

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

November 9, 2010

Docket No. 100330-WS – 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.

Issue 1: Should the Utility's proposed final water and wastewater rates be suspended?

Recommendation: Yes. The Utility's proposed final water and wastewater rates should be suspended.

APPROVED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Handwritten signatures for majority, including 'nla' and 'Issue 1,5,6'.

Handwritten signature for dissenting, including 'nla' and 'Issues 2,3,4'.

REMARKS/DISSENTING COMMENTS:

Commissioner Skop dissented on Issues 2, 3 and 4

DOCUMENT NUMBER DATE 09250 NOV-9 0

November 9, 2010

Docket No. 100330-WS – 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.

(Continued from previous page)

**Issue 2:** Should the Commission approve the Utility's limited interim rate methodology?

**Recommendation:** Yes. However, the final Commission decision on the rate structure and rates, as well as any possible interim refunds, may require the regulatory asset to be offset by regulatory liabilities. As discussed in the Case Background in staff's memorandum dated October 28, 2010, the Utility has proposed to limit interim rates at approximately the level of the final rates for the requested consolidated rate structure. Delaying full implementation of the interim increase and extending the payment period without interest will benefit some customers and cause no harm to others. Some customers would receive the benefit of having to pay interim rates at a much later date without interest (and over a two-year period) and would not be subjected to what could have been a significantly larger initial interim rate increase.

**APPROVED**

*Commissioner Skop dissented.*

**Issue 3:** Should an interim revenue increase be approved?

**Recommendation:** Yes. The appropriate interim revenue requirements are shown on Attachment A of staff's memorandum dated October 28, 2010.

**APPROVED**

*Commissioner Skop dissented.*

**Issue 4:** What are the appropriate interim water and wastewater rates?

**Recommendation:** The appropriate respective rate band and stand-alone system interim rates should be the lower of staff's unlimited calculated rates or the Utility's limited rates as shown on Schedule Nos. 4-A and 4-B of staff's memorandum dated October 28, 2010, for water and wastewater, respectively. The approved rates should be effective for service rendered as of the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1)(a), F.A.C., provided customers have received notice. The rates should not be implemented until staff verifies that the tariff sheets are consistent with the Commission decision, the proposed customer notice is adequate, and the required security has been filed. The Utility should provide proof of the date notice was given within 10 days after the date of notice.

**APPROVED**

*Commissioner Skop dissented.*

Vote Sheet

November 9, 2010

Docket No. 100330-WS – 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.

(Continued from previous page)

**Issue 5:** What is the appropriate security to guarantee the interim increase?

**Recommendation:** A corporate undertaking is an acceptable security contingent upon receipt of the written guarantee of the parent company, Aqua America, Inc. (AAI or Company), and written confirmation that AAI will not assume outstanding guarantees on behalf of AAI-owned utilities in other states in excess of \$51 million (inclusive of AUF). AAI should be required to file a corporate undertaking on behalf of its subsidiaries to guarantee any potential refunds of revenues collected under interim conditions. AAI's total guarantee should be in the amount of \$586,514. Pursuant to Rule 25-30.360(6), F.A.C., the Utility should provide a report by the 20th of each month indicating the monthly and total revenue collected subject to refund. Should a refund be required, the refund should be with interest and undertaken in accordance with Rule 25-30.360, F.A.C.

**APPROVED**

**Issue 6:** Should this docket be closed?

**Recommendation:** No. The docket should remain open pending the Commission's final action on the Utility's requested rate increase.

**APPROVED**