

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of:

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.

PROCEEDINGS: AGENDA CONFERENCE
ITEM NO. 11

COMMISSIONERS
PARTICIPATING: CHAIRMAN ART GRAHAM
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER RONALD A. BRISÉ
COMMISSIONER EDUARDO E. BALBIS
COMMISSIONER JULIE I. BROWN

DATE: Tuesday, July 26, 2011

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR
Official FPSC Reporter
(850) 413-6732

DOCUMENT NUMBER - DATE

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FPSC-COMMISSION CLERK

P R O C E E D I N G S

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2 **CHAIRMAN GRAHAM:** Item Number 11.

3 **MR. FLETCHER:** Commissioners, I'm Bart
4 Fletcher with Commission staff. Item 11 is staff's
5 recommendation to acknowledge Aqua Utilities
6 Florida, Inc.'s implementation of PAA rates, and to
7 approve a corporate undertaking by the utility's
8 parent, Aqua America, Inc. as security for those
9 rates. Pursuant to Section 367.081, Provision 8,
10 Florida Statutes, the utility could have implemented
11 its final requested rates.

12 Staff is available to answer any questions
13 you may have.

14 **CHAIRMAN GRAHAM:** Commissioner Brown.

15 **COMMISSIONER BROWN:** Thank you, Mr.
16 Chairman.

17 I just have a quick question for staff.
18 In the recommendation it references that Aqua
19 America has experienced inadequate levels of
20 liquidity over the past three years. Does staff
21 feel comfortable with its corporate undertaking,
22 given this factor; and should we require another
23 form of security?

24 **MR. SPRINGER:** Good morning, Commissioner
25 Brown. Staff is very comfortable with the corporate

1 undertaking. When we look at a corporate
2 undertaking, we look at liquidity, equity ownership,
3 and profitability. When you look at the overall
4 picture of their -- they have an S&P bond rating of
5 a AA-, which is the highest in the nation for water
6 utilities. They have very strong profitability, and
7 they have a very strong market capitalization. So
8 knowing that the corporate undertaking is the
9 least-cost option to the utility, we feel very, very
10 comfortable with that. That's a very good question,
11 though.

12 **COMMISSIONER BROWN:** Thank you so much.
13 Based on staff assurances, I'm comfortable with the
14 staff recommendation. If there is no further
15 discussion, I would move to approve staff's
16 recommendation.

17 **CHAIRMAN GRAHAM:** Let's see if OPC has
18 anything to add. I'm sure Aqua doesn't have
19 anything.

20 It has been moved and seconded, staff's
21 recommendation on Item Number 11. Any further
22 discussion?

23 All in favor say aye.

24 (Affirmative vote.)

25 **CHAIRMAN GRAHAM:** Those opposed?

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By your action you have approved Item
Number 11. Thank you very much.

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STATE OF FLORIDA)

: CERTIFICATE OF REPORTER

COUNTY OF LEON)

I, JANE FAUROT, RPR, Chief, Hearing Reporter Services Section, FPSC Division of Commission Clerk, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 29th day of July, 2011.



JANE FAUROT, RPR
Official FPSC Hearings Reporter
(850) 413-6732