rates*

Band No.		Rates Prior to Filing		Interim Rates		Utility Requested Final	
		Base Facility Charge	Gallage	Base Facility Charge	Gallage	Base Facility Charge	Gallage**
Band 1	BFC	\$14.13		\$15.98		\$17.66	
	0-5 kgal		\$2.00		\$2.26		
	5.001-10 kgal		\$2.51		\$2.84		
	10+ kgal		\$6.01		\$6.80		
	0-6 kgal						\$6.49
	6.001-12 kgal						\$9.73
	12+ kgal						\$12.98
	Typical Bill	\$24.13		\$27.28		\$50.11	
Band 2	BFC	\$16.29		\$19.64		\$17.66	
	0-5 kgal		\$3.82		\$4.61		
	5.001-10 kgal		\$4.77		\$5.75		
	10+ kgal		\$11.46		\$13.82		
	0-6 kgal						\$6.49
	6.001-12 kgal						\$9.73
	12+ kgal						\$12.98
	Typical Bill	\$35.39		\$42.69		\$50.11	
Band 3	BFC	\$16.68		\$16.68		\$17.66	
	0-5 kgal		\$5.01		\$5.01		
	5.001-10 kgal		\$6.26		\$6.26		
	10+ kgal		\$15.03		\$15.03		
	0-6 kgal						\$6.49
	6.001-12 kgal						\$9.73
	12+ kgal						\$12.98
	Typical Bill	\$41.73		\$41.73		\$50.11	
Band 4	BFC	\$15.71		\$15.71		\$17.66	
	0-5 kgal		\$7.31		\$7.31		
	5.001-10 kgal		\$8.98		\$8.98		
	10+ kgal		\$20.67		\$20.67		
	0-6 kgal						\$6.49
	6.001-12 kgal						\$9.73
	12+ kgal						\$12.98
	Typical Bill	\$52.26		\$52.26		\$50.11	
Breeze Hill	BFC	\$15.51		\$26.79		\$17.66	
	All kgals		\$2.70		\$4.66		
	0-6 kgal						\$6.49
	6.001-12 kgal						\$9.73
	12+ kgal						\$12.98
Typical Bill	\$29.01		\$50.09		\$50.11		
Fairways	BFC	\$7.59		\$10.97		\$17.66	
	All kgals		\$1.77		\$2.56		
	0-6 kgal						\$6.49
	6.001-12 kgal						\$9.73
	12+ kgal						\$12.98
Typical Bill	\$16.44		\$23.77		\$50.11		
Peace River Heights	BFC	\$16.44		\$20.02		\$17.66	
	0-5 kgal		\$4.94		\$6.02		
	5.001-10 kgal		\$6.17		\$7.52		
	10+ kgal		\$14.81		\$18.04		
	0-6 kgal						\$6.49
	6.001-12 kgal						\$9.73
	12+ kgal						\$12.98
Typical Bill	\$41.14		\$50.12		\$50.11		

* Residential - 5/8" x 3/4" meter

** Charge per 1,000 gallons

Aqua Water System Names and Associated Rate Bands

System Name	Band No.	System Name	Band No.
48 Estates	3	Palm Port	4
Arredondo	4	Palm Terrace	4
Beechers Point	4	Palms MHP	4
Carlton Village	2	Park Manor	3
East Lake Harris	4	Picciola Island	1
Fern Terrace	2	Piney Woods	2
Friendly Center	4	Pomona Park	4
Gibsonia Estates	3	Quail Ridge	3
Grand Terrace	2	Ravenswood	3
Haines Creek	4	River Grove	4
Harmony Homes	4	Rosalie Oaks	4
Hermits Cove	4	Saratoga Harbor	4
Hobby Hills	4	Sebring Lakes	4
Holiday Haven	4	Silver Lake Estates	1
Imperial Mobile Terrace	4	Silver Lake Oaks	4
Interlachen Lake	3	Skycrest	4
Jasmine Lakes	1	St. Johns Highlands	2
Jungle Den	4	Stone Muntain	4
Kings Cove	1	Summit Chase	4
Kingswood	4	Sunny Hills	2
Lake Gibson Estates	2	Tangerine	1
Lake Josephine	4	The Woods	4
Lake Osborne	3	Tomoka	4
Lake Suzy	4	Valencia Terrace	2
Leisure Lakes	4	Venetian Village	3
Morningview	4	Village Water	4
Oakwood	4	Welaka	4
Ocala Oaks	1	Wootens	4
Orange Hill	3	Zephyr Shores	4

Monthly Wastewater Service Rates*

Band No.		Rates Prior to Filing		Interim Rates		Utility Requested Final	
		Base Facility Charge	Gallonge	Base Facility Charge	Gallonge	Base Facility Charge	Gallonge***
Band 1	BFC	\$17.13		\$21.85		\$37.87	
	Per kgal (6 kgal cap)		\$4.75		\$6.06		\$9.53
	Typical Bill	\$36.13		\$46.09		\$75.99	
	RWO** Flat Rate						
	Leisure Lakes	\$27.28					
	Summit Chase	\$54.81					
	Valencia Terrace	\$32.72		\$41.73		\$73.91	
Band 2	BFC	\$35.44		\$35.44		\$37.87	
	Per kgal (6 kgal cap)		\$7.11		\$7.11		\$9.53
	Typical Bill	\$63.88		\$63.88		\$75.99	
	RWO** Flat Rate						
	Arredondo	\$70.32				\$73.91	
	Holiday Haven	\$56.20				\$73.91	
	Interlachen Lake	\$61.89				\$73.91	
	Jasmine Lakes	\$64.67				\$73.91	
	Lake Suzy	\$58.47				\$73.91	
	Morningview	\$64.09				\$73.91	
	Park Manor	\$61.89				\$73.91	
	Palm Port	\$59.50				\$73.91	
	Palm Terrace	\$64.38				\$73.91	
	Silver Lake Oaks	\$63.18				\$73.91	
	South Seas	\$78.59				\$73.91	
	Sunny Hills	\$56.44		\$56.44		\$73.91	
	The Woods	\$65.06				\$73.91	
	Venetian Village	\$64.27				\$73.91	
	Zephyr Shores	\$47.02		\$47.02		\$73.91	
Band 3	BFC	\$29.41		\$33.82		\$37.87	
	Per kgal (6 kgal cap)		\$8.99		\$10.34		\$9.53
	Typical Bill	\$65.37		\$75.18		\$75.99	
	RWO** Flat Rate						
	Beechers Point	\$50.68					
	Jungle Den	\$39.73		\$45.69		\$73.91	
	Lake Gibson Est	\$83.33		\$95.84		\$73.91	
	Rosalie Oaks	\$45.55					
Band 4	BFC	\$75.47		\$75.47		\$37.87	
	Per kgal (6 kgal cap)		\$9.37		\$9.37		\$9.53
	Typical Bill	\$112.95		\$112.95		\$75.99	
	Breeze Hill						
	BFC	\$19.04		\$40.11		\$37.87	
	Per kgal (6 kgal cap)		\$3.39		\$7.14		\$9.53
	Typical Bill	\$32.60		\$68.67		\$75.99	
Fairways	BFC	\$12.65		\$29.31		\$37.87	
	Per kgal (6 kgal cap)		\$3.80		\$8.80		\$9.53
	Typical Bill	\$27.85		\$64.51		\$75.99	
	Peace River Heights						
	BFC	\$29.03		\$33.83		\$37.87	
	Per kgal (6 kgal cap)		\$8.87		\$10.34		\$9.53
	Typical Bill	\$64.51		\$75.19		\$75.99	

* Residential - 5/8" x 3/4" meter

** Residential wastewater only

*** Charge per 1,000 gallons (with a 6,000 gallon cap)

Aqua Wastewater System Names and Associated Rate Bands

System Name	Band No.
Arredondo	2
Beechers Point	3
Florida Central Comm	4
Holiday Haven	2
Interlachen Lake	2
Jasmine Lakes	2
Jungle Den	3
Kings Cove	1
Lake Gibson Estates	3
Lake Suzy	2
Leisure Lakes	1
Morningview	2
Palm Port	2
Palm Terrace	2
Park Manor	2
Rosalie Oaks	3
Silver Lake Oaks	2
South Seas	2
Summit Chase	1
Sunny Hills	2
The Woods	2
Valencia Terrace	1
Venetian Village	2
Village Water	4
Zephyr Shores	2

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Florida Public Service Commission
Division of the Commission Clerk and Administrative Services
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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